

SEPTEMBER 2025



CAIRNS ECONOMIC MONITOR



SNAPSHOT

Trend building approvals data in Cairns has been gradually improving for more than a year. This is certainly good news and will be welcomed by many. However, we will need to see higher numbers yet, and to see them sustained for multiple months, to make a material impact on the accommodation shortage the region is facing.

As has been widely anticipated, the RBA took the decision at their August meeting to lower the Cash Rate by 25 bps to 3.6%. The Bank noted that “underlying inflation will continue to moderate to around the midpoint of the 2–3 per cent range, with the cash rate assumed to follow a gradual easing path.” The markets, not surprisingly, are therefore continuing to price in one more cut by the end of this year, and then the potential for another in the first quarter of 2026 to take the Cash Rate down to 3.1%. However, a higher than expected inflation number for July could change that calculation in coming days.

As the labour market shows clear signs of a gradual easing across the nation, we cannot be surprised to see that being reflected in Cairns. The Trend unemployment rate in Cairns has lifted to 4.7% in July, although there are ample indicators such as full-time employment and participation rate that demonstrate our labour market remains remarkably healthy.



BUILDING APPROVALS

TREND APPROVALS

↑ **106**
June 2025

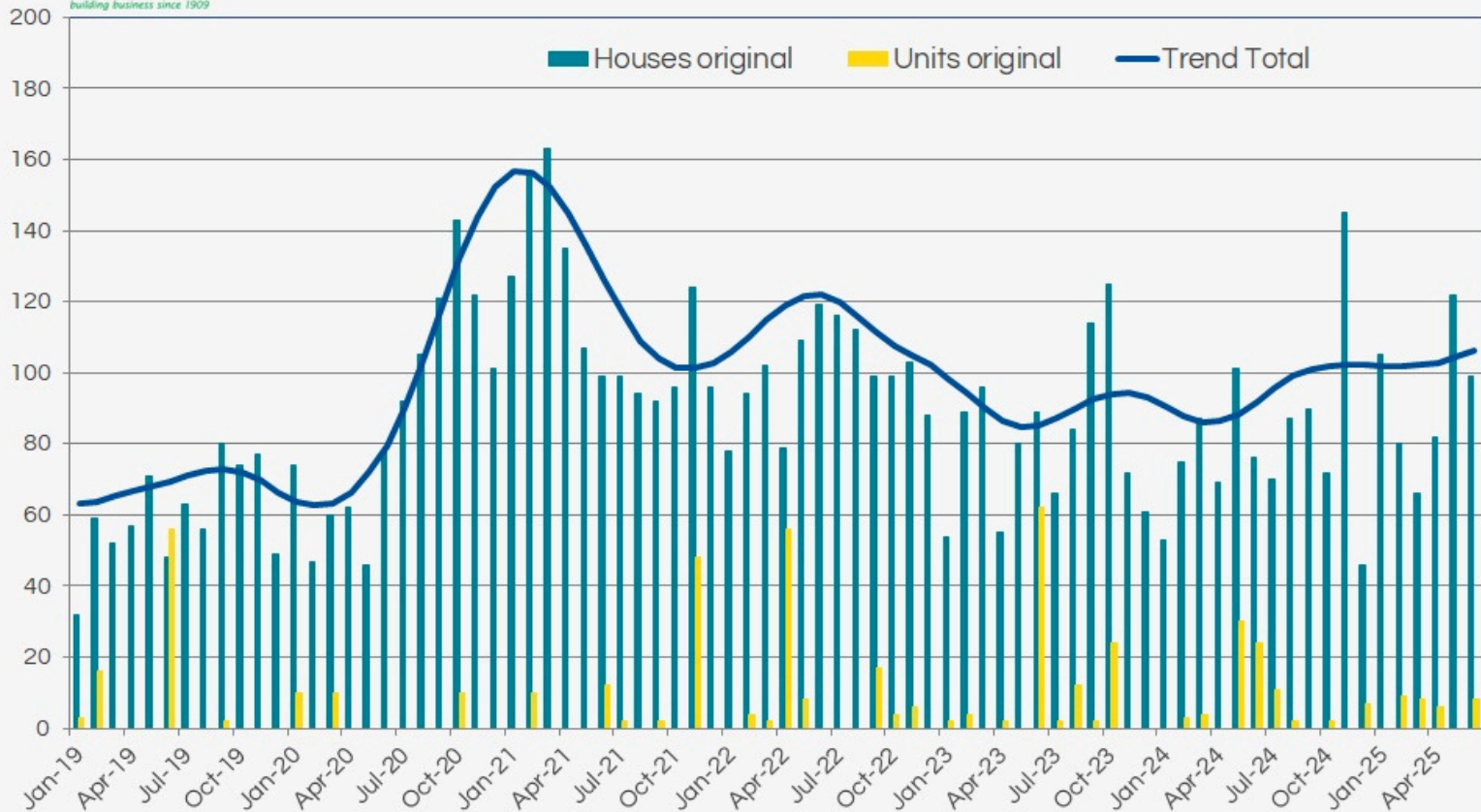
TREND RATE OF APPROVALS

↑ **15.9%**
year on year

Again, this month we see a steady improvement on the number of building approvals. The Trend series now shows a monthly figure of 106 which is almost 16% higher than a year ago. Given the dramatic under-supply of accommodation in the region and the well-documented impacts this has been

having on both rents and prices (see the Real Estate section later in this issue for details) this will be very welcome news for many. However, as we have said on multiple occasions, even these modest improvements in approvals data are not yet sufficient to make a material impact on the accommodation shortage the region is facing. We will need to see higher numbers still, and to see them sustained for a period of months, before we can start to suggest that supply is finally catching up with demand. Nevertheless, this latest data is undoubtedly good news and we hope to see the trend continue.

Cairns Building Approvals original & Conus Trend



Source: Conus based on Australian Bureau of Statistics

Credit: Tourism Tropical North Queensland





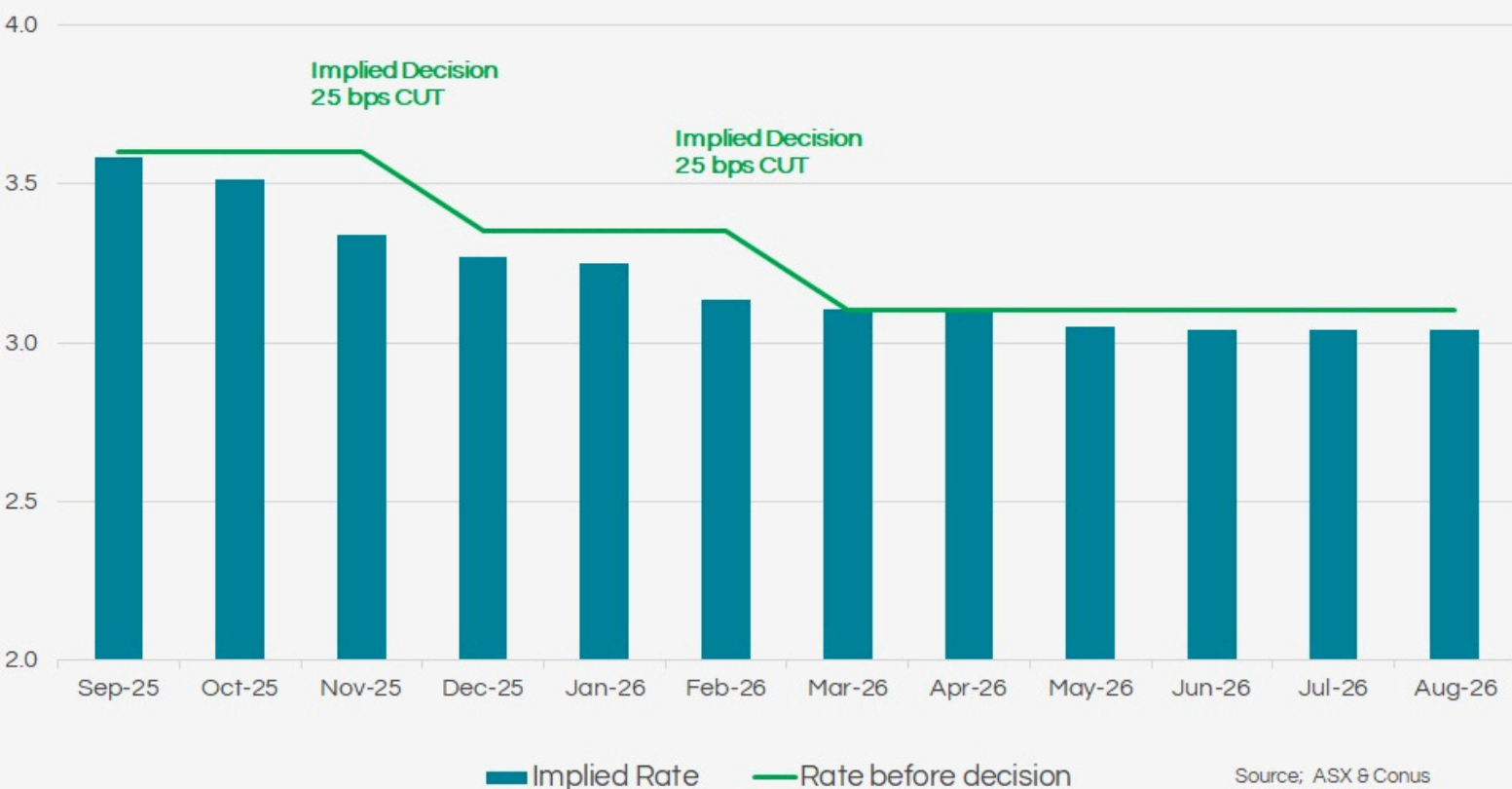
INFLATION & INTEREST RATES



As had been widely anticipated by the markets (and as foreshadowed in the Cairns Economic Monitor last month) the RBA took the opportunity at their August meeting to shave another 25 bps off the Cash Rate to take it down to 3.6%. The Bank noted that underlying inflation was expected to continue to moderate and that a gradual easing path for the Cash Rate was to be expected. The futures market agrees and continues to price in another 25 bps cut by the end of this year and then the potential of another 25 bps in the first quarter of 2026. This would take the Cash Rate down to 3.1%, at which level the market seems to be suggesting it will remain, at least as far as the fourth quarter of next year.

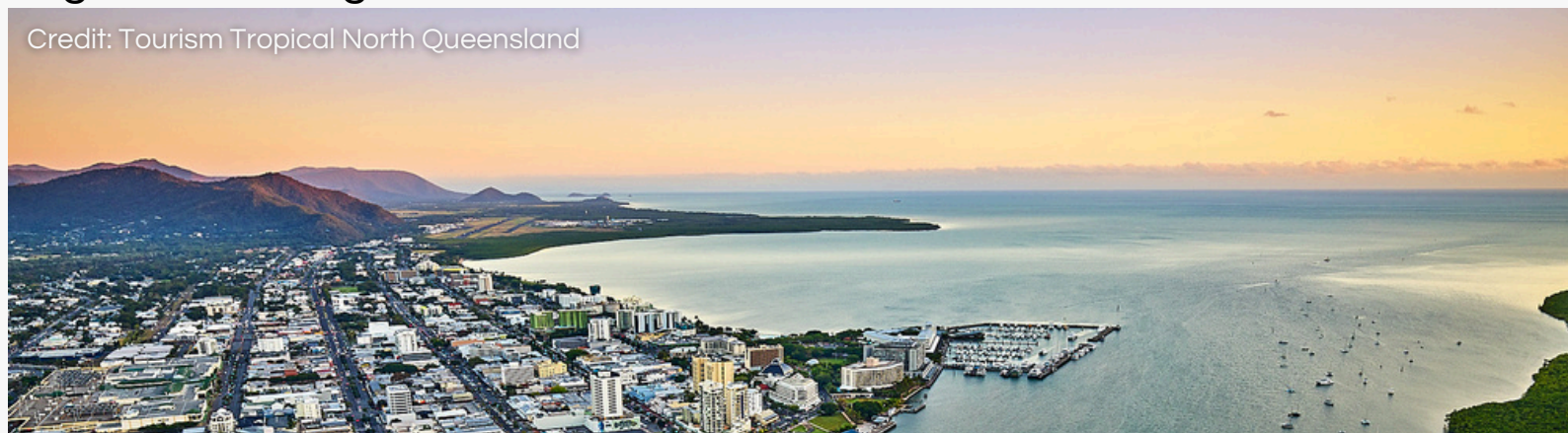


Cash Rate Futures Implied Rates % & RBA Decisions

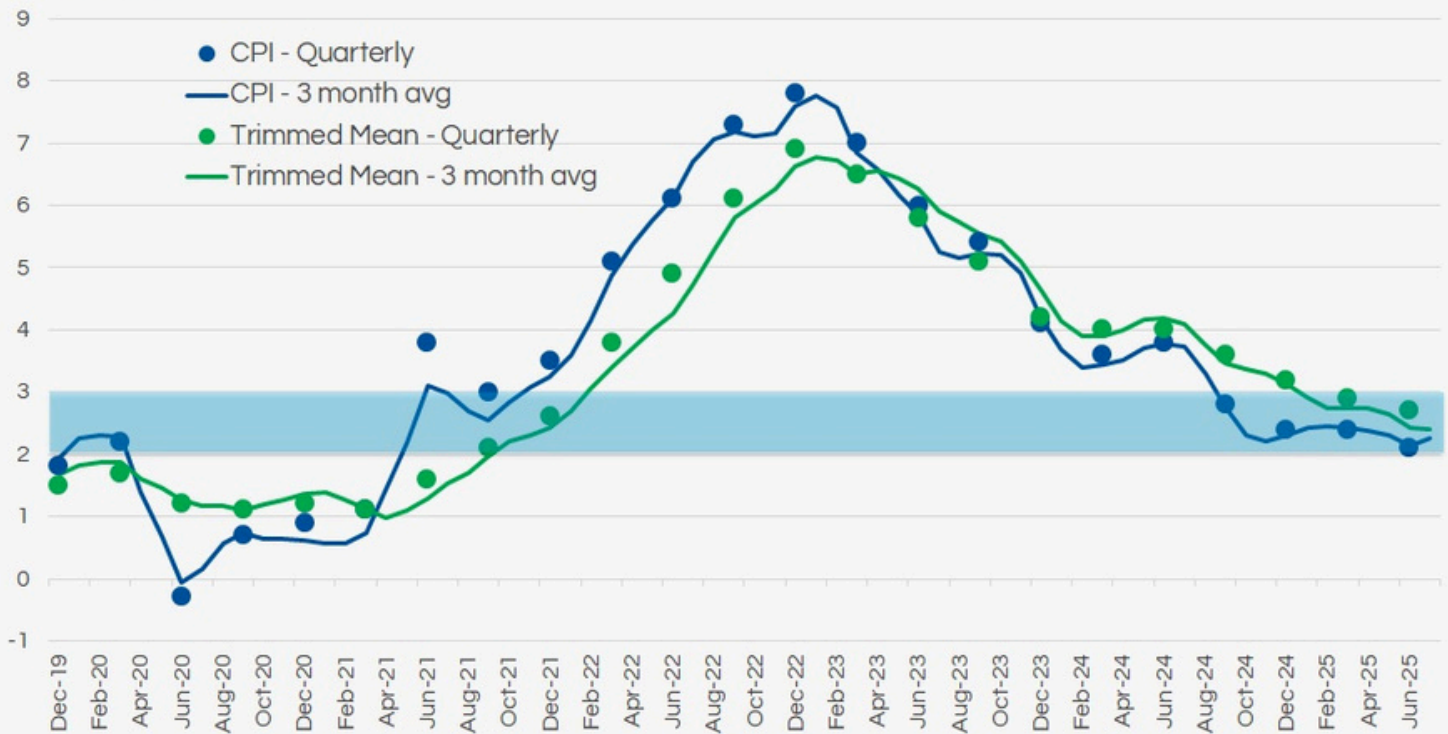


Confusing this picture was the monthly inflation for July which saw headline CPI up 2.8% y/y, which was a good deal higher than the markets had been expecting. However, if we consider the 3-month average the increase was just 2.3%; still below the mid-point of the RBA's target range. The indicator the RBA will be much more focused on is Trimmed Mean, or core, inflation and here the July data showed the 3-month average had fallen very slightly to 2.4%. Nevertheless, these higher-than-expected numbers may moderate the market's expectation for further cuts. It was precisely this kind of fear that stayed the RBA's hand at their July meeting and they could certainly do so again in coming months.

Credit: Tourism Tropical North Queensland



CPI & Trimmed Mean Inflation % annual rate



Source: ABS

As the US inks a series of trade deals with trading partners around the world an element of the uncertainty which has plagued financial markets for so many months has eased. However, while certainty may be viewed positively for now, we should not lose sight of the fact that these new trade deals (generally at levels around 10%-15%) are still imposing far, far higher costs on global trade than have existed for many decades. The economic rationale behind Trump's war on trade deficits remains as misguided as ever and the impact, in terms of inflationary pressures and slowing growth, in the US and across the world will be felt for years to come.

Credit: Tourism Tropical North Queensland



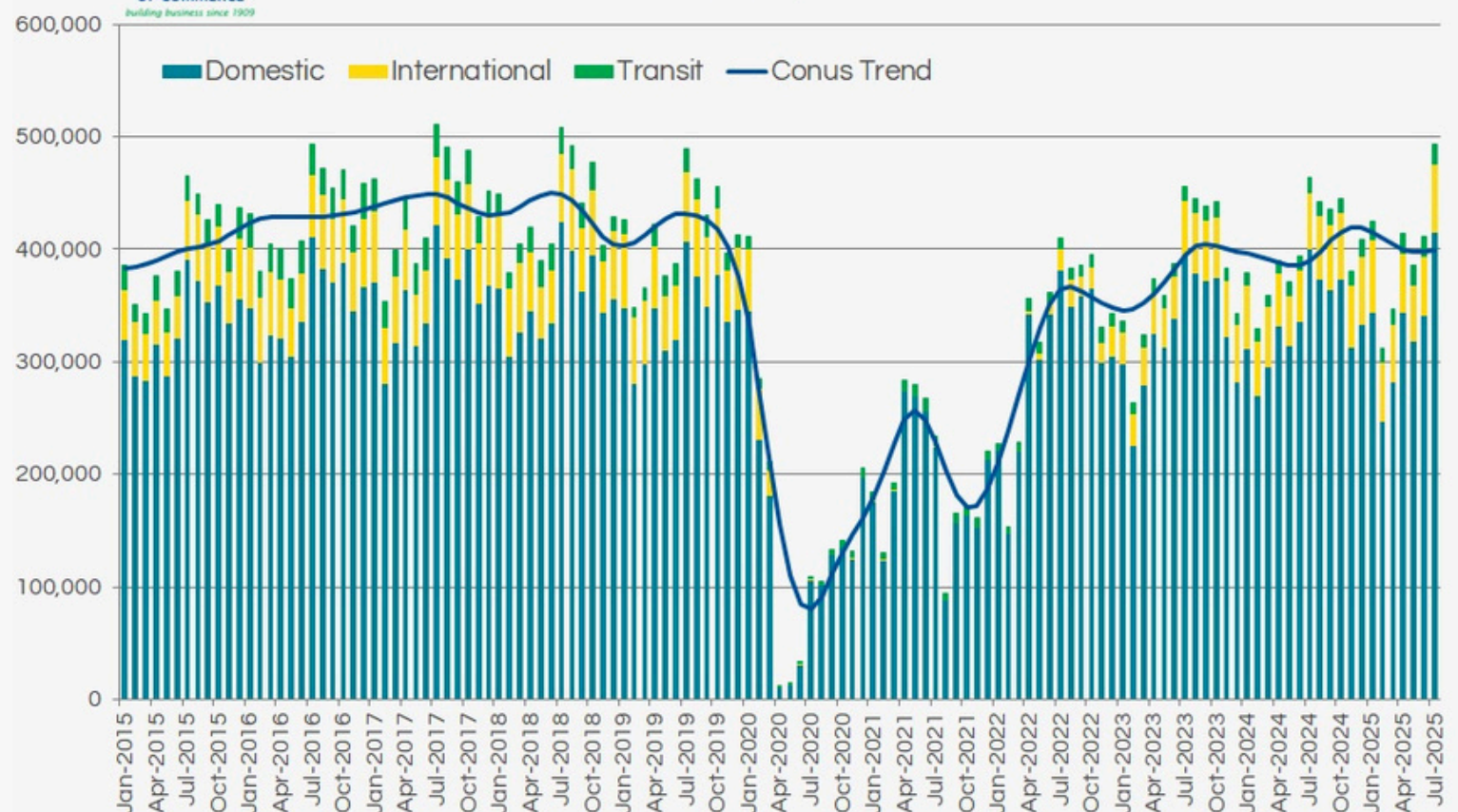


TOURISM

The seasonally adjusted Trend of passenger numbers through Cairns Airport now appears to have stabilised after a few months of gradual declines. The Trend is now up 2.3% from its level a year ago on the back of some solid domestic numbers in July: Domestic passenger numbers were at their highest level since July 2018. International passengers were also up strongly, although they remain below their pre-COVID levels. The total number of international passengers through Cairns Airport for the past 12 months is now up 10.3% from a year ago and only 2% below where they were as COVID struck in early 2020.



Cairns Airport Total Passengers
monthly

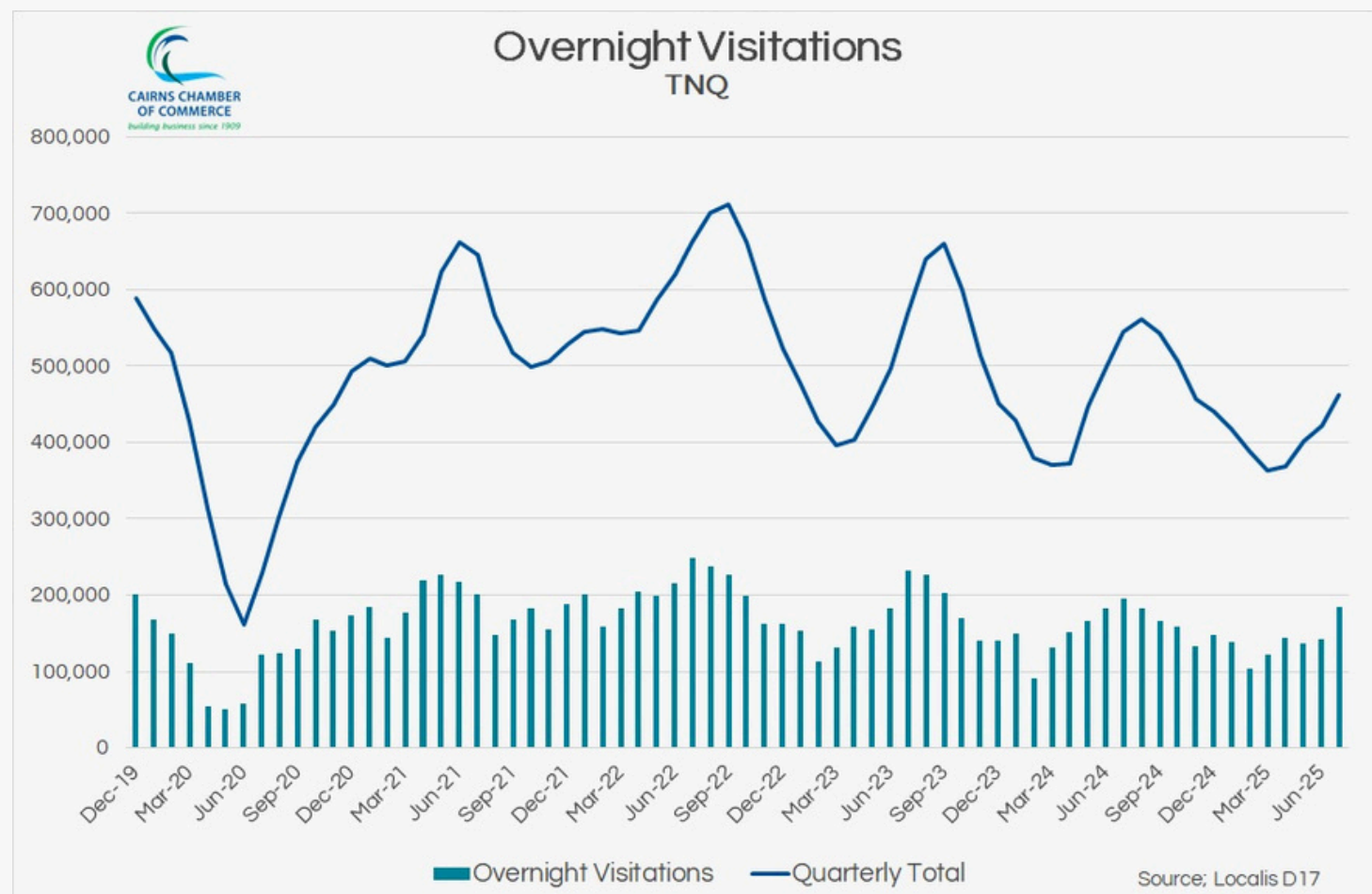


Source: Cairns Airport & Conus

It is certainly disappointing to hear news that Air Asia will be ending its direct Cairns-Bali route later this month, although Jetstar will continue to offer direct services on the route.

While we wait for the next release from Tourism Research Australia of the latest official tourism data for the June quarter, we must rely on our own analysis of the available data to get a sense of what the June data might reveal. On our best estimations we expect domestic expenditure for the year to June to fallen very slightly from \$3.36 bn in the year to March to \$3.33 bn. International expenditure we expect to have increased from \$1.09 bn to \$1.11 bn. The net result therefore is a very small decline in total tourism expenditure from \$4.45 bn to \$4.44 bn. The official TRA figures should be available in time for our October issue.

More timely data for Overnight Visitations shows clearly the recovery in numbers in the region in recent months as we move into our high tourism season. However, the chart also makes clear that the trend has been on a steadily declining trajectory since the peak in 2022 as Aussies started to travel abroad once again.





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

Townsville | Innisfail | Cairns | Darwin



LABOUR MARKET

Employment

Trend employment in the Cairns region hit another record high in July adding 300 people to 145,600 (although there have been some downward revisions to previous months). The pace of Trend employment growth has also slowed and at 1.6% pa it sits well below the State average of 2.6% pa and the national rate of 2.0% pa.

PEOPLE EMPLOYED



↑ **14,659,300**

Last month 14,634,600



↑ **3,011,000**

Last month 3,005,000



↑ **145,600**

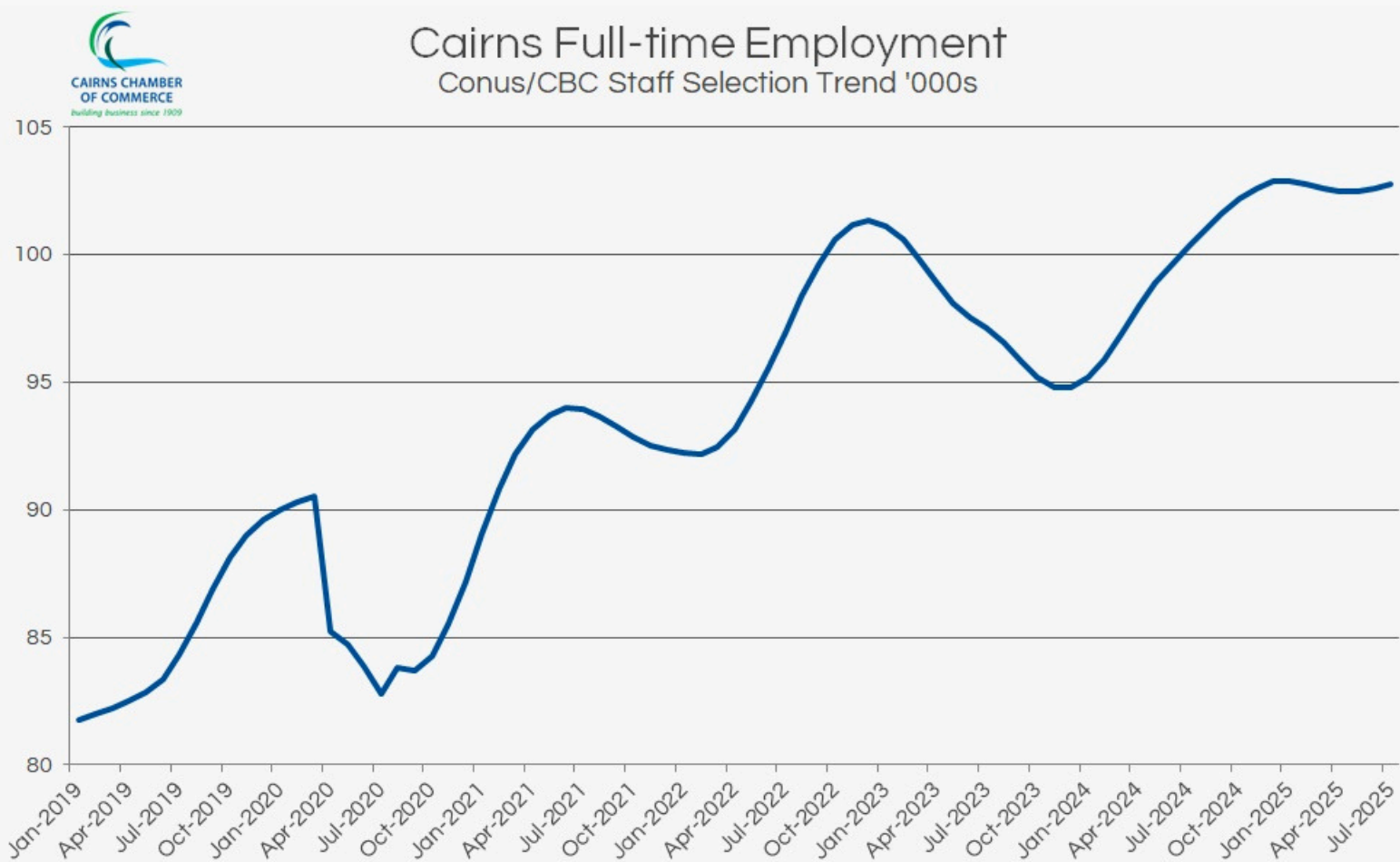
Last month 145,300

Credit: Nautilus Aviation



However, full-time employment remains as the driver of this growth with all of the new jobs created this year being full-time positions (2,500 of the total increase of 2,300). Full-time employment growth is running at 2.5% pa, and continues to be an indicator of underlying strength in Cairns' labour market.

The Participation rate in Cairns moved higher again in July, for the fifth consecutive month, to 68.3 and now sits close to a 15-year high. This strong participation rate is yet another indicator of the strength noted above.

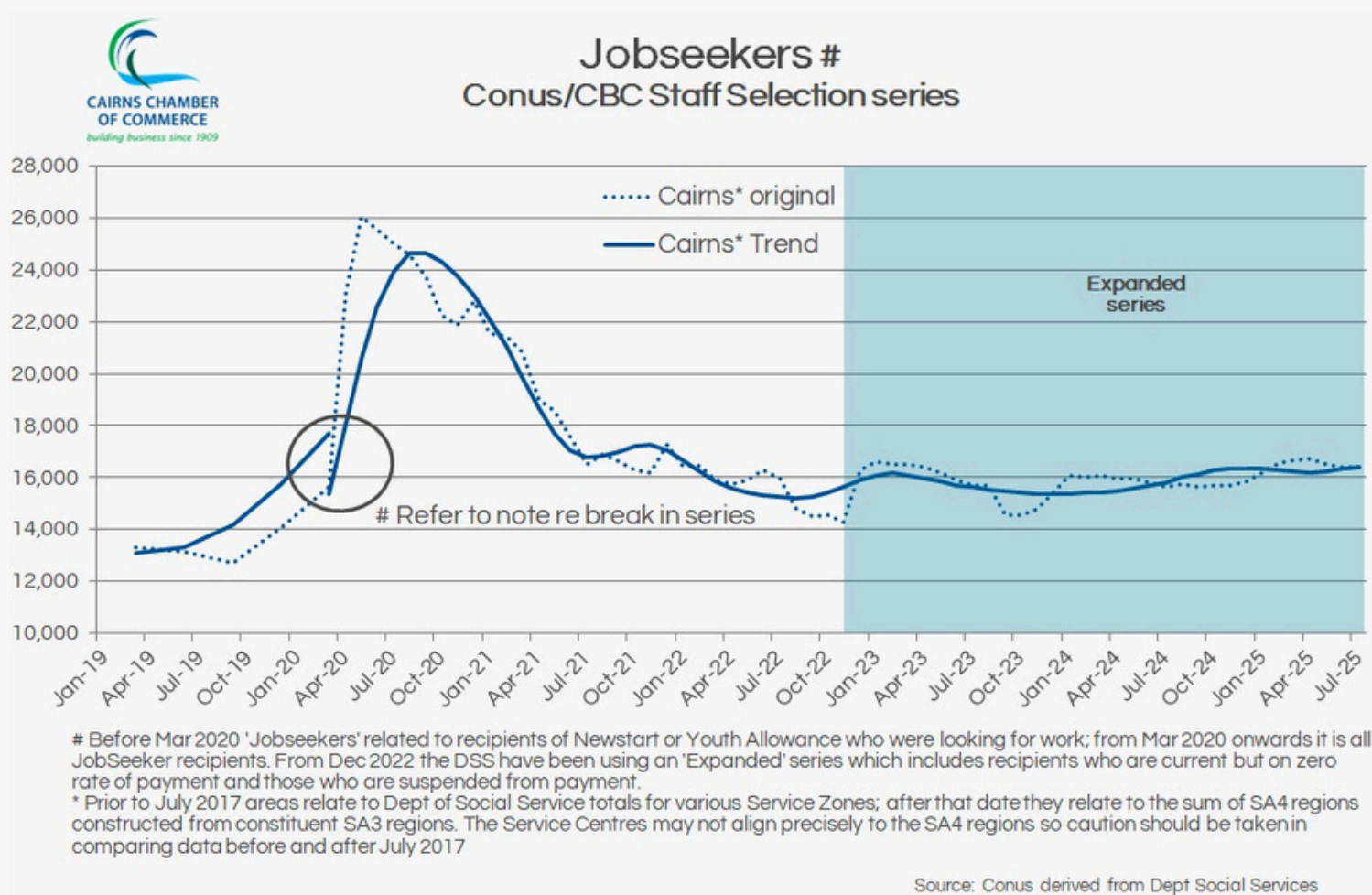


Source: Australian Bureau of Statistics and Conus

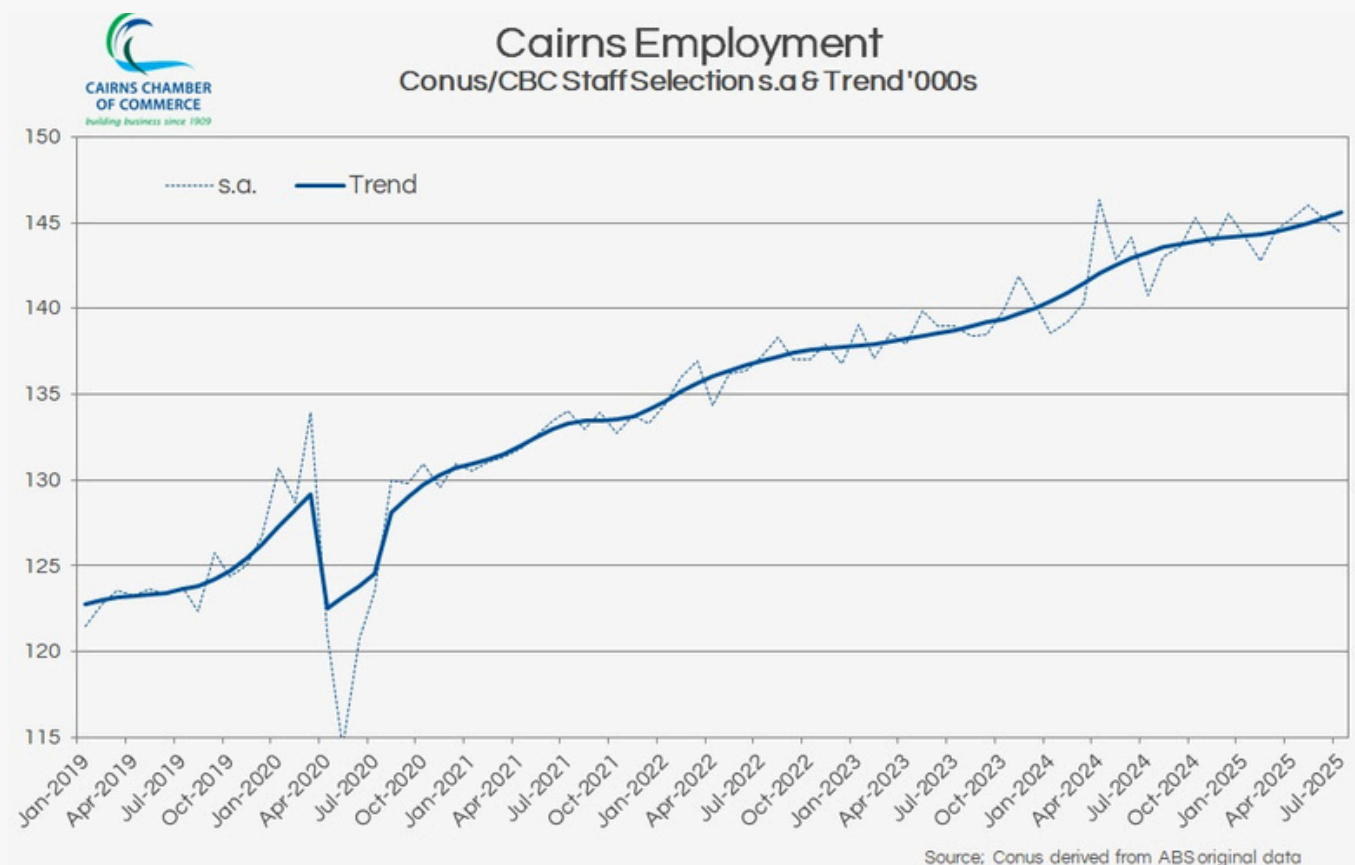
Credit: Tourism Tropical North Queensland



Although at the state and national level the trends for JobSeeker numbers are clearly upwards, here in Cairns we are seeing growth at a much slower pace. Over the course of the past 12 months trend JobSeekers in Australia have lifted by 7.8%, and are up 5.8% in Queensland; in Cairns the increase is a much more modest 3.8% increase. This is the second slowest pace of growth in this metric in any region of Queensland and is further testament to the relative strength of our region's labour market.



Trend employment grew by 6,000 in Queensland during July (after quite a significant downward revision to the June data). The pace of annual Trend employment growth has managed to increase slightly and is now 2.6% which is in sharp contrast to the slowing pace of growth seen across the nation. Full-time employment continues to perform somewhat better with Trend growth at 3.2%.



National employment growth has slowed again in July and now sits at 2.0% for the year with another 24,600 employed added in July. We noted last month that this pace of growth is certainly still reasonably healthy when seen in an historical context, but it is also true that it is the slowest we have seen since March 2021 and has slowed significantly over the past 6 months. Both Treasury and the RBA are expecting the national labour market to gradually ease through the rest of this year, and this month's data clearly supports that expectation.

Online job vacancies increased again very slightly this month although they remain up only 0.3% for the year. Across the nation this measure is also up 0.3% for the year, but in Queensland the change is a decline of 5.0%. The data for FNQ is a good deal weaker (down 5.1%) which highlights that the Cairns labour market in particular remains a good deal stronger than elsewhere.

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

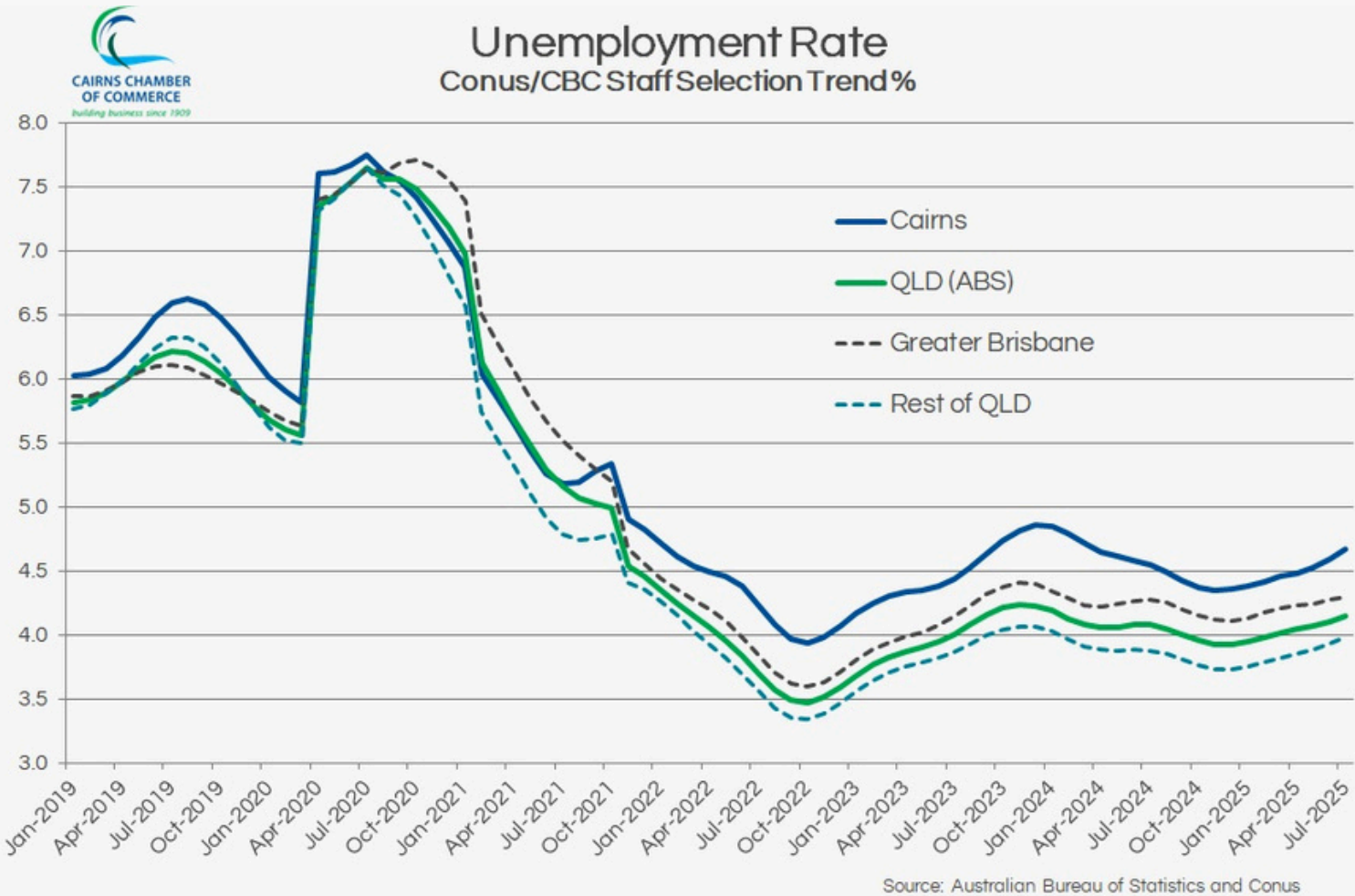
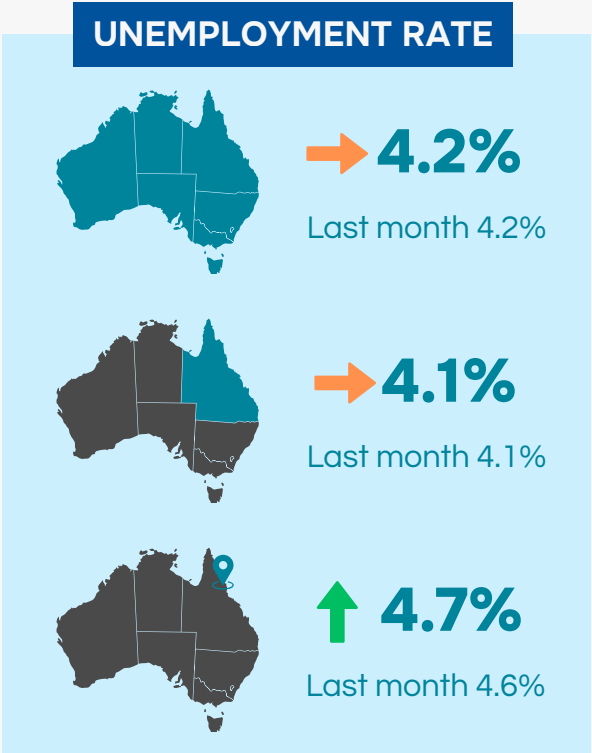
📞 07 4046 1111

✉️ cairns@wgc.com.au



Unemployment

As the labour market eases across the country, we cannot be surprised to see that being reflected in the data for Cairns. July sees the Trend unemployment rate lift to 4.7% (after June was revised up to 4.6%). We are apparently heading back to that would have been, in the pre-COVID era, estimated as ‘full employment’ with an unemployment rate around 5% in Cairns.





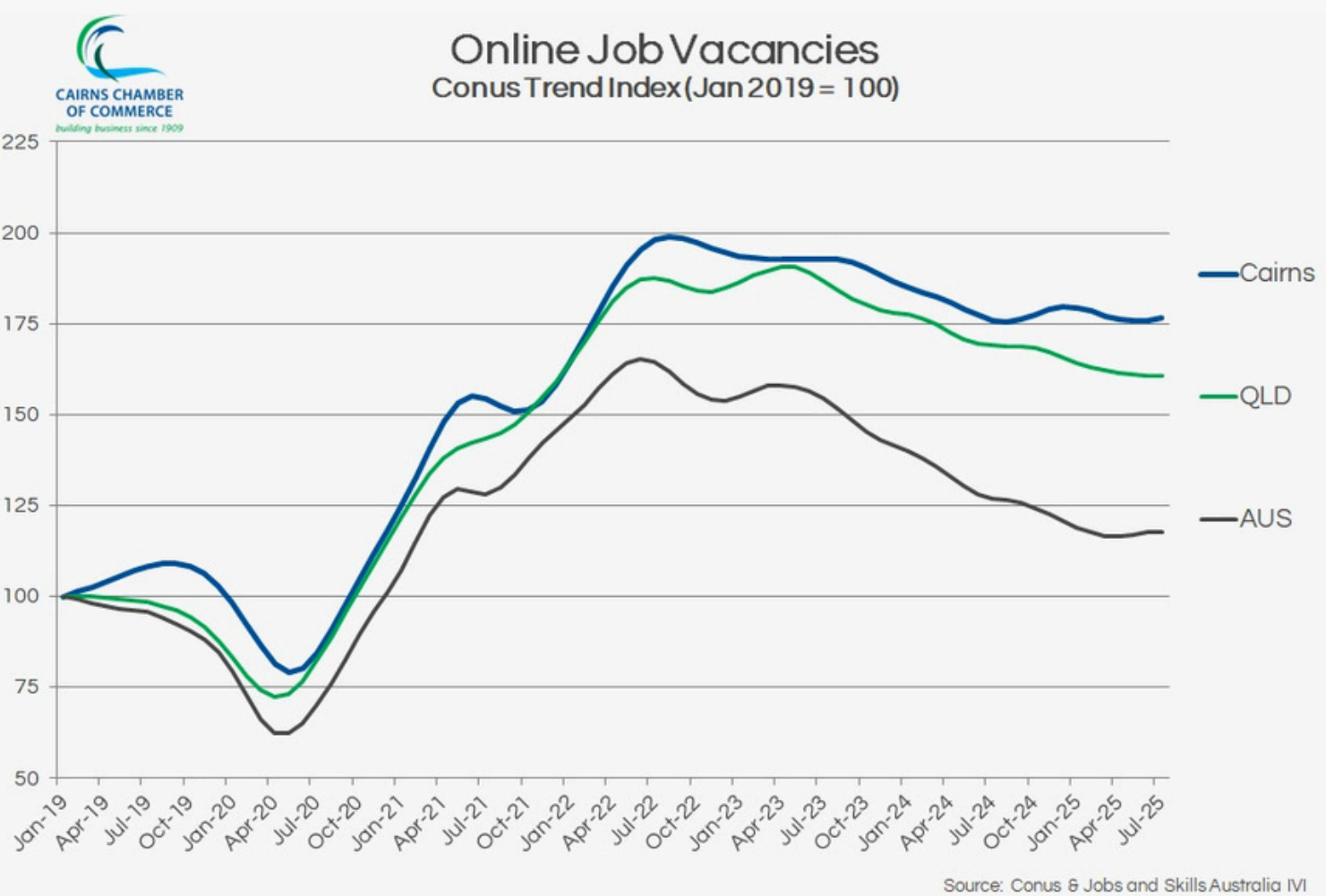
The fact that the participation rate remains close to 15-year highs just highlights the underlying strength in the market still.

Queensland's Trend unemployment rate now sits at 4.1% (after some upward revision to previous months) and has been between 3.9% and 4.1% for all the last 18 months. This an extraordinary period of stability and demonstrates how strong the State's labour market remains, although it is also clear that the labour market continues to exhibit clear signs of a very gradual easing.

The national Trend unemployment rate remained unchanged in July at 4.2%, which is its highest level since the end of 2021. After a period of such consistently low unemployment gradual easing will have come as no surprise to Treasury, Reserve Bank or policy-makers. As the chart makes abundantly clear, the labour market is easing, and the unemployment rate well may edge higher and yet remain within policy-makers and Bank's expectations.

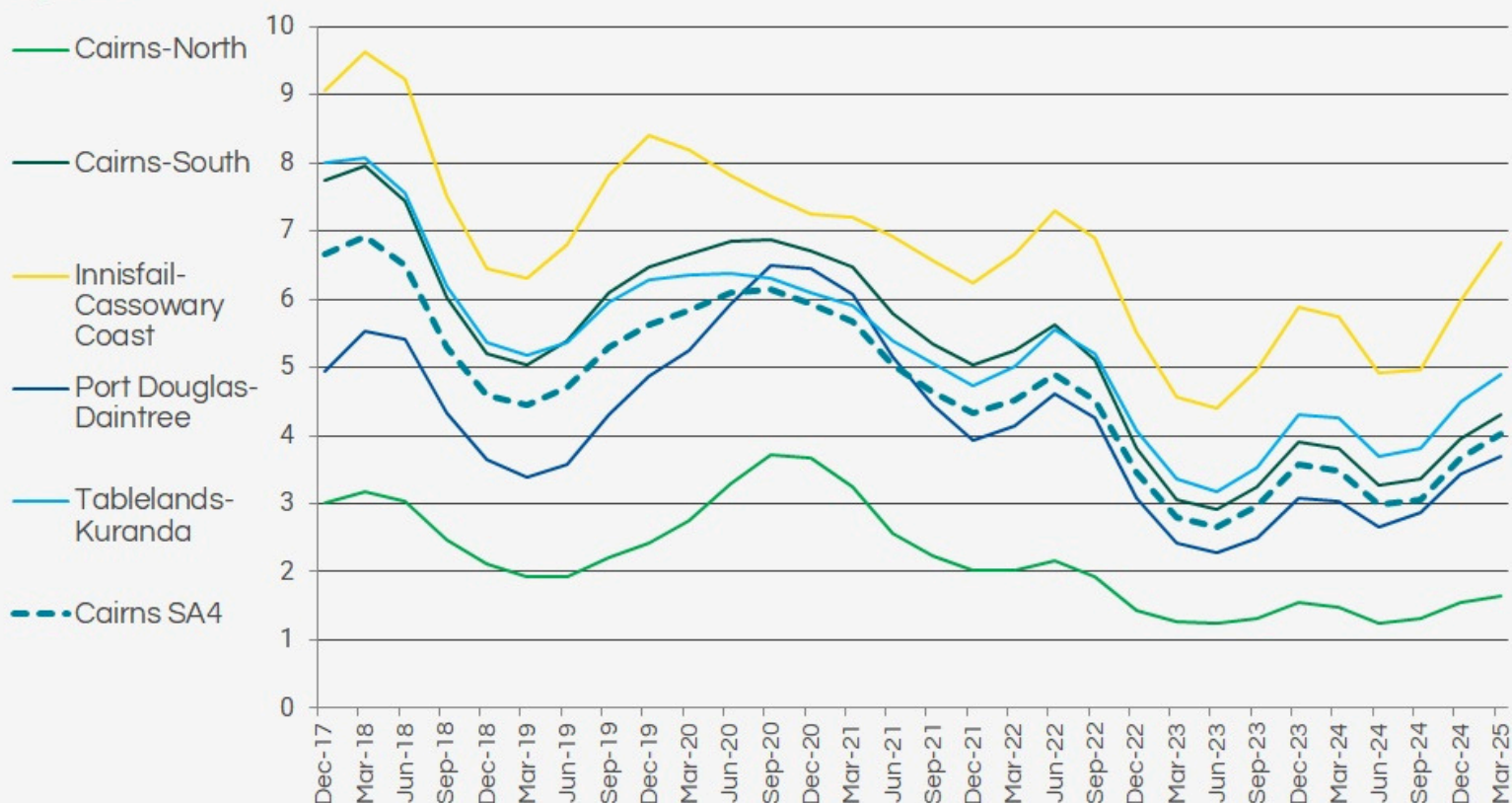
Although at the state and national level the trends for JobSeeker numbers are clearly upwards, here in Cairns we are seeing growth at a much slower pace. Over the course of the past 12 months trend JobSeekers in Australia have lifted by 7.8%, and are up 5.8% in Queensland; in Cairns the increase is a much more modest 3.8% increase. This is the second slowest pace of growth in this metric in any region of Queensland and is further testament to the relative strength of our region’s labour market.

Trend employment grew by 6,000 in Queensland during July (after quite a significant downward revision to the June data). The pace of annual Trend employment growth has managed to increase slightly and is now 2.6% which is in sharp contrast to the slowing pace of growth seen across the nation. Full-time employment continues to perform somewhat better with Trend growth at 3.2%.



SA3 areas SALM Unemployment Rate

Conus Trend %



Source: Dept of Employment & Conus

National employment growth has slowed again in July and now sits at 2.0% for the year with another 24,600 employed added in July. We noted last month that this pace of growth is certainly still reasonably healthy when seen in an historical context, but it is also true that it is the slowest we have seen since March 2021 and has slowed significantly over the past 6 months. Both Treasury and the RBA are expecting the national labour market to gradually ease through the rest of this year, and this month's data clearly supports that expectation.

Online job vacancies increased again very slightly this month although they remain up only 0.3% for the year. Across the nation this measure is also up 0.3% for the year, but in Queensland the change is a decline of 5.0%. The data for FNQ is a good deal weaker (down 5.1%) which highlights that the Cairns labour market in particular remains a good deal stronger than elsewhere.



The Difference



Sell your home with
confidence this spring
and win up to \$20,000*



Book a free appraisal
today and experience
the difference.

 LJ Hooker

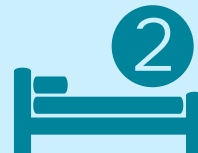
*Terms and conditions apply. Scan the QR code for all competition details.

REAL ESTATE

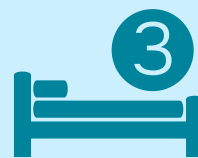
We noted last month that there appeared to be a clear shift lower in rents for units, and this trend has become even more obvious this month. While rents for houses are still climbing (albeit slowly) average rents for 2-bedroom units have very clearly fallen from the highs we

saw at the beginning of the year. At least part of the reason for this is that increases in unit rents had been running well ahead of the increase in unit prices. In the early part of this year unit rents had increased, since 2016, by 16% more than unit prices. This recent pause in unit rents has seen that gap close to just 5%.

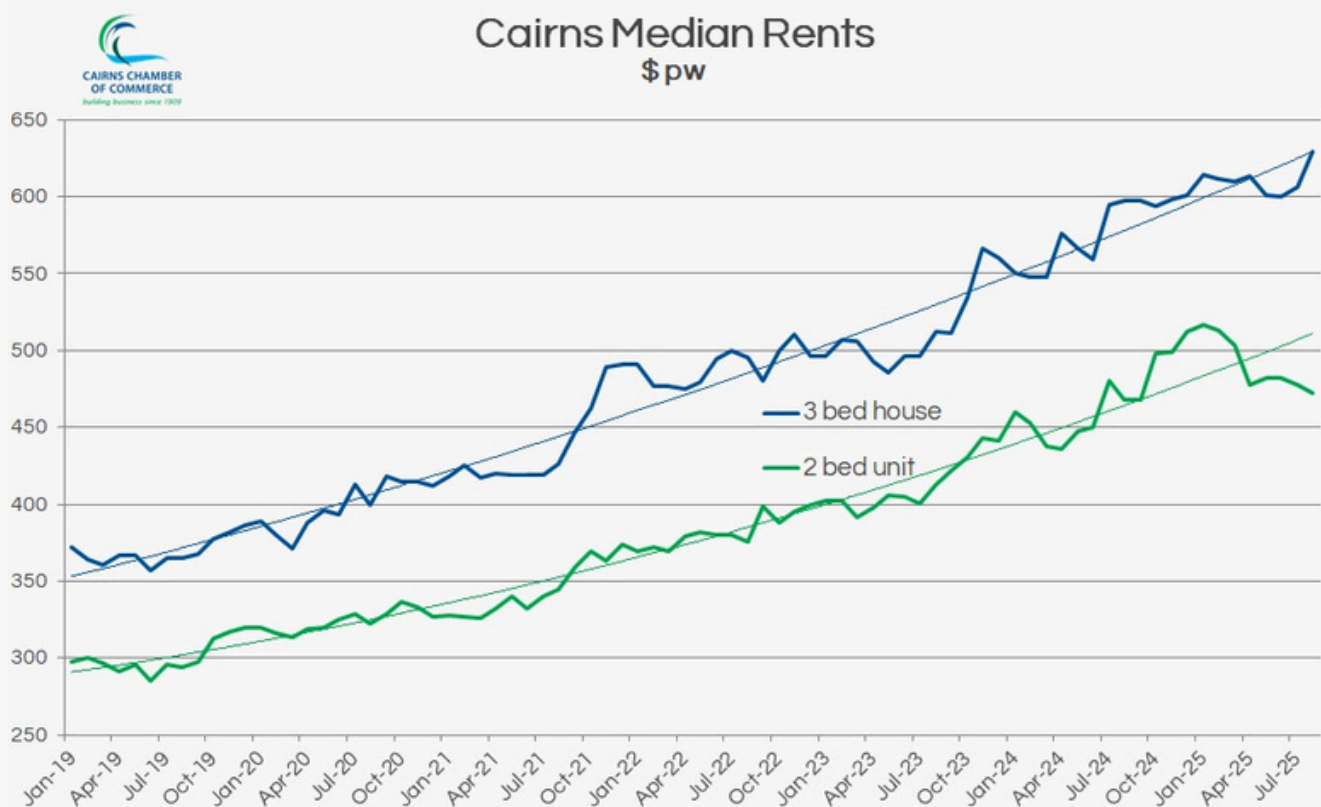
MEDIAN RENTALS



2-bed unit
\$407 p/w
+ 9% y/y

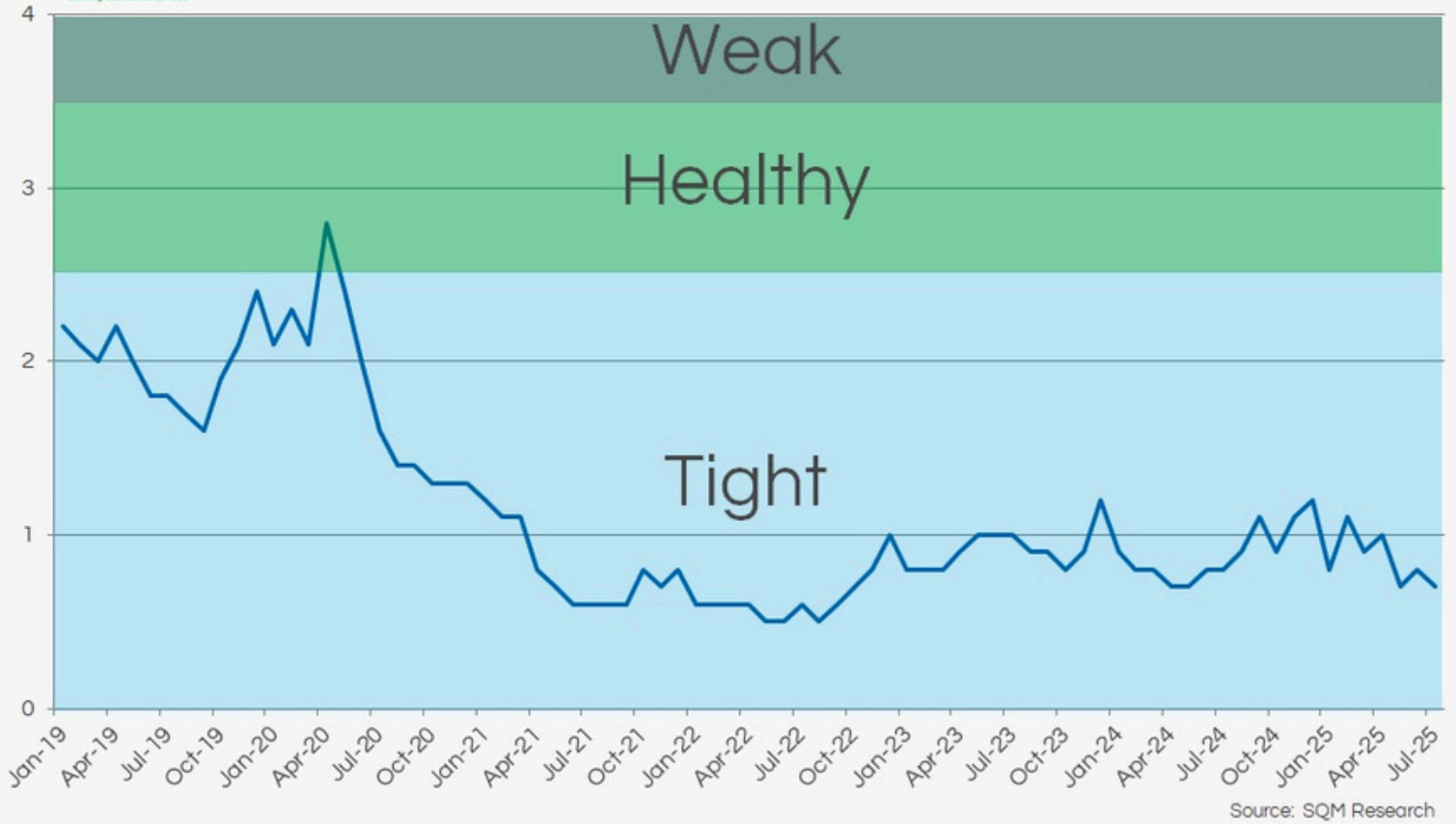


3-bed house
\$629 p/w
+ 5% y/y



Source: SQM Research

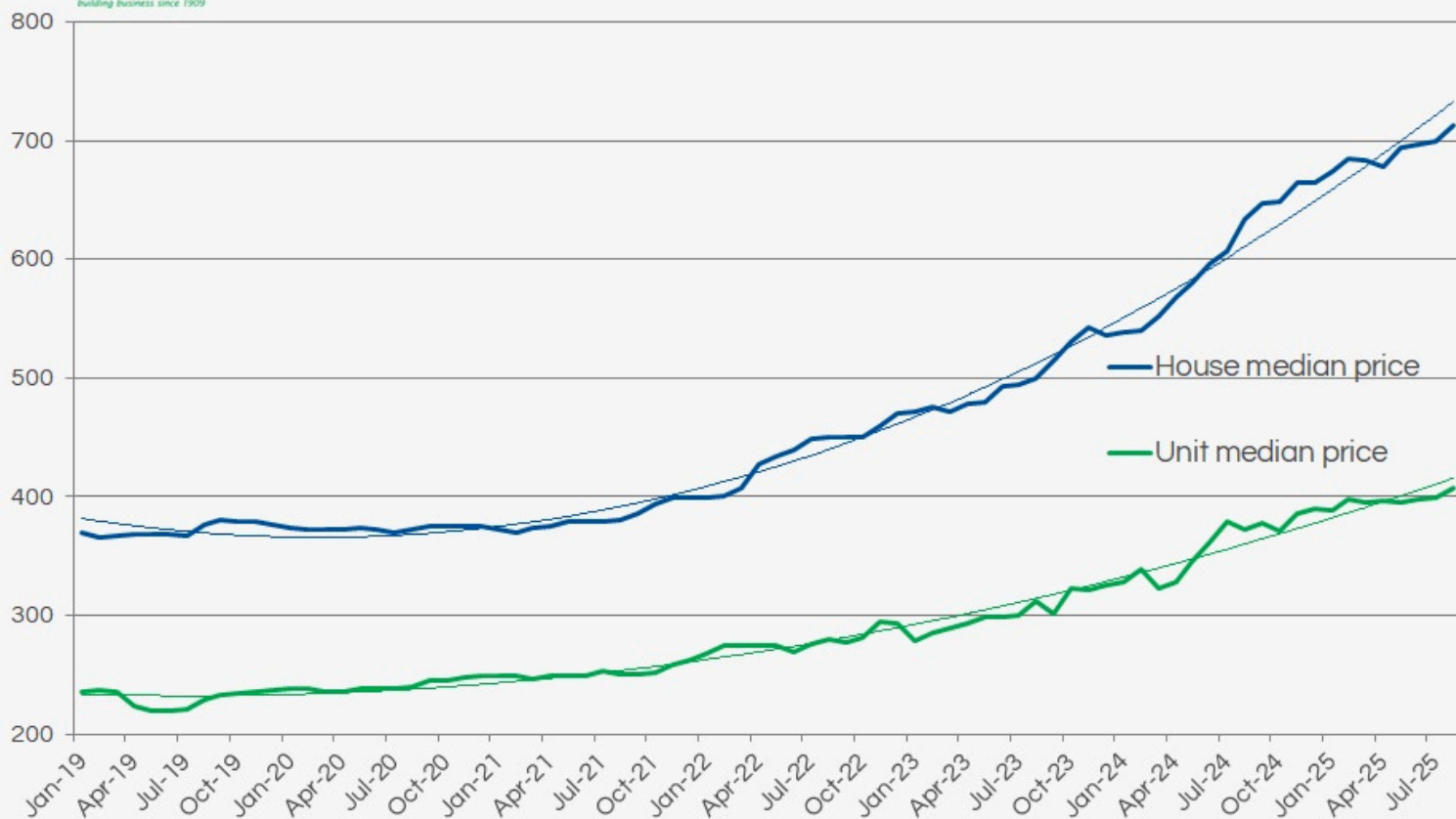
Cairns Residential Vacancy Rate %



Credit: Bedarra Island Resort



Real Estate Prices Cairns region \$000s



Source: SQM Research

Having apparently struggled to breach what might have been psychological median prices barriers of \$700,000 (for houses) and \$400,000 (for units) a few months ago prices have now moved further ahead. Median house prices are now up 13% (to \$712k) for the year while units are up 9% (to \$407k) by the end of August.

MEDIAN PRICE



Unit

\$407,000

+ 9% y/y



House

\$712,000

+ 13% y/y

VACANCY RATE

↓ 0.7%

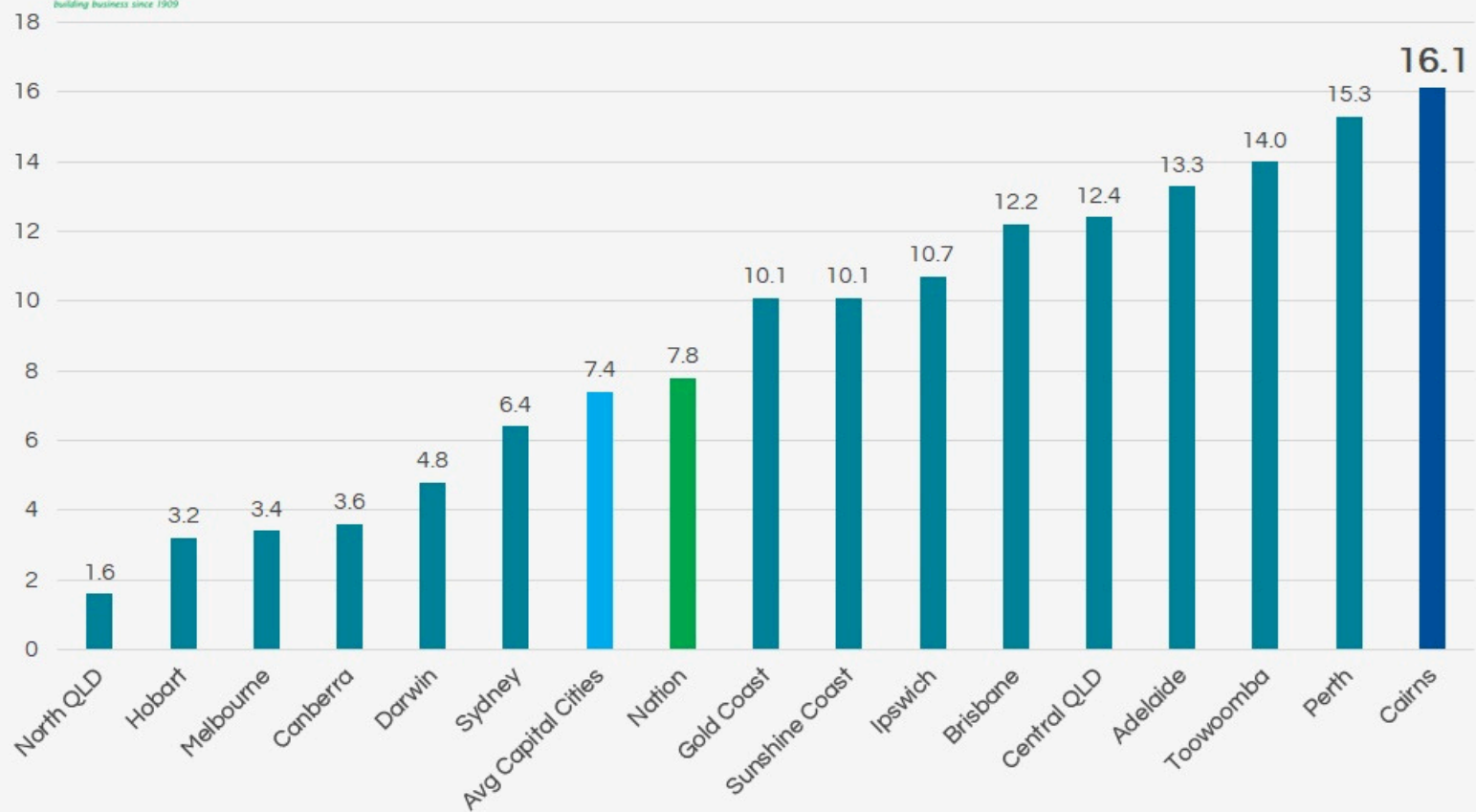
Previous month 0.8%

vacancy rate, which is stubbornly below 1%, combined with falling interest rates would point towards further upward pressure on both measures.

Cairns remains as one of the best performing regions for real estate price increases over the past three years (+16.1% pa) and is now also beating the national average for 7 years (+9.4% pa versus +8.0% pa).



Real Estate Prices 3 year pa %



Source; SQM Research, combined asking price

Credit: Tourism Tropical North Queensland



A WORD FROM OUR SPONSORS



“ It was great to be part of the Chartered Accountants Regional Forum last week in Cairns, where we heard a national outlook from NAB alongside localised updates from Regional Development Australia and Cairns Regional Council. The sentiment was optimistic, with strong demand underpinning growth, but one theme stood out—the high cost of construction remains the critical barrier to new development. Stakeholders are clearly working hard to create economic opportunity and meet the region’s strong property demand. However, without interest rate cuts or a softening in trade demand, meaningful cost relief for developers appears unlikely in the near term.”

Michael Wilson
Partner, PVW Partners

“ If you’re a small business owner, be aware of the recent updates to employment law. As of 26 August 2025, the “Right to Disconnect” has come into effect for businesses with fewer than 15 employees. This means your employees now have a legal right to refuse to monitor, read, or respond to work-related contact from you or a third party outside of working hours. After-hours contact is not banned entirely, but an employee’s refusal is considered reasonable unless specific circumstances apply. Ensure you are up to speed with this update and seek advice if you’re unsure about your obligations. ”

Rhiannon Saunders
Managing Director, WGC Lawyers



“ Cairns real estate continues to experience strong conditions, with stock levels remaining tight and buyer demand pushing prices upward. Competitive situations are common, as supply is being outstripped by demand across much of the market. The rental sector also remains healthy, providing confidence for investors. Adding further momentum, the Australian Government last week announced the expansion of the Home Guarantee Scheme, effective from 1 October. The scheme will have unlimited places and higher property price caps, making home ownership more accessible for those eligible. For Cairns buyers, the property price cap will lift from \$550,000 to \$700,000. Visit housingaustralia.gov.au for more information. ”

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

SEPT

17
SEPT

Cultural Awareness Handbook Launch

5:00pm - 7:00pm

The Backyard, Shangri-La

26
SEPT

September Business Luncheon - Towards 2050: Shaping Cairns Growth Strategy

11:30am - 2:00pm

Shangri-La Cairns

OCT

01
OCT

Business Excellence Awards VIP Finalist Evening

5:30pm - 7:30pm

Whiskey & Wine, Crystalbrook Flynn

17
OCT

Business Excellence Awards Gala Ball

6:00pm - 11:00pm

Cairns Convention Centre

**NOT A MEMBER?
JOIN TODAY!**



Scan the QR Code to Join or **CLICK HERE**



**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



**CAIRNS CHAMBER
OF COMMERCE**

building business since 1909

**RECEIVE THE LATEST EDITION STRAIGHT
TO YOUR INBOX EACH MONTH!**

Scan the QR Code to Subscribe or
CLICK HERE



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.