

MAY 2026



CAIRNS CHAMBER
OF COMMERCE
building business since 1909

CAIRNS ECONOMIC MONITOR

WGC
Lawyers

PVW
PARTNERS
ACCOUNTANTS AND ADVISORS

 LJ Hooker
Cairns Edge Hill

SNAPSHOT

The labour market in Cairns continues to improve; the rate of employment growth has hit a 10-month high, and the Trend unemployment rate has fallen every month in the last 6 months to sit at just 4.2% in March. Cairns is the only region in Queensland which has enjoyed this much of an improvement in recent months, and Trend employment in the region now sits at an all-time high of 145,700.

Headline CPI jumped in March to 4.6% on the monthly measure while the quarterly read increased to 4.1%. The number that will have the RBA's attention is the quarterly Trimmed Mean which has increased each quarter since June 2025 and now sits at 3.5%. This accelerating rate of core inflation, which is designed to see through the 'noise' of short-term effects such as those caused by the war in Iran, will have been front and centre of the RBA's mind when the Board decided to hike the Cash Rate by a further 25bps to 4.35%. The futures market is suggesting a rate of 4.6% by year-end.

The decline in the monthly trend of residential building approvals continues this month. Despite somewhat better total approvals numbers over the past 12 months compared to this time a year ago, the slowdown in the past 4 months is a threat to ongoing supply in an era of increasing demand.

The latest available data for tourism in Tropical North Queensland suggests that the slowdown in domestic numbers is being at least partially offset by the continuation of a solid recovery in the international sector. However, geopolitical tensions in the Middle East and large increases in fuel costs are likely to be a drag on tourism in the months beyond March. Much will depend upon what happens in Iran, how high fuel prices go, and whether we see Aussies opting to holiday at home rather than going overseas (as we saw during the pandemic).



BUILDING APPROVALS

TREND APPROVALS



88

FEB 2026

TREND RATE OF APPROVALS



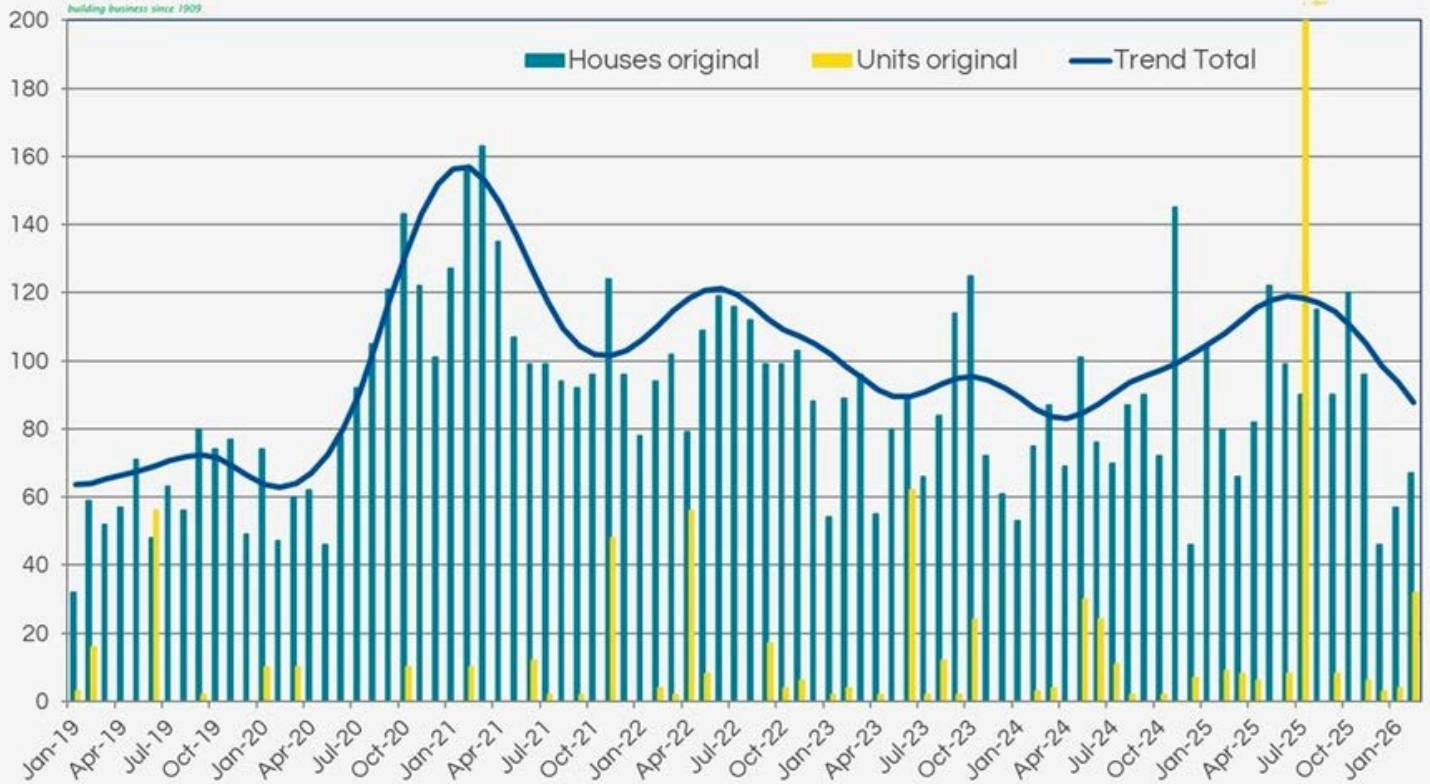
18.6%

year on year

This month the two Trend series for building approvals that we have been tracking since July last year (one adjusted for the Woree units, the other unadjusted) have converged enough that we shall in future only be monitoring the unadjusted series.

This unadjusted Trend series for February has moved a little lower again this month, while we have also seen some slight upward revisions to previous months. The unadjusted Trend now sits at 88. This is its lowest monthly level since June 2024 and is down 18.6% from a year ago. However, this monthly Trend series does not tell us the full story about actual approvals over the year. For the 12 months to February last year Cairns saw a total of 726 dwelling approvals (695 houses and 31 units).

Cairns Building Approvals original & Conus Trend



Source: Conus based on Australian Bureau of Statistics

For the 12 months to February this year that number has increased to 1,349 (681 houses and 688 units – which includes 468 Woree units). While house approvals for the year have fallen, unit approvals (even when we ignore the Woree units) have increased from 31 to 220.

It is certainly encouraging to see that total approvals (even if we ignore Woree) have increased over the course of the past 12 months. However, what continues to ring alarm bells for us is that the solid monthly approvals numbers we saw from May to October last year have significantly declined over the past 4-5 months and if that trend continues then the data for the year to June 2026 will look no better than that for the year to June 2025. In the face of an ongoing housing shortage and growing population that does not point to any resolution of the problem.

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



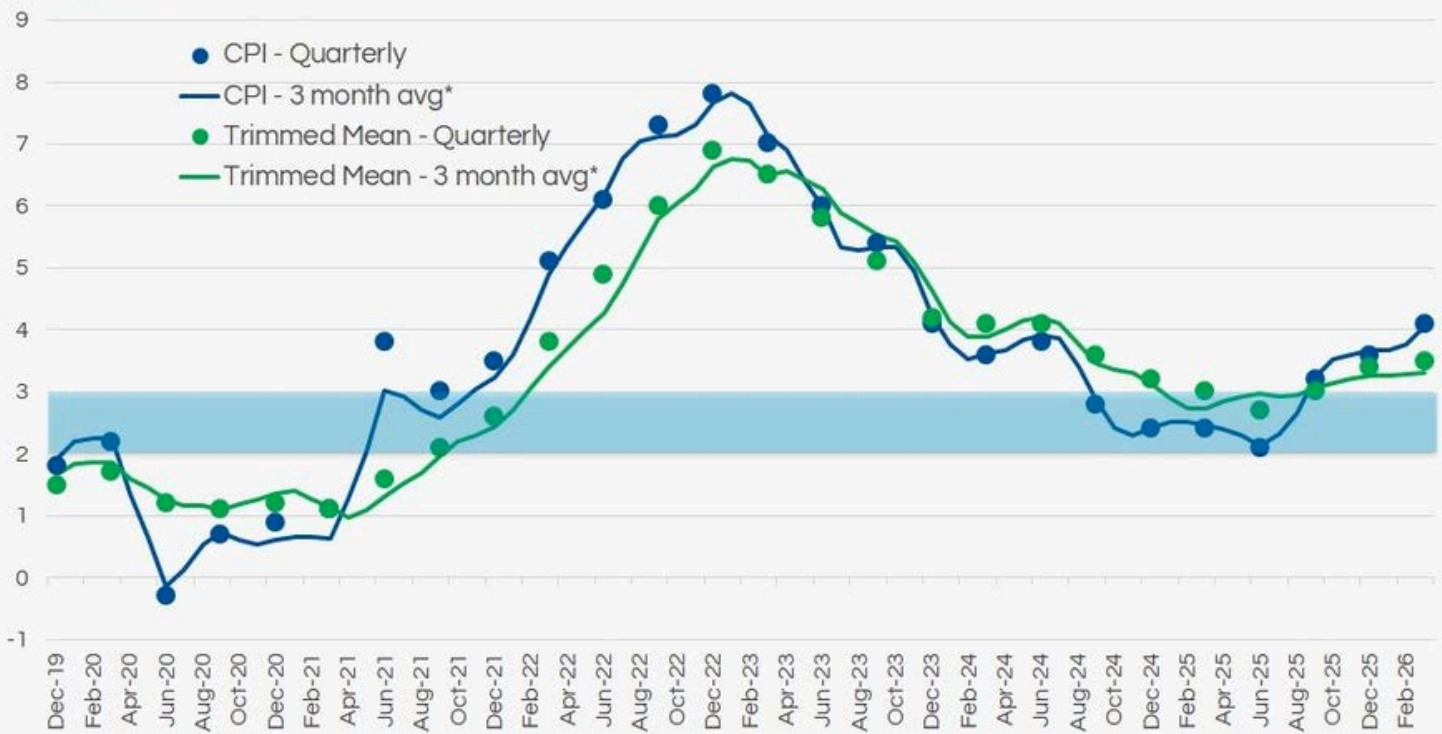


INFLATION & INTEREST RATES

The effects of the Iran war showed up clearly in the March inflation data. The monthly CPI data saw headline inflation jump to 4.6% (from 3.7% in Feb) as the impact of higher fuel prices was felt. The quarterly rate was 4.1%, up from 3.6% in the December quarter. This is the highest rate of CPI inflation since September 2023. However, it is crucial that we also note that the monthly Trimmed Mean measure (which strips out the 'noise' of highly volatile items and is the measure most closely watched by the RBA) came in significantly lower at 3.3%. The RBA have made it clear that, for the time being, they will be paying close attention to the 'old' quarterly Trimmed Mean series, while the seasonal adjustment on the new monthly series is bedded-in by the ABS, and for the March quarter this figure was 3.5% (up from 3.4% in the December quarter).

These results are generally slightly lower than most market forecasts and as a result the immediate reaction of futures traders

CPI & Trimmed Mean Inflation % annual rate



* From April 2025 CPI and Trimmed Mean annual rates are the new Monthly CPI data released by the ABS in Nov 2025 Source: ABS

was to slightly scale-back what had been very high expectations of a rate hike on May 5th.

Nevertheless, given the ongoing disruption to oil shipments in the Middle East and the impact this is continuing to have on oil prices, the RBA took the widely expected route of raising the Cash Rate to 4.35% at their meeting. Unlike at the previous meeting where the decision to hike had been a close 5-4 split, this decision, although not unanimous, was a far more convincing 8-1 result.

The futures market is pricing in a final further 25bps hike by the end of the year to take the Cash Rate to a terminal rate, in this cycle, of 4.6%.

Cash Rate Futures Implied Rates % & RBA Decisions

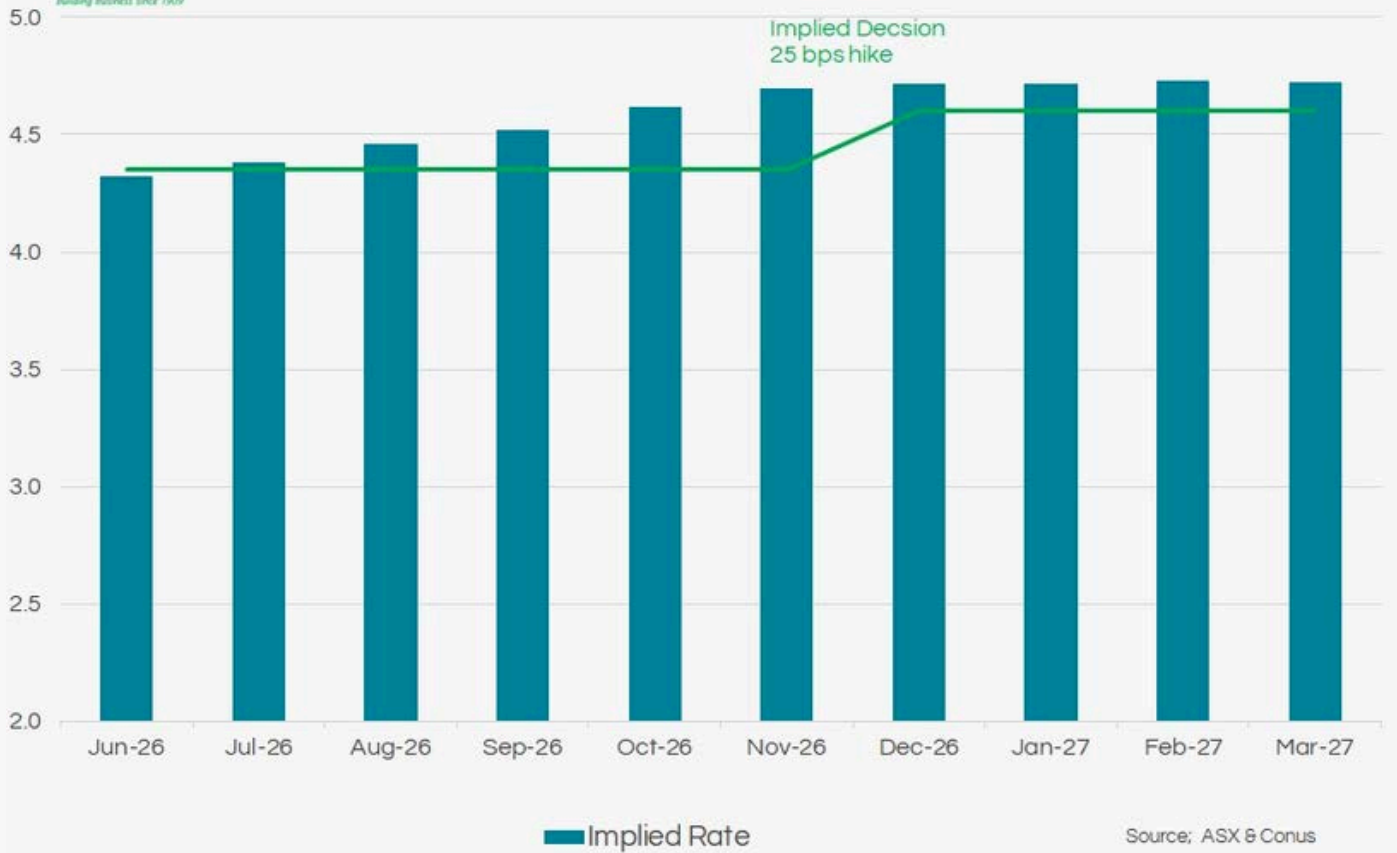


Photo credit: Tourism Tropical North Queensland



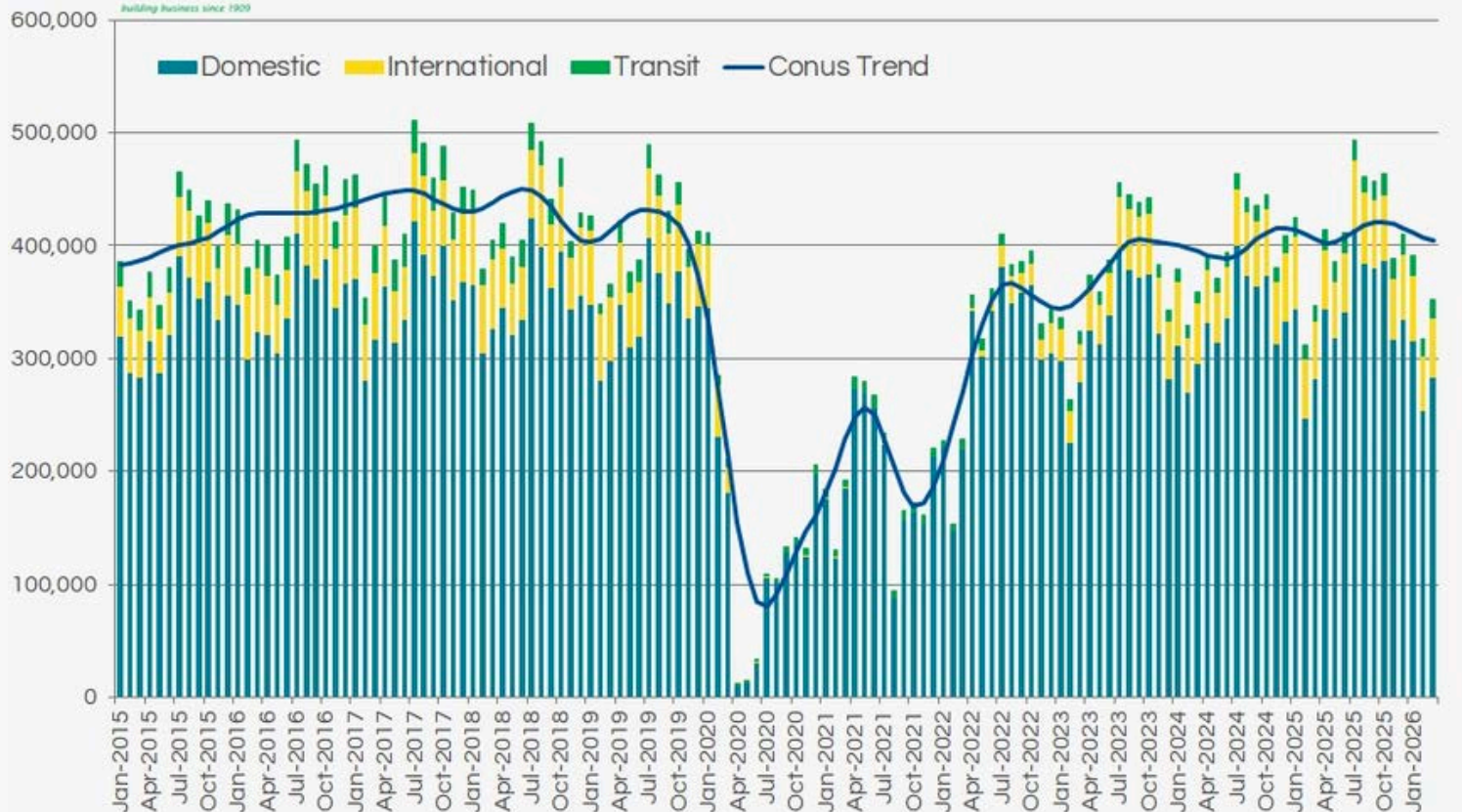


TOURISM

Although original data from the Cairns Airport shows passenger numbers rebounded a little in March, and are up 1.4% from a year earlier, the seasonally adjusted Trend series has shown a decline for each of the past 5 months and is now down 0.3% for the year. This apparent discrepancy may be due to the seasonal adjustment algorithm still struggling with the extreme volatility we saw in the data between 2020 and 2023, but nevertheless it highlights the reality that the post-COVID recovery appears to now be well and truly over. This apparent weakness is being driven by disappointing figures within the domestic passenger sector. The Trend series shows domestic passenger numbers were down 5.6% for the year. Counteracting some of this weakness is the solid improvement from international passengers; the Trend here shows a 8.2% year-on-year increase which takes the annual number of international passengers back up to levels very similar to those seen pre-COVID. The domestic sector's annual total, on the other hand, remains about 200,000 passengers short of the pre-COVID highs.

Since our last issue, when we noted the tourism data for the year to Dec 2025 had clearly reflected the impacts of the domestic tourism slow-down, there has been no further release of tourism data specific to the Tropical North.

Cairns Airport Total Passengers monthly

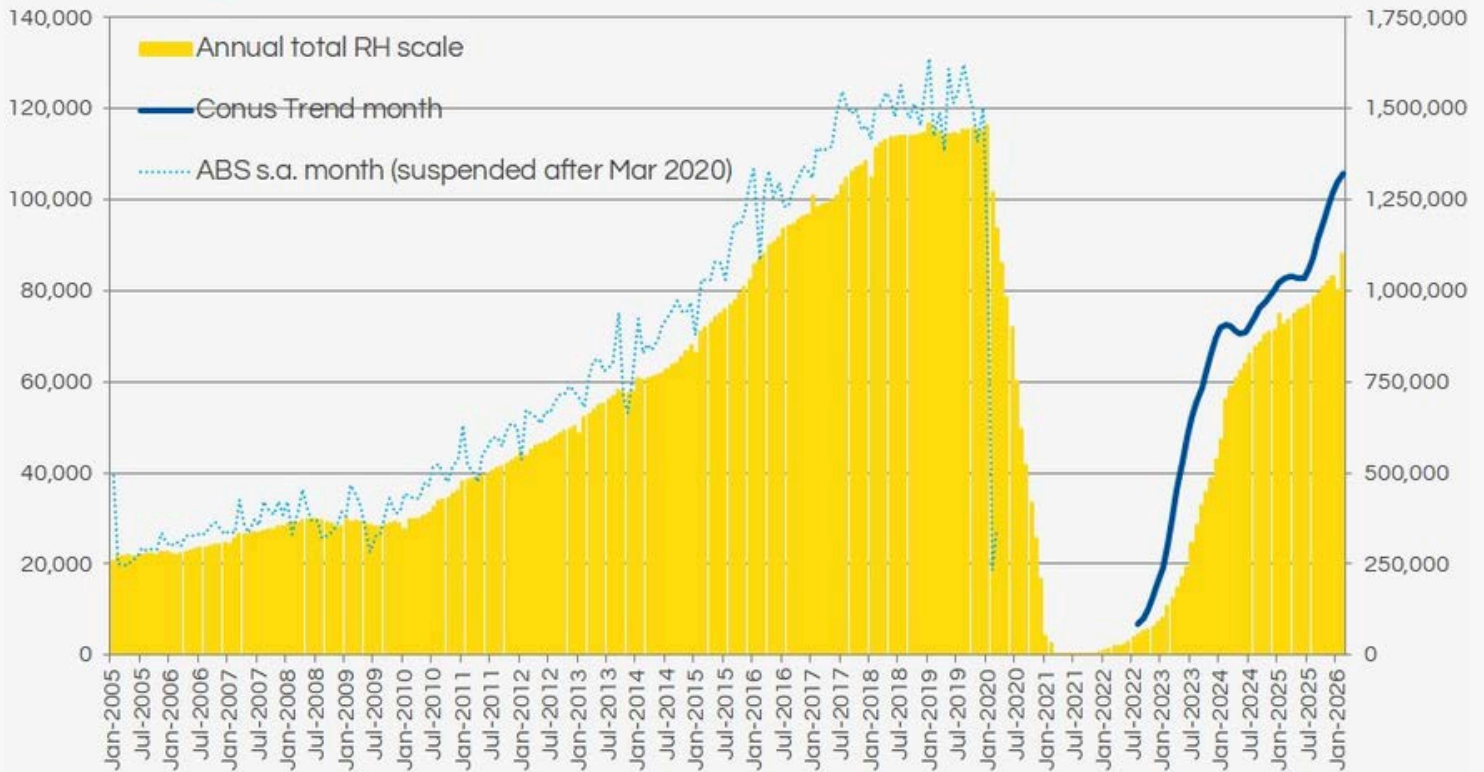


Source: Cairns Airport & Conus

However, national data for visitors in February show that some of the traditionally significant markets for our region, including China, USA and UK, are showing some encouraging signs of strength. We would expect some of this strength to be reflected in the tourism data for TNQ for the year to March 2026 when it is released in June this year.

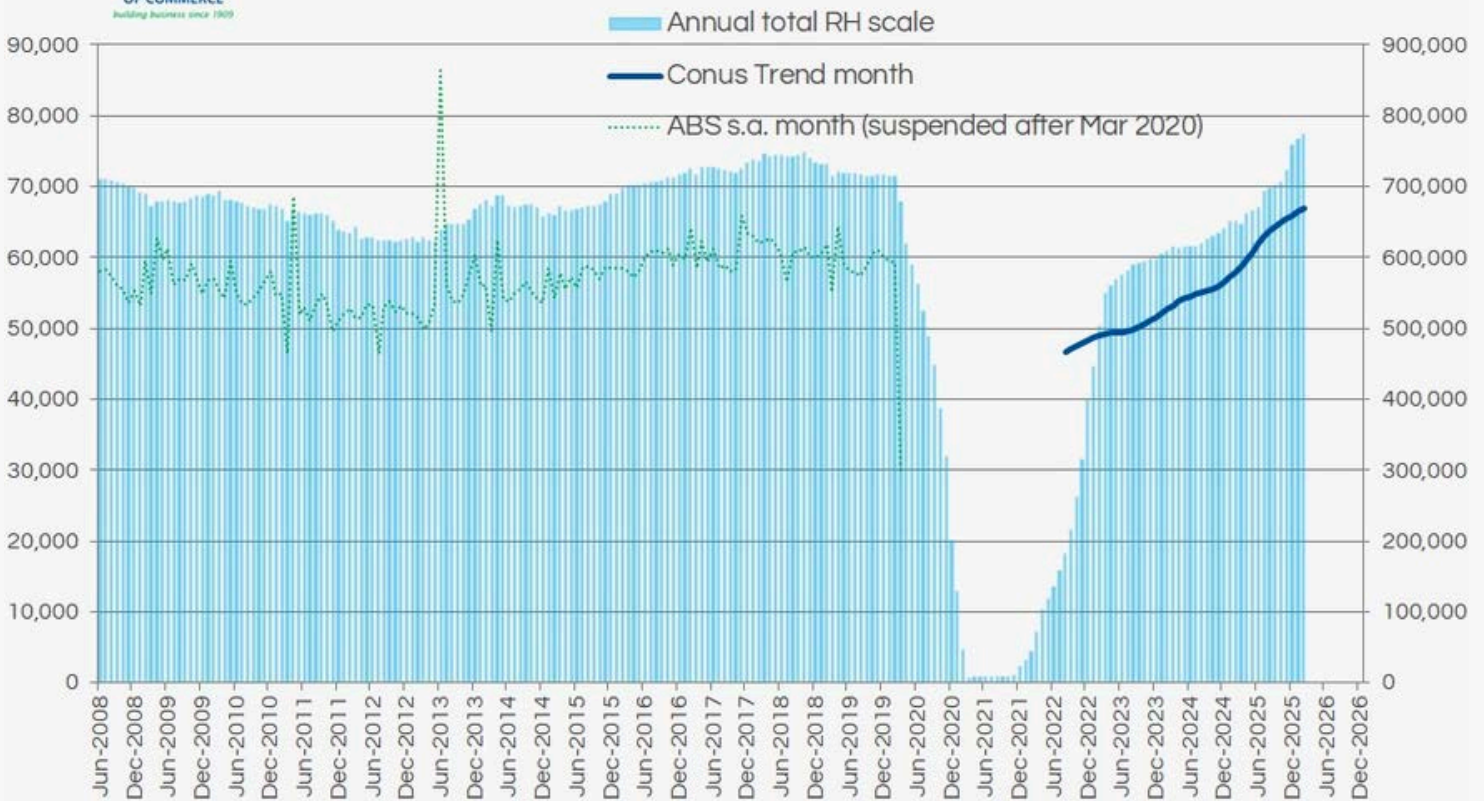
Until then we will have to rely on our own regression modelling. This underwent some serious revisions last quarter when we finally got access to the full domestic data using the new DoTS methodology. Our estimates for the year to March 2026 are that international expenditure, despite the strength noted above, will remain relatively unchanged at \$1.2 billion (which was a record high) while domestic expenditure picks up a little to \$3 billion (on the back of a healthy increase on the length of average stay).

Chinese Visitors to Australia



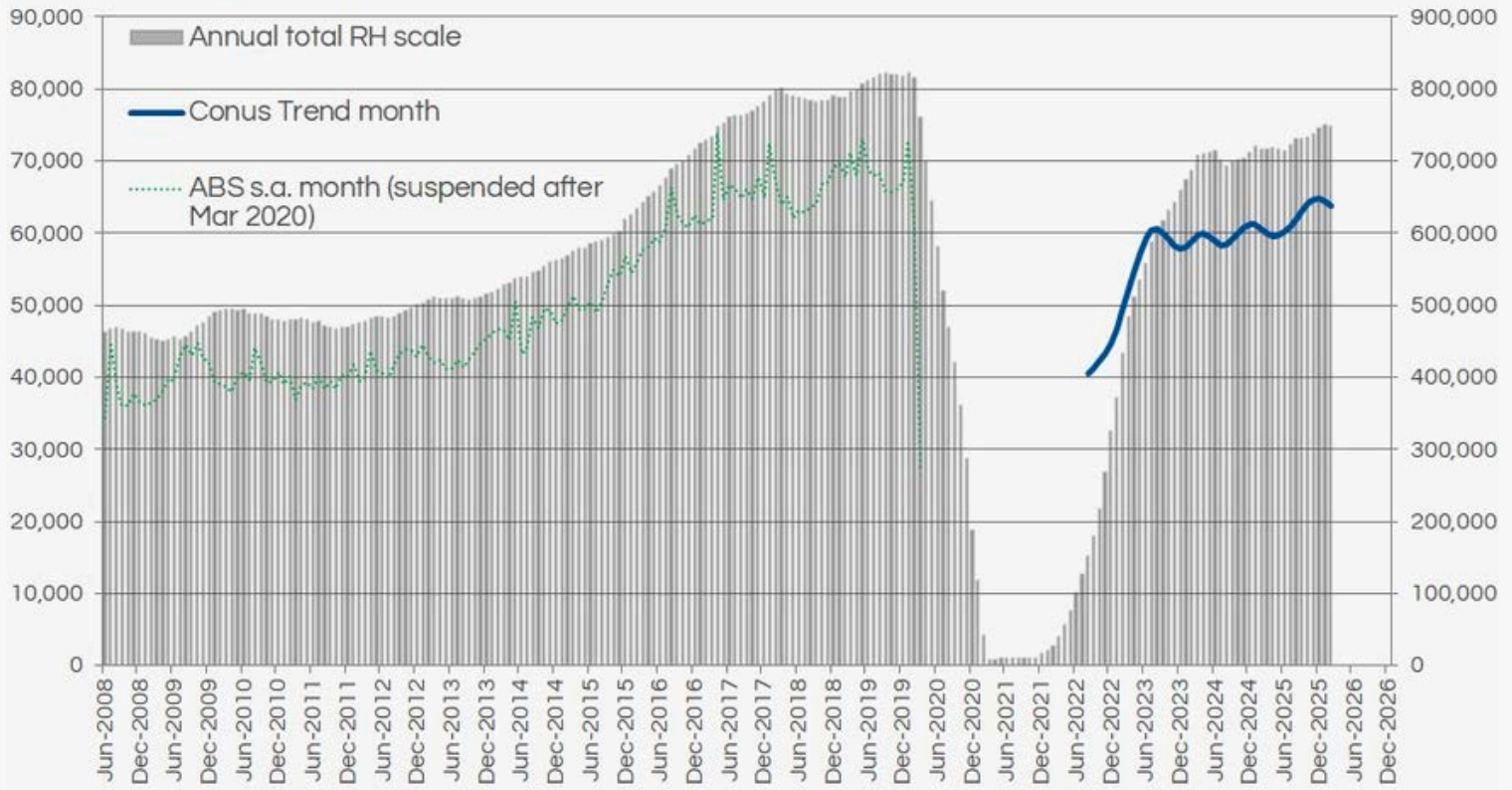
Source: Australian Bureau of Statistics

UK Visitors to Australia



Source: Australian Bureau of Statistics

US Visitors to Australia



Source: Australian Bureau of Statistics



Photo credit: Tourism Tropical North Queensland

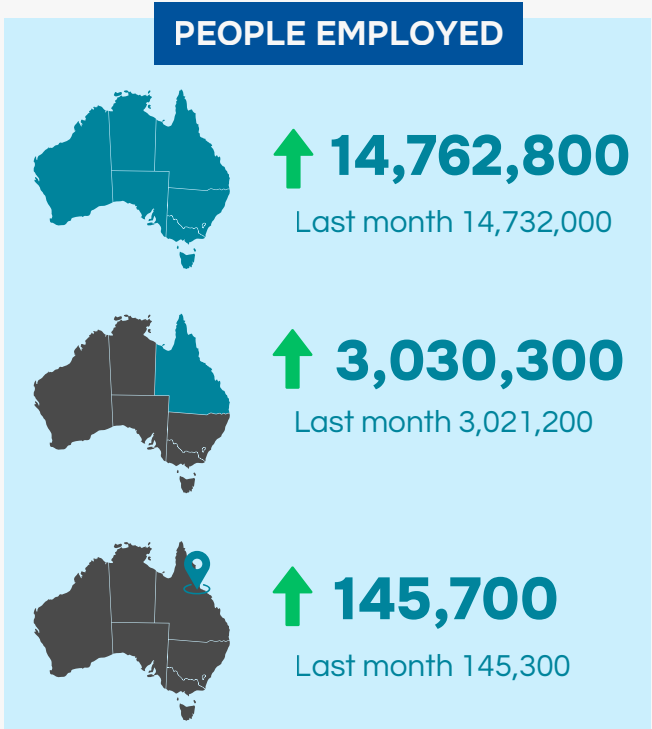


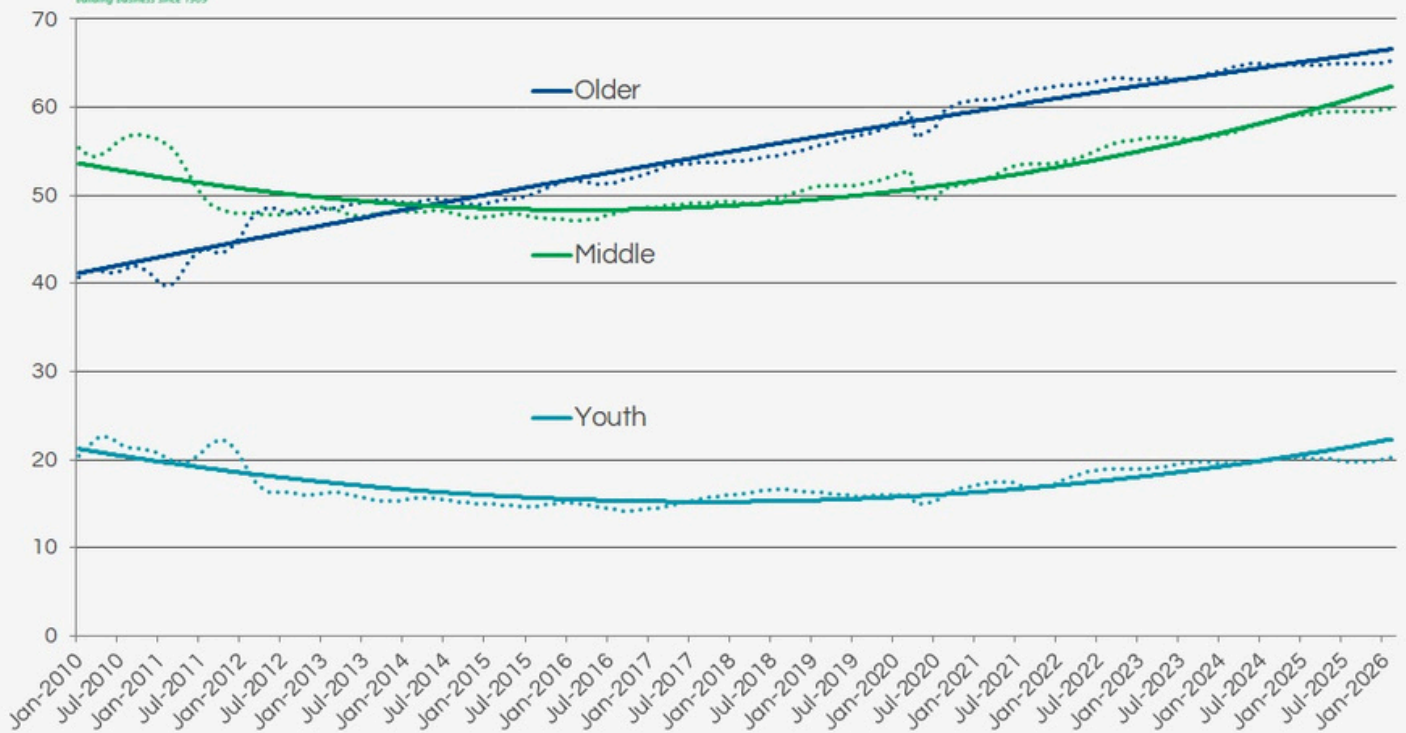
LABOUR MARKET

Employment

Trend employment growth picked up again in March with another 400 added to the number in work. This takes the annual rate of growth to 1.4%. Although this is now the fastest pace of growth since May last year and is well up from the low of just 0.4% earlier this year, it remains well below the almost 3.1% rate 18 months ago.

For the past few years we have been watching the changing structure of the Cairns labour market. Not only have we seen a huge increase in the number of females employed, but the age breakdown of those employed has also seen major changes. As the chart makes clear in the past 12 years we have seen those over 45 years of age become the largest single cohort of workers. Recently the pace of growth of middle-aged workers has picked up significantly and it now sits at 1.3% annually, and even more recently (in the past 6 months) we have seen Trend youth employment growth also increase sharply to now reach 1.8%.



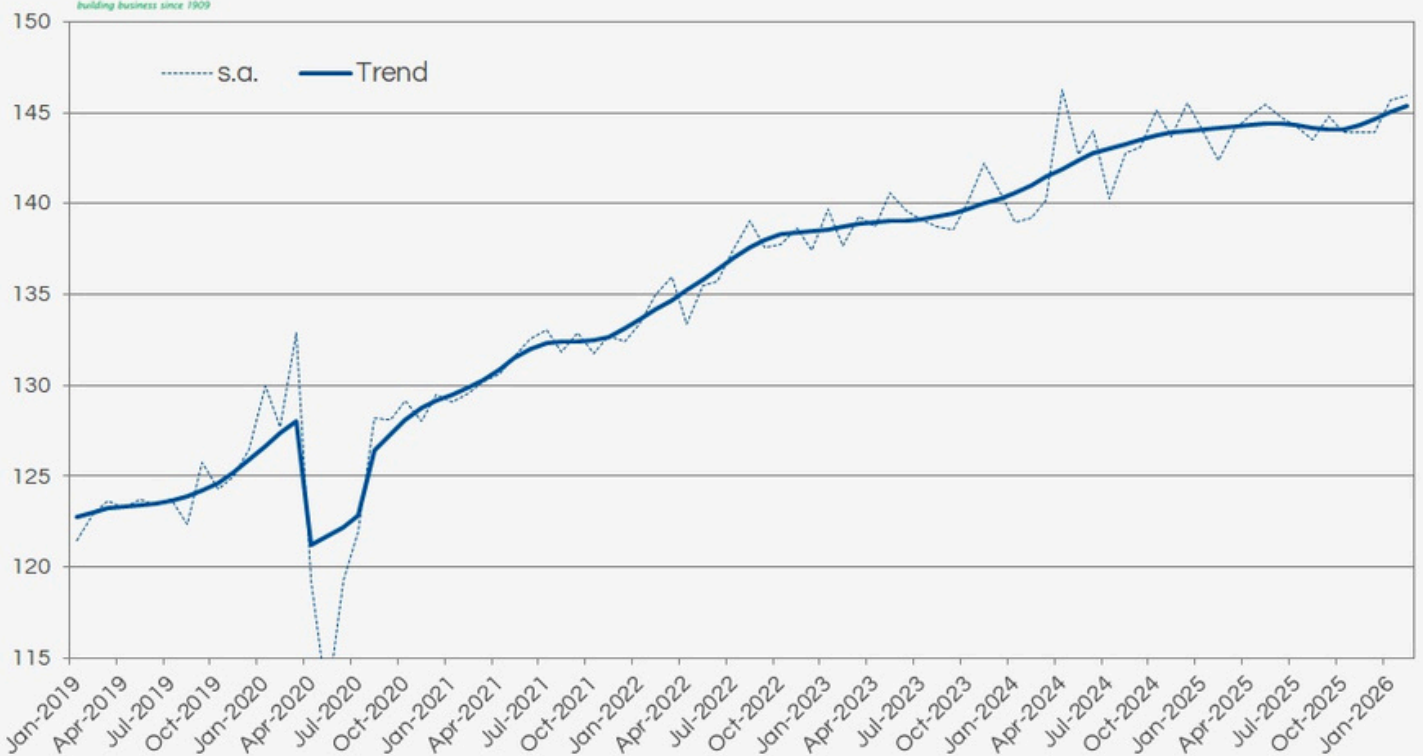


Source: Australian Bureau of Statistics and Conus/CBC Staff Selection

Over the past year the ABS has made several changes to the way that labour market data for regions is calculated and presented. Those changes have almost uniformly been extremely positive. However, a recent change means that monthly regional data on part-time and full-time employment will now only be available on a much more lagged basis. Last month we got access to full-time and part-time employment data for Cairns to January. It showed that full-time employment contracted 1% over the past 12 months while part-time positions grew by 4.7%. Whilst this data is now 2 months out-of-date it does clearly show that the employment growth we were seeing in Cairns earlier in the year was being driven by the part-time sector.

Trend employment growth in Queensland picked up again in March to 1.5% y/y (along with some upward revisions to previous months) with another 9,100 added to the number in work, although this remains well below the pace of growth seen throughout the early part of 2025. Encouragingly the pickup in employment growth has come largely from full-time employment which has increased in each of the past 5 months and in March saw the biggest gain (6,100) since December 2024.

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



Source: Conus derived from ABS original data

A similar, although noticeably less strong, story holds true at the national level. Trend employment across Australia grew by 30,800 in March to take the annual pace of growth to 1.4% which is its fastest pace since August last year. Almost 18,000 of that increase came in the form of full-time positions. Although labour market conditions have certainly eased a little over the past 12 months, conditions remain quite robust and this pace of employment growth, while playing second fiddle to inflation concerns, will have been one of the factors which nudged the RBA into their current tightening cycle.

Online Job Vacancies data show the Cairns labour market doing far better than the national and Queensland averages. For the year to March Online Job Vacancies in Cairns are up 1.9% while the national figure is an increase of just 0.6% and in Queensland the numbers are down 0.2%. Once again, we are seeing evidence of the relative strength of the labour market here in Cairns.



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

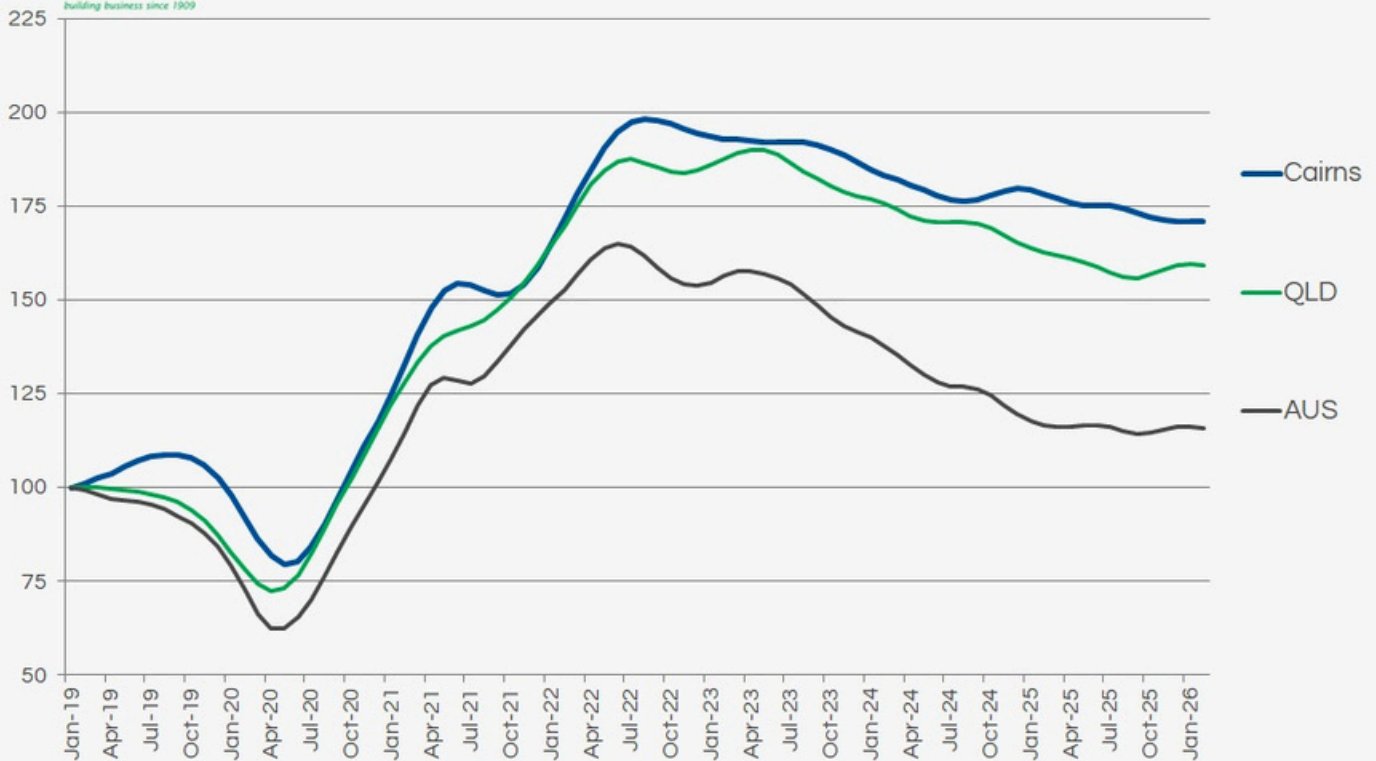
Regional Australians Growing Regional Australia

Townsville | Innisfail | Cairns | Darwin

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

Online Job Vacancies Conus Trend Index (Jan 2019 = 100)

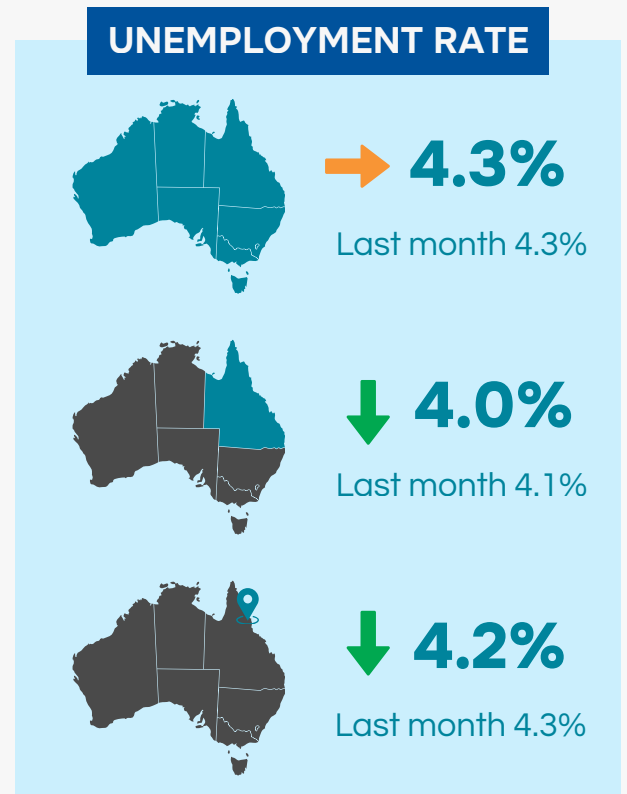


Source: Conus & Jobs and Skills Australia IV

Online Job Vacancies data show the Cairns labour market doing far better than the national and Queensland averages. For the year to March Online Job Vacancies in Cairns are up 1.9% while the national figure is an increase of just 0.6% and in Queensland the numbers are down 0.2%. Once again, we are seeing evidence of the relative strength of the labour market here in Cairns.

Unemployment

With the pace of employment growth picking up and an additional 2,000 people employed in the past 6 months, we have seen the Trend unemployment rate in Cairns moving lower. That has continued in March with the unemployment rate now down to 4.2% which is its lowest level since January 2023. Cairns is now the only region in Queensland which has enjoyed a declining unemployment rate for every one of the last 6 months (from 4.8% in Sept to 4.2% now).

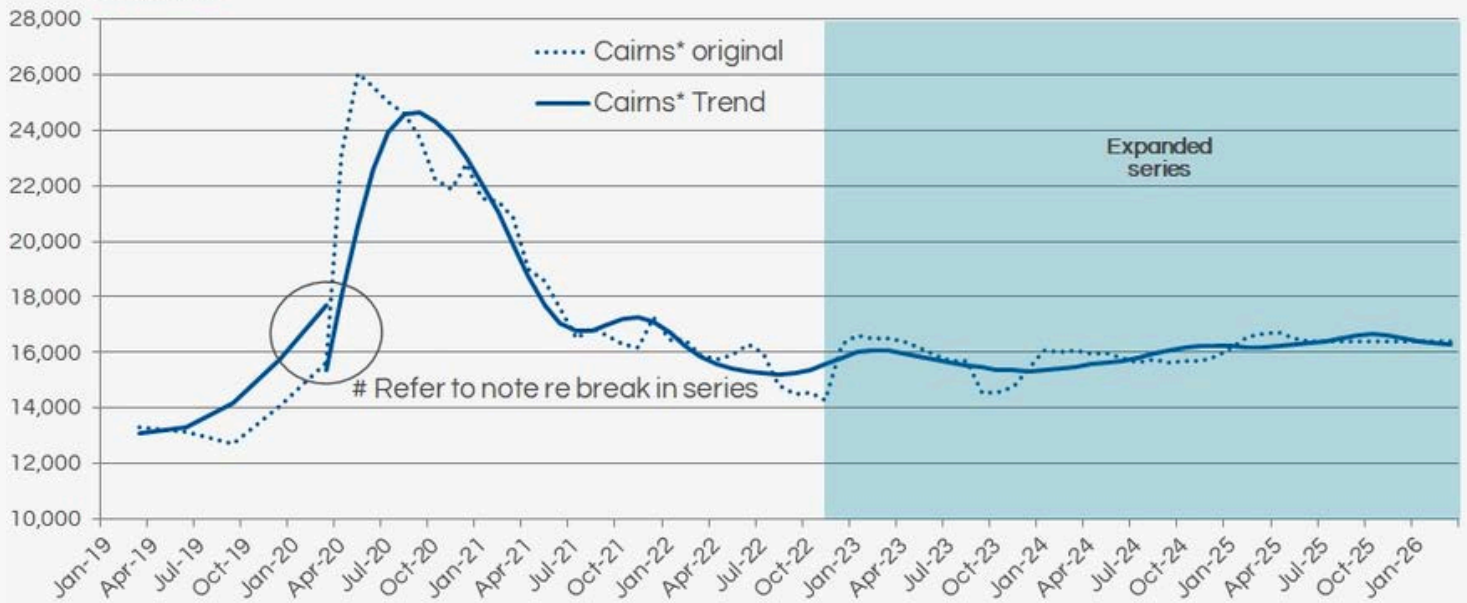


The number of JobSeekers continues to increase across the country and in March the number claiming climbed by a touch more than 2,500. However, the Trend figure for Cairns decreased in March and has now moved slightly lower in each of the past 5 months. The Trend across the Nation is up 7.2% for the year, it's up 4.2% across Queensland, but is still only up 0.4% for the year in Cairns. For each of the past 12 months Cairns has registered the slowest pace of growth in the number of Trend JobSeekers of any region in Queensland. This is a clear indication of the continued relative strength of the region's labour market.



Photo credit: Tourism Tropical North Queensland

Jobseekers # Conus/CBC Staff Selection series



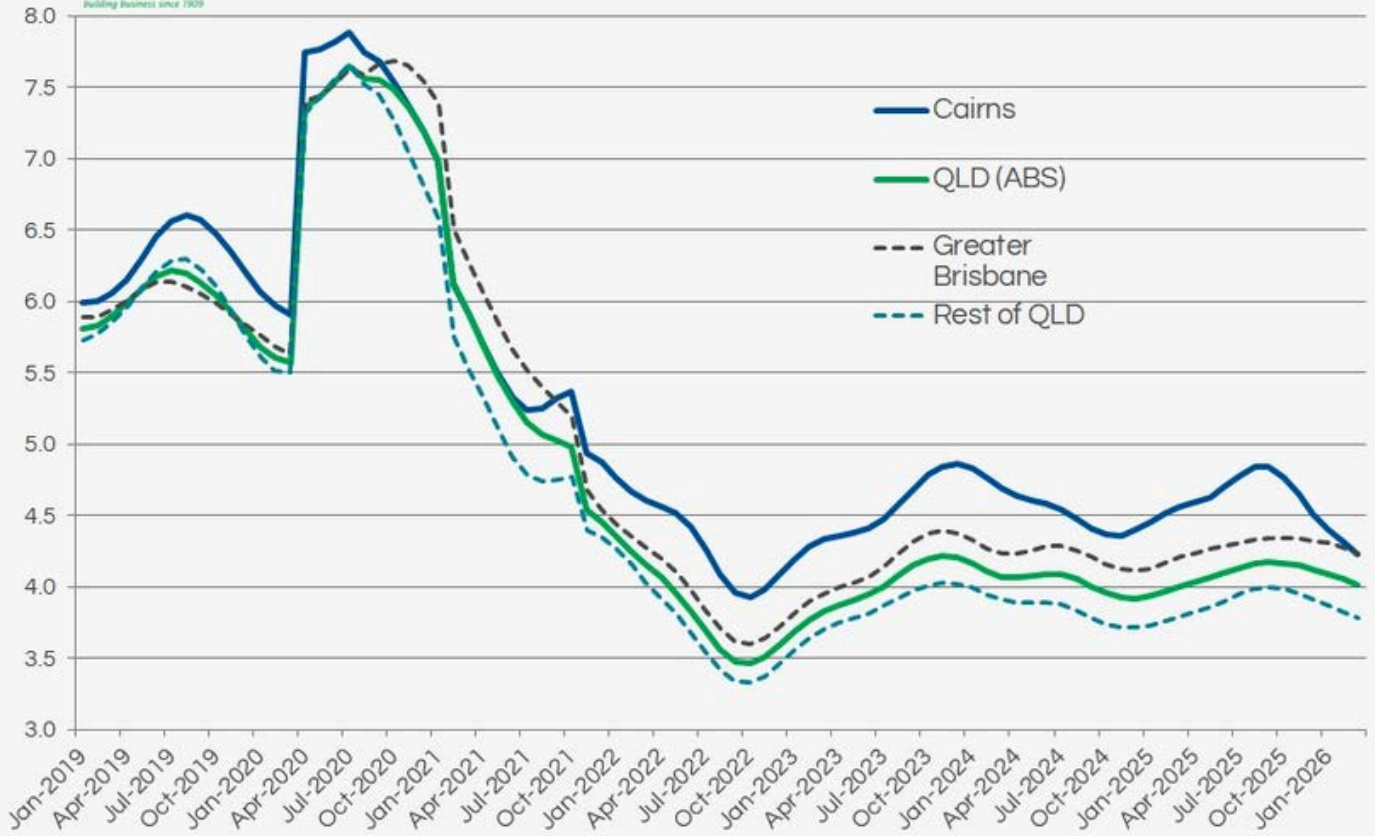
Before Mar 2020 'Jobseekers' related to recipients of Newstart or Youth Allowance who were looking for work; from Mar 2020 onwards it is all JobSeeker recipients. From Dec 2022 the DSS have been using an 'Expanded' series which includes recipients who are current but on zero rate of payment and those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

Queensland's Trend unemployment rate fell in March to just 4.0% (while previous months were also revised slightly lower). The State's labour market remains in remarkably rude health with the Trend unemployment rate now unchanged from a year ago and down 0.2 ppts in the past 6 months. We now have a spell of 3 years where the Trend unemployment rate in Queensland has been fluctuating between 4.2% and 3.9% - an extraordinary run of strength. The high levels of participation in Queensland remain with PR nudging higher again this month to 66.9. It is this strength in participation which is keeping the unemployment rate from falling even further despite the pickup in employment growth noted above.

Across Australia the resilience of the labour market is also evident, although less dramatic. The Trend unemployment rate was stable in March at 4.3% (after February was revised up to 4.3%) and has remained steady at this rate for the past 9 months. Like the situation in Queensland, an elevated participation rate is stopping the unemployment rate from falling despite a slight improvement in the pace of employment growth.

Unemployment Rate Conus/CBC Staff Selection Trend %



Source: Australian Bureau of Statistics and Conus

Photo credit: Tourism Tropical North Queensland





REAL ESTATE

Despite the fact that interest rates are rising, and look set to rise even further, property prices continue to perform very well in the Cairns market. As we have been suggesting for a few months, unit prices are continuing to outperform house prices. In the year to April median unit prices have increased by 21.5% while median house prices have continued their march towards the

\$800,000 level and are now up 17.7% for the year. In the last 6 months unit prices are up 14.5% while house prices have risen by just 6.2%.

Rents continue to increase, albeit at a slower pace, with unit rents up just 5% for the year.

MEDIAN PRICE



Unit

\$483,000

+ 22% y/y

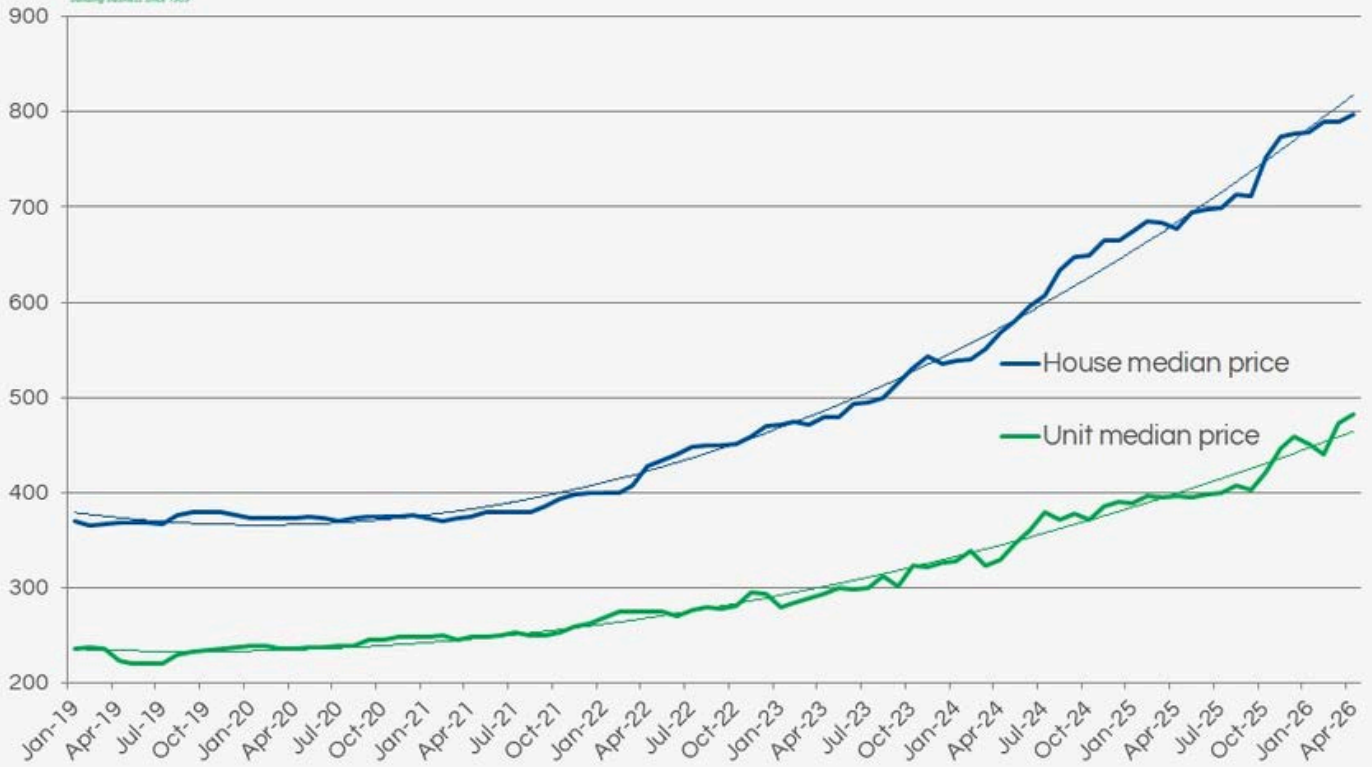


House

798,000

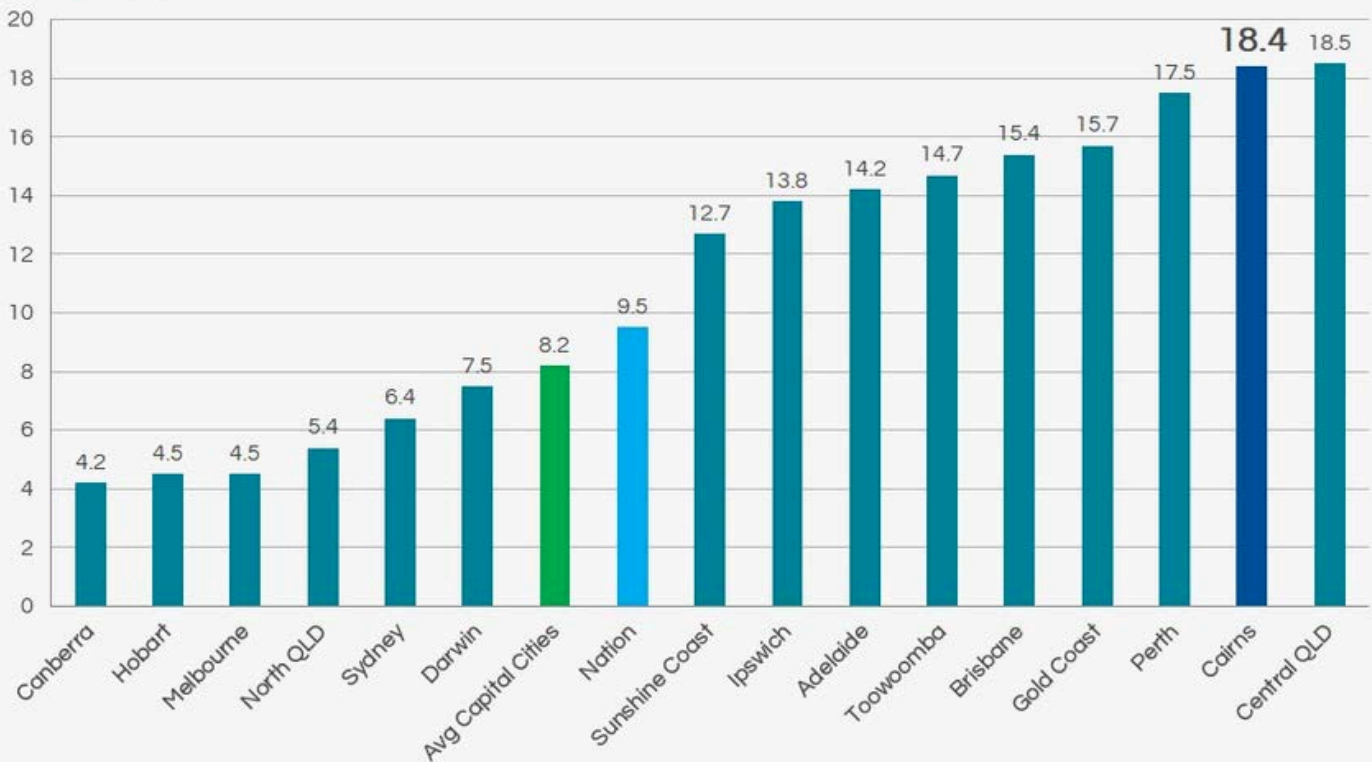
+ 18% y/y

Real Estate Prices Cairnsregion \$000s



Source: SQM Research

Real Estate Prices 3 year pa %



Source: SQM Research

Given the sharp divergence of unit price and rent increases in recent months, our suggestion that unit prices looked set to outperform houses (which they have done over the past 6 months) now looks less certain; we might expect to see either house prices or unit rents leading growth in coming months.

Cairns' position as one of the best performing real estate markets in the country in recent years remains unchallenged. Over the past 3 years compounding annual growth in Cairns has averaged 18.4%, which equates to an increase of 66% over those 3 years.

This compares to a national average of 9.5% annually for a 3-year increase of 31%. Despite this huge out-performance in recent years, the median combined (houses and units) price in Cairns is still \$268,000 below the national average, and even though this gap has closed significantly in recent years Cairns remains a good-value option and can therefore certainly sustain further growth. The rental vacancy rate has edged a little lower again this month to just 0.9%. It has now been 63 months during which the rental vacancy rate has been between 1.2% and 0.5% - an extraordinary period of tightness. This tightness in the rental market over the past five years has been a major driver of such strong rental growth.

VACANCY RATE

↓ **0.9%**

Previous month 1.0%

MEDIAN RENTALS

2-bed unit

\$500 p/w

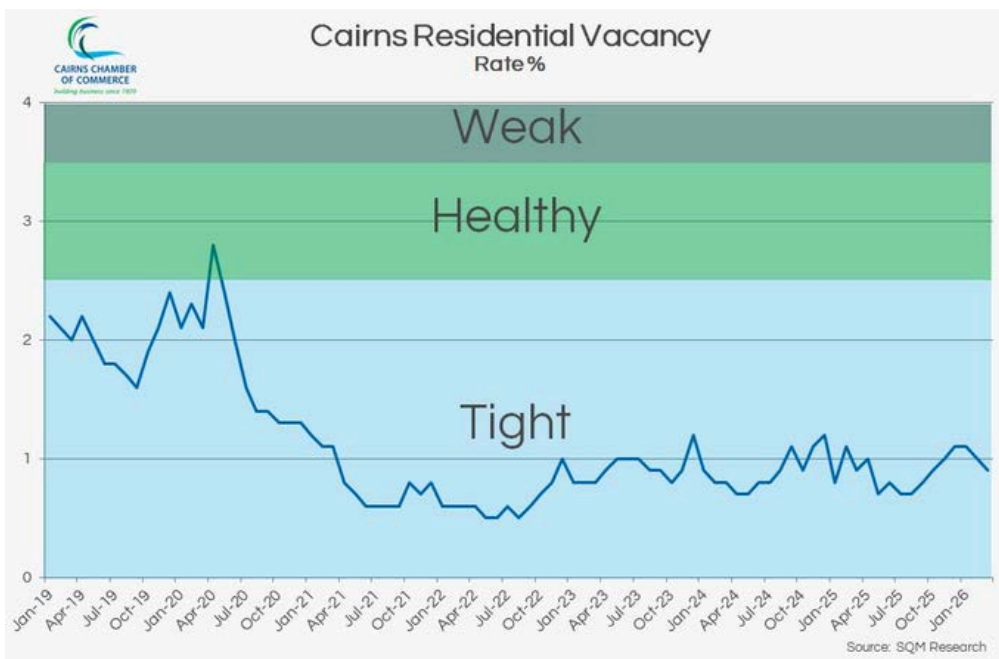
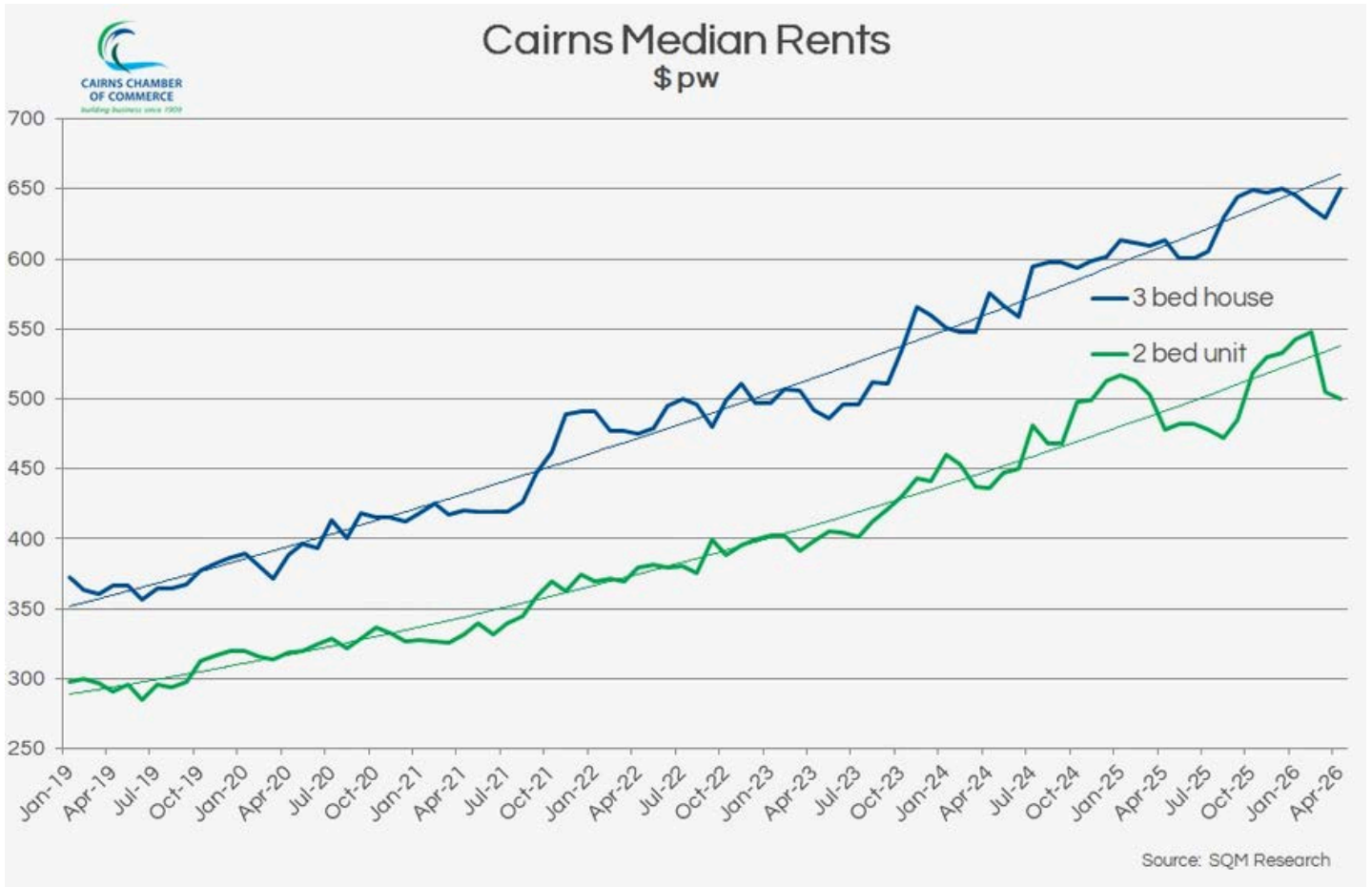
+ 5% y/y

3-bed house

\$651p/w

+ 6% y/y

Despite this tightness in the rental market weekly rents growth has been moderate in recent months with annual increases of just 5-6%. Unit rents in particular have been edging lower. The data suggests that there is a seasonal element to this, and we would therefore expect to see this trend reverse in coming months.





The Difference



The difference between settling for a good result and celebrating a great one.



Book an appraisal

 **LJ Hooker**
Cairns Edge Hill



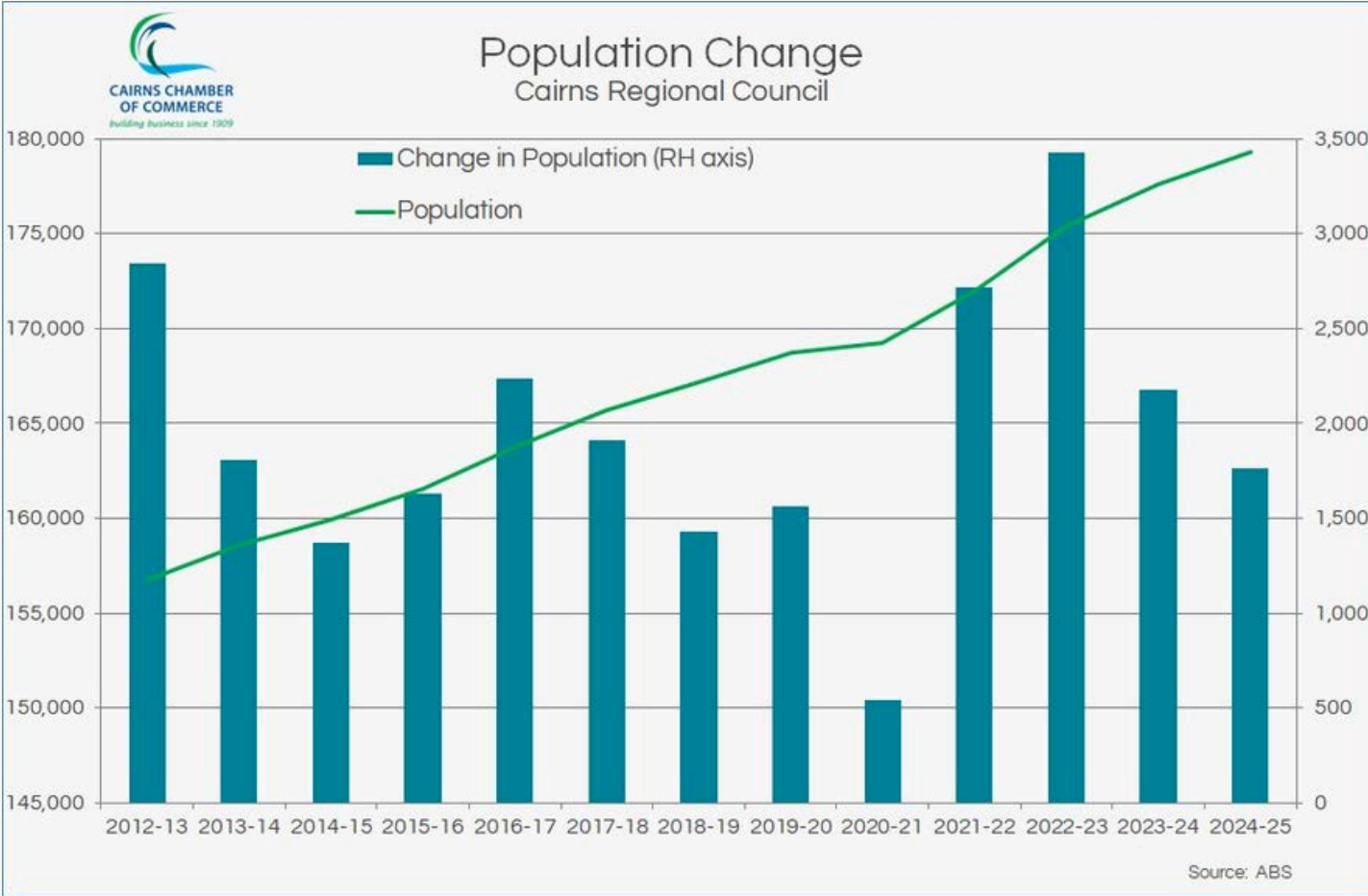
CAIRNS POPULATION

The population data for the Cairns Regional Council Local Government Area for the 2024-2025 year were recently released by the ABS. It shows the estimated residential population in the Council area grew over the year by 1,761 people to 179,334. This represents a growth rate of 1.0% for the year.

This is a sharp slowdown in growth following the post-COVID surge in population witnessed during 2021 to 2024, when growth peaked at 2.0% in 2022-2023. However, we need to see this in the context of a longer-term pattern of increases.

In the 18 years since 2007 average compounding annual growth in Cairns has been 1.5% pa. That average rate falls to just 1.1% pa when we consider the 12 years since 2012. However, during that 12-year period the region, and the country, went through a three-year period (2019-2022) when population growth slowed dramatically in response to the closure of borders during and following the COVID pandemic.

Despite this period of slow growth (which was compensated for by a period of rapid growth in the years following), the long-term trend of growth in the Cairns LGA sits at a healthy 1.5% pa. which is significantly more than the 1.0% pa growth baked-into population assumptions in the Queensland Government’s Draft FNQ Plan. This is significant when we consider that a 1% pa rate of growth over the next 20 years would result in a projected population in Cairns of 218,822. On the other hand, were we to achieve our long-term average growth of 1.5%, that projected number increases to 241,537. That’s a difference of 22,700 people; 22,700 more people to provide housing for, to provide water and sewerage for, to move around on our roads, to educate in our schools, and to treat in our hospitals. If the FNQ Plan doesn’t plan for those kinds of infrastructure requirements we risk facing structural roadblocks to growth in the future, which in turn could actually contribute to the slower population growth that is being projected!



A WORD FROM OUR SPONSORS

“As we move further into the year Cairns is enjoying some of its best weather, with the cooler dry season brining renewed energy across the region. It is always an exciting time for local businesses, tourism operators and the broader community, with plenty of events happening across Far North Queensland. It is a wonderful time of year to enjoy everything the region has to offer.”

Rhiannon Saunders
Managing Director, WGC Lawyers



“With the federal budget set for release next week, attention is firmly fixed on what could be one of the most consequential policy updates in recent years. Rather than speculate on specific measures, it is more useful to consider the broader economic context and the areas where reform is most likely to have an impact.

Expectations point to significant policy shifts, with the potential to influence everything from household finances to business investment and the overall economic trajectory. The scale and direction of these changes will become clearer once the details are released, but their implications for the national outlook are unlikely to be trivial.”

Michael Wilson
Partner, PVW Partners



“Despite three consecutive interest rate rises, taking rates up by a total of 75 basis points, the Cairns property market continues to perform strongly. Unit prices are outperforming houses, with median unit prices increasing by 21.5% in the year to April, while house prices continue their steady upward trend. If you have an existing finance approval, or your approval has recently expired, now is an excellent time to revisit your borrowing position with your preferred bank or broker, as the recent rate rises may have impacted your borrowing capacity. With the Federal Budget set to be delivered 12 May, there is also speculation this could influence investor activity moving forward.”

Nadine Edwards
Director, LJ Hooker Cairns Edge Hill





“ At the Cairns Chamber of Commerce, we are proud to deliver to you, our business community, **this MAY 2026 edition of 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 Cairns 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

MAY

15

May Luncheon | Small Business Month

11:30am - 2.00pm
Pullman International Cairns

28

Got Staffing Challenges?

5:00pm - 7:00pm
Novotel Oasis Resort

JUNE

06

Workforce Evolution in FNQ: Understanding & Adapting to a New Landscape

7:30am - 11.30am
Reef Hotel Casino

30

2026 State Budget Address Corporate Luncheon

11:30am - 2.00pm
Cairns Convention Centre

BECOME A MEMBER [**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 DIRECT TO
YOUR INBOX EVERY 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 2026.

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.