

JULY 2026



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# CAIRNS ECONOMIC MONITOR

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# SNAPSHOT

The labour market in Cairns remains robust with another 300 added to Trend employment and the Trend unemployment rate falling to 4.3%. Among all the regions in Queensland, Cairns has enjoyed one of the largest declines in its Trend unemployment rate, and online job vacancies data demonstrates how tight the labour market remains. Nevertheless, the pace of employment growth continues to lag slightly behind the Queensland and national rates.

Although headline inflation as measured by the CPI fell in May to 4.0% (from 4.2% in April) the more relevant figure is the Trimmed Mean. This measure is the one most closely tracked by the RBA and it lifted in May to 3.6% from 3.4%. The Bank will be closely watching the second quarter Trimmed Mean (to be released on July 29<sup>th</sup>) before their rates decision on August 11<sup>th</sup> but this month's figures suggest that number is likely to still be above their target range. As a result, the futures market is still pricing a further 25bps hike as a 50:50 likelihood.

Once again, the April data showed building approvals numbers improving slightly. Distortions to the Trend estimates caused by the exceptional Woree units last year are confusing analysis, but it is clear that we are seeing a welcome improvement in building approvals numbers. The question remains as to whether this improvement can be sustained, and whether the increase is sufficient to materially impact the chronic housing shortage still being faced in the City which sees the rental vacancy rate stuck below 1%.

The official Tourism Research Australia tourism data for the year to March 2026 was broadly in line with expectations. Domestic overnight expenditure edged slightly lower, although once we add in day-trip expenditure the total was \$3.2bn (up from \$3.16bn for the year to Dec 2025). International tourism, as expected, did even better and lifted from \$1.22bn to \$1.26bn over the same period. It is certainly encouraging to see total tourism expenditure continuing to improve although it remains well below the pre-COVID trend line.





# BUILDING APPROVALS

## TREND APPROVALS

↓ **104**  
APR 2026

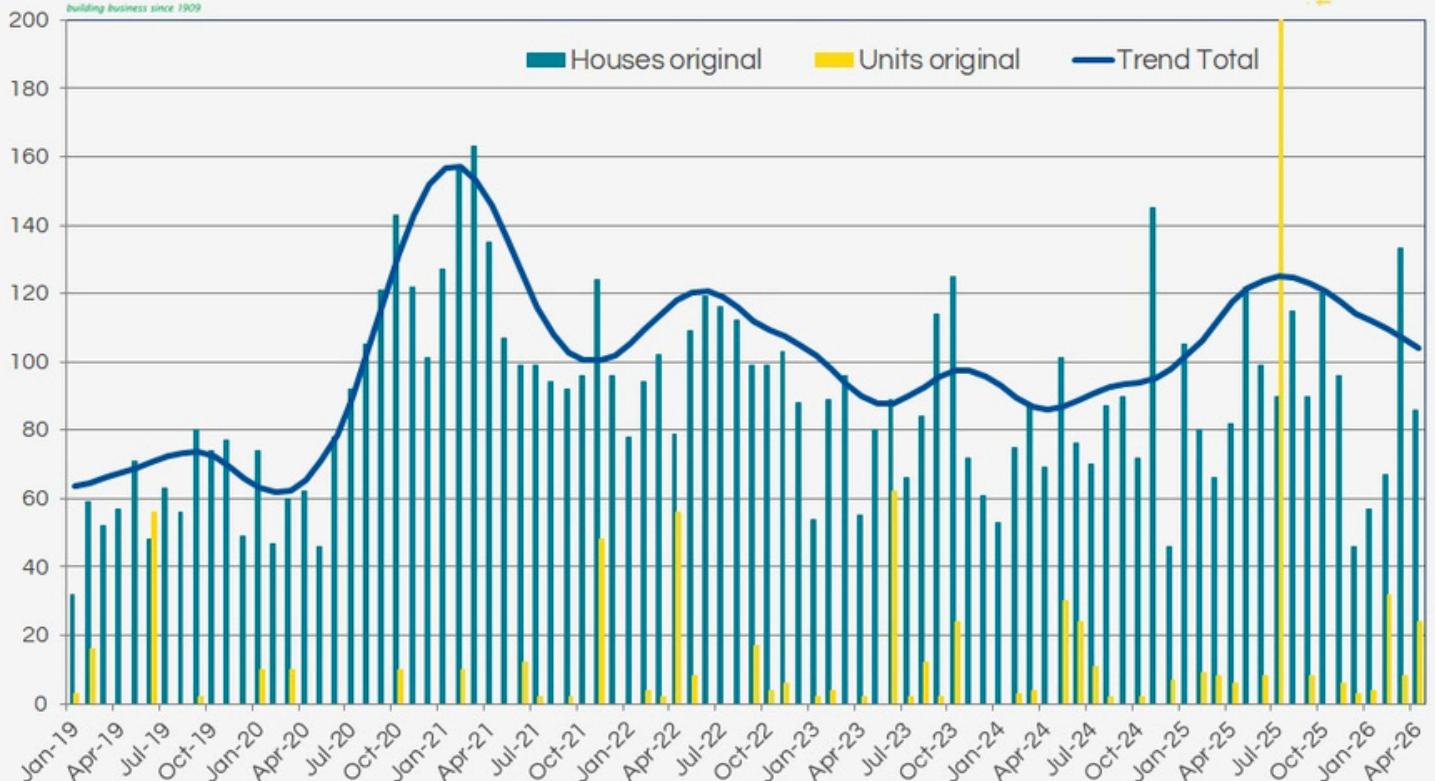
## TREND RATE OF APPROVALS

↓ **-11.4%**  
year on year

The Conus Trend series for April building approvals in Cairns came in at 104, down 11.4% year-on-year and the lowest reading since January 2025. However, that number is not the story this month. The Trend is still absorbing the 468 Woree unit approvals from July 2025, and the unadjusted series is being dragged lower

by a base effect, not a genuine deterioration. Remove Woree from the calculation and the adjusted Trend sits at 110, up 7.3% year-on-year and slightly above March's 108. Prior months continue to be revised upward as the distortion works through; expect more of the same in coming months.

## Cairns Building Approvals original & Conus Trend



Source: Conus based on Australian Bureau of Statistics

The rolling 12-month total for the year to April 2026 is 1,829 approvals, up 63% on the prior year's 1,119. Strip out Woree and the adjusted total is 1,361, still 22% higher. House approvals for the year rose 9.9% to 1,121; unit approvals (excluding Woree) jumped from 99 to 240, up 142%. The unit pipeline has been thin for years; this is the first meaningful sign of life.

One note of caution: the monthly average over the past 9 months is still just under 100 approvals, which is not a rate that will materially shift the needle on housing supply.

The adjusted Trend at 110 is modestly encouraging and further upward revisions to prior months are likely. The question for the second half of 2026 is whether originals can sustain above 100 consistently.

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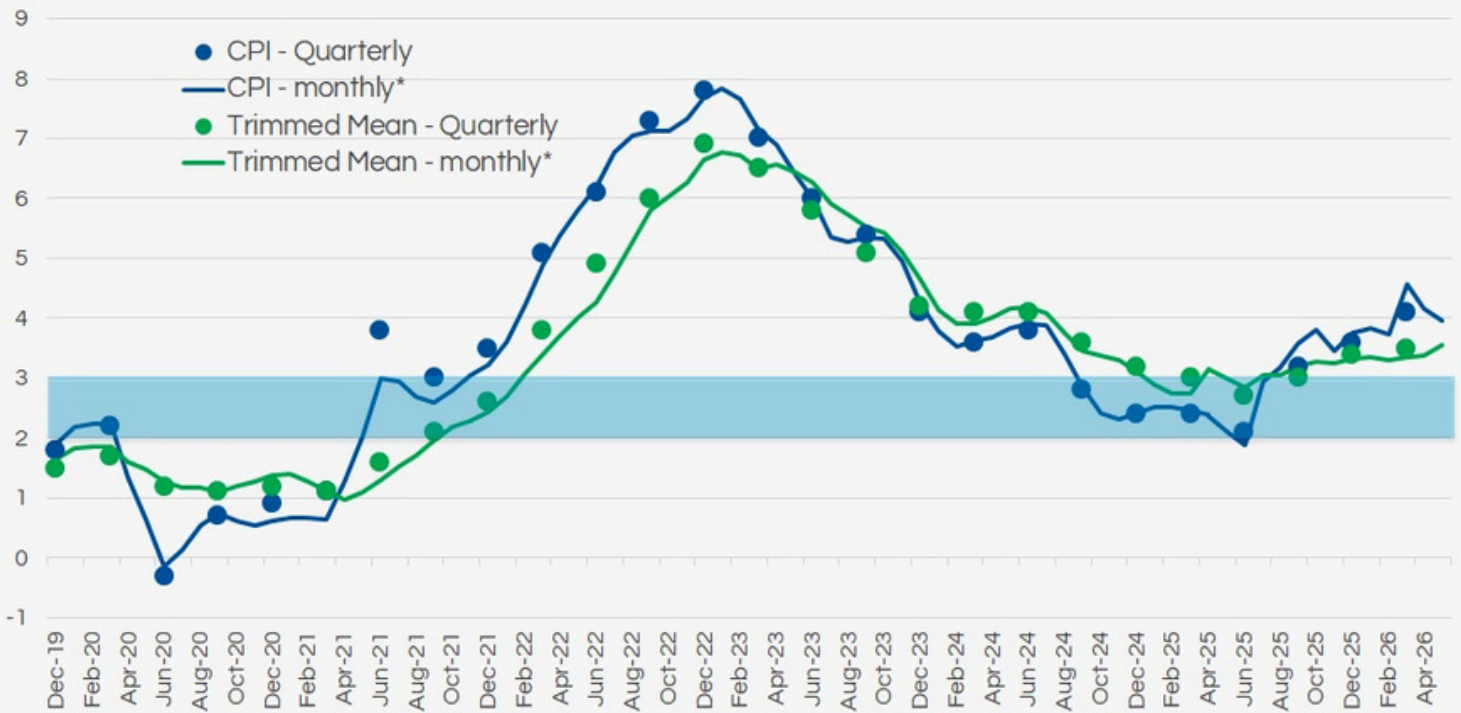


# INFLATION & INTEREST RATES

The RBA left interest rates unchanged at 4.35% at their last meeting in June. However, the most recent inflation data for May provided something of a mixed message. While the headline CPI reading fell to 4% (from 4.2% in the previous month) the core Trimmed Mean, which tries to 'see through' volatile noise on prices, increased to 3.4% (from 3.2%). The next piece of the inflation puzzle for the RBA is the second quarter inflation data to be released on July 29<sup>th</sup>, a couple of weeks ahead of the Bank's next Board meeting. The quarterly Trimmed Mean will be the key data point and the monthly data to date suggest that it is likely to come in above the Bank's 2-3% target range. As a result, the futures market is still pricing a further 25bps hike in rates as a 50:50 chance.

The MOU signed by the US and Iran has taken some of the heat out of oil prices. Brent Crude has fallen back to about \$74/barrel (from highs of \$114 at the height of the conflict) and this will certainly be giving the Bank and the markets some hope that the secondary impacts on prices down the supply stream may be somewhat mitigated.

## CPI & Trimmed Mean Inflation % annual rate



\* From April 2025 monthly CPI and Trimmed Mean are the new Monthly series. Prior to that date they were the 3-month moving average of the old partial monthly series

Source: ABS

However, many of these price shocks are yet to work their way through the supply chain so even a fall in oil prices now will take some time to unwind the inflationary shock the war created.

Adding to the uncertainty is the fact that the MOU itself is very far from an actual 'peace deal'. We have already seen claims from Iran of closing the Strait of Hormuz again, and the possibility for further conflict in Lebanon destabilising the precarious cease-fire is very real. Over the next 60 days, as details of the MOU and future deal get hammered out, we can expect to see continued uncertainty and potentially periods of oil price volatility. Although the markets still see the possibility of a further hike as a line-ball, the pricing also suggests that any further rise will likely only be relatively short-lived with the first potential cut in rates being priced in for the first quarter of 2027. Much will depend on what happens with negotiations over the next few weeks.

## Cash Rate Futures Implied Rates % & RBA Decisions

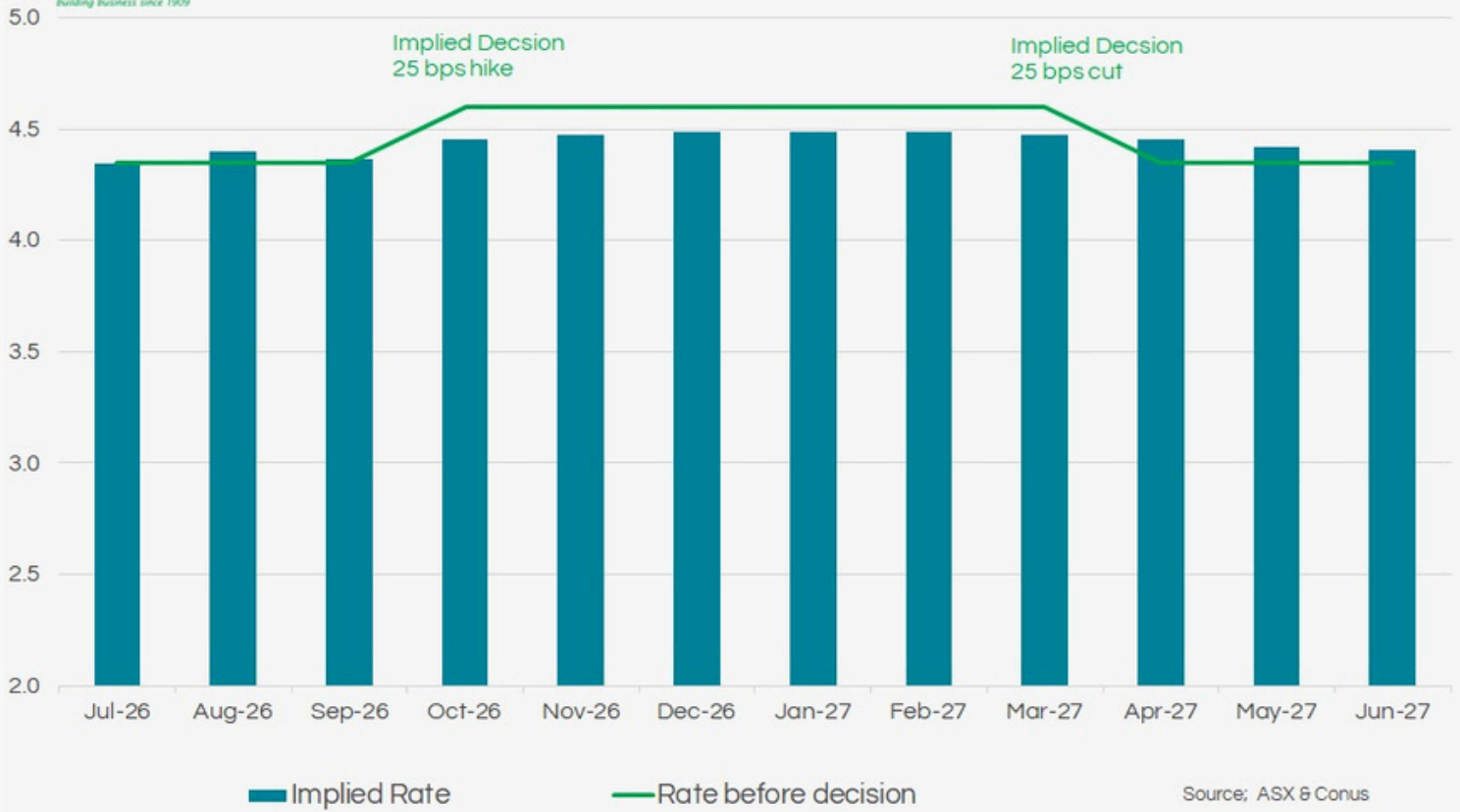


Photo credit: Tourism Tropical North Queensland





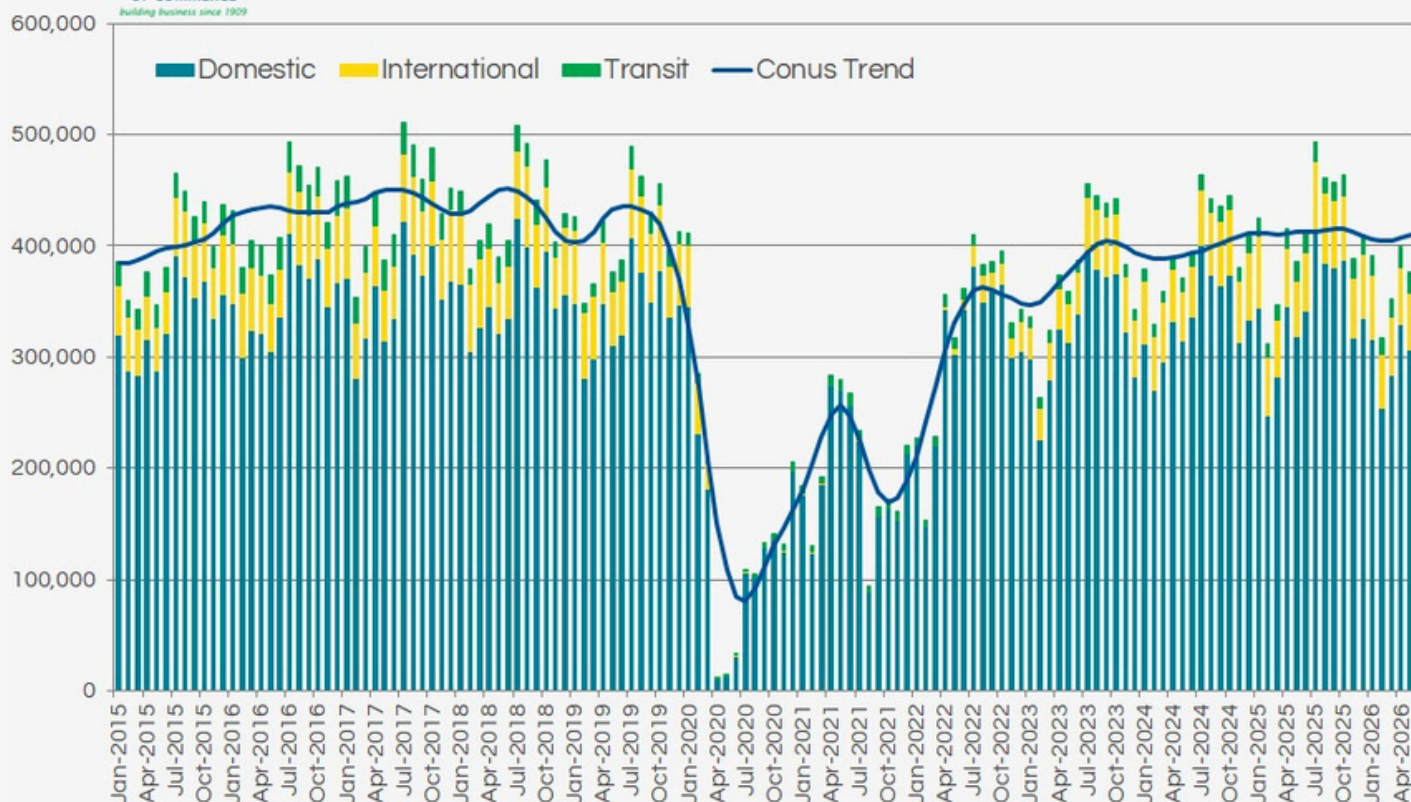
# TOURISM

Original data from the Cairns Airport shows passenger numbers were weaker in May and down 2.8% from a year earlier. The seasonally adjusted Trend series has been very slightly positive for the past 3 months, although it remains down 0.6% over the course of the year. Where strength exists, it is all coming from growth in the international sector with the international Trend showing a 4.3% increase for the year, which is back to levels we have not seen since September 2019. The far larger domestic sector is dragging overall numbers down with the Trend down 1.8% for the year (the sixth such consecutive annual decline) and it remains almost 7% below the pre-COVID highs from mid-2019.

The final result for the March quarter tourism data from Tourism Research Australia were broadly in line with the projections we outlined last month. International tourism expenditure increased to \$1.25bn (up from \$1.22bn in the previous quarter) while domestic overnight expenditure dipped slightly to \$2.84bn (from \$2.87bn). Day trip expenditure increased quite sharply (+24% from the previous quarter) to \$357m. The net result therefore was a very small increase in total expenditure to \$4.46bn (from \$4.38bn).



## Cairns Airport Total Passengers monthly

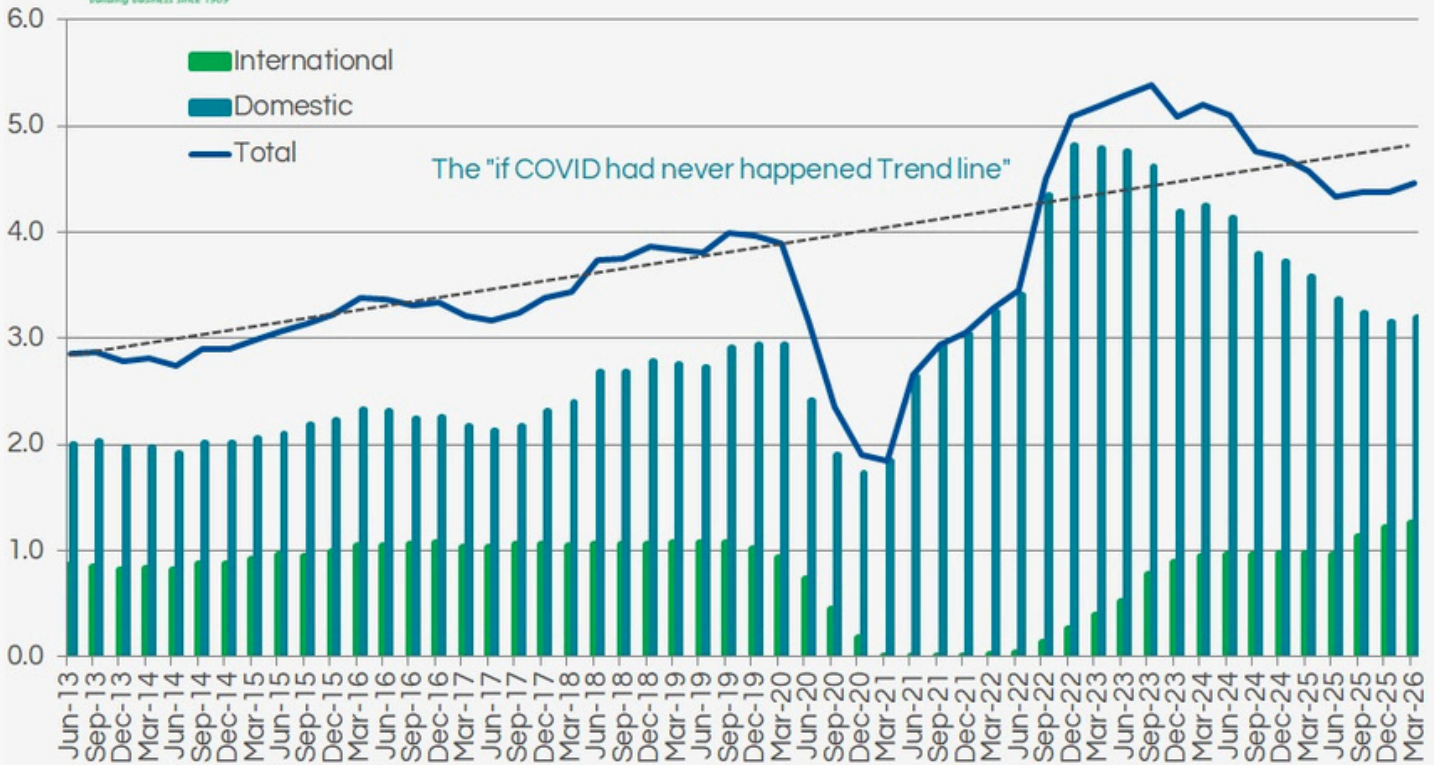


Source: Cairns Airport & Conus

Although domestic overnight tourism continues to ease, the weakness coming partially from the business travel sector where trips fell sharply, the holiday sector is spending rather more each day (although unfortunately spending very slightly less time in the region).

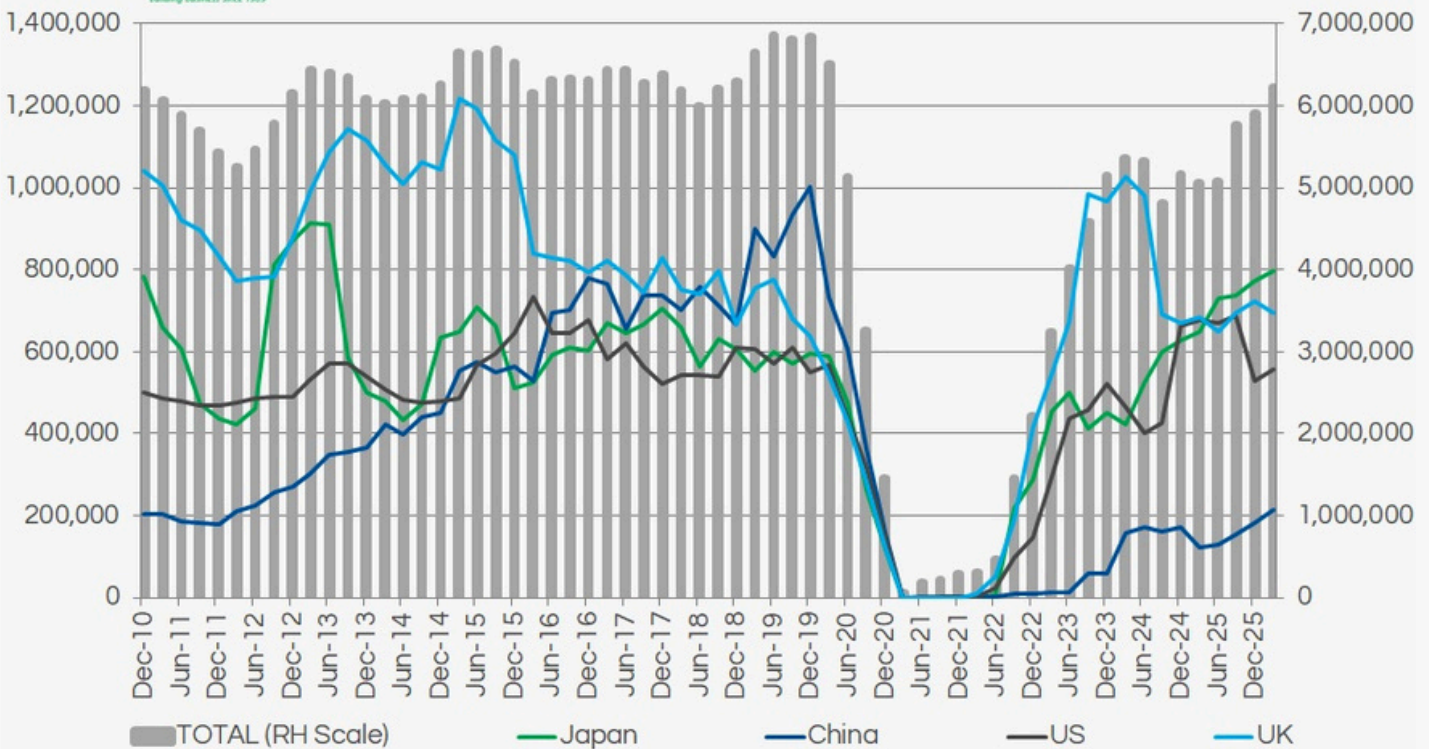
Within the international sector the Japanese market is performing particularly well with nights spent in the region hitting levels not seen for almost 13 years. The US market continues to do quite well and is close to the same levels seen before COVID. While the Chinese market continues its slow grind up we are a long way from anything like the kind of numbers we were witnessing in 2019.

## Total Visitor Expenditure in TNQ overnight and day trip \$ bn year to date



Source: TRA DoTS, NVS & IVS. Domestic expenditure is a Conus extrapolation between Dec 2024 and Dec 2025

## International Visitor Nights to TNQ



Source: Tourism Research Australia

Tourism as a sector is obviously highly exposed to fuel prices, consumer sentiment, and general cost-of-living concerns. It is therefore likely that the official second quarter data (which we will not see until September) will struggle with the hikes in oil prices we have already seen through the second quarter of this year. By our next issue we should have some idea of what to expect based on our regression modelling of tourism expenditure developed from more timely tourism-based data sets.



Photo credit: Tourism Tropical North Queensland



# LABOUR MARKET

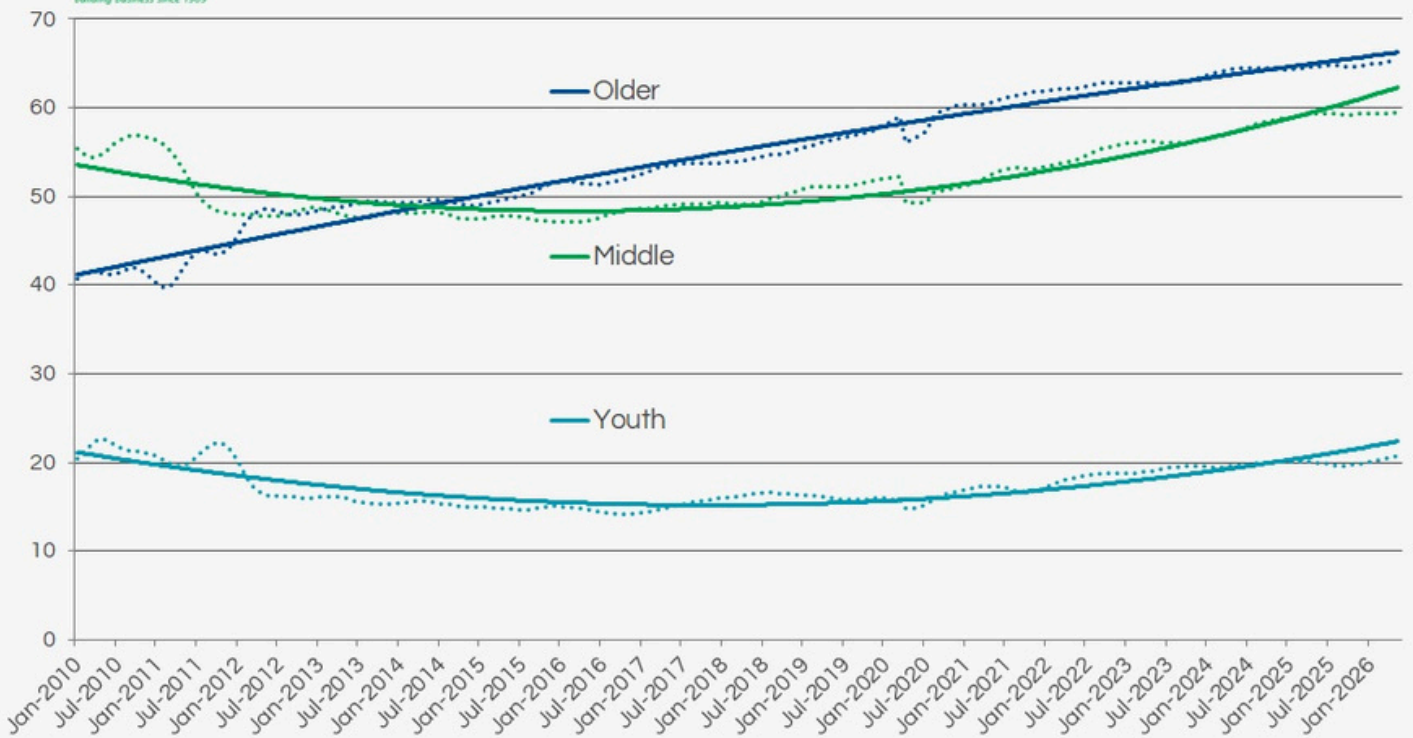
## Employment

Trend employment growth continued in May with another 300 added to the number in work. This takes the annual rate of growth to 1.1% with 1,600 added over the year. Employment has been growing at this pace for the past 3 months and while this is a healthier pace than the last quarter of 2025, 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 younger workers has picked up significantly and it now sits at 3.7% annually (about half of all new employment over the past year)



## Cairns Age Employment Conus/CBC Staff Selection Trend 000s



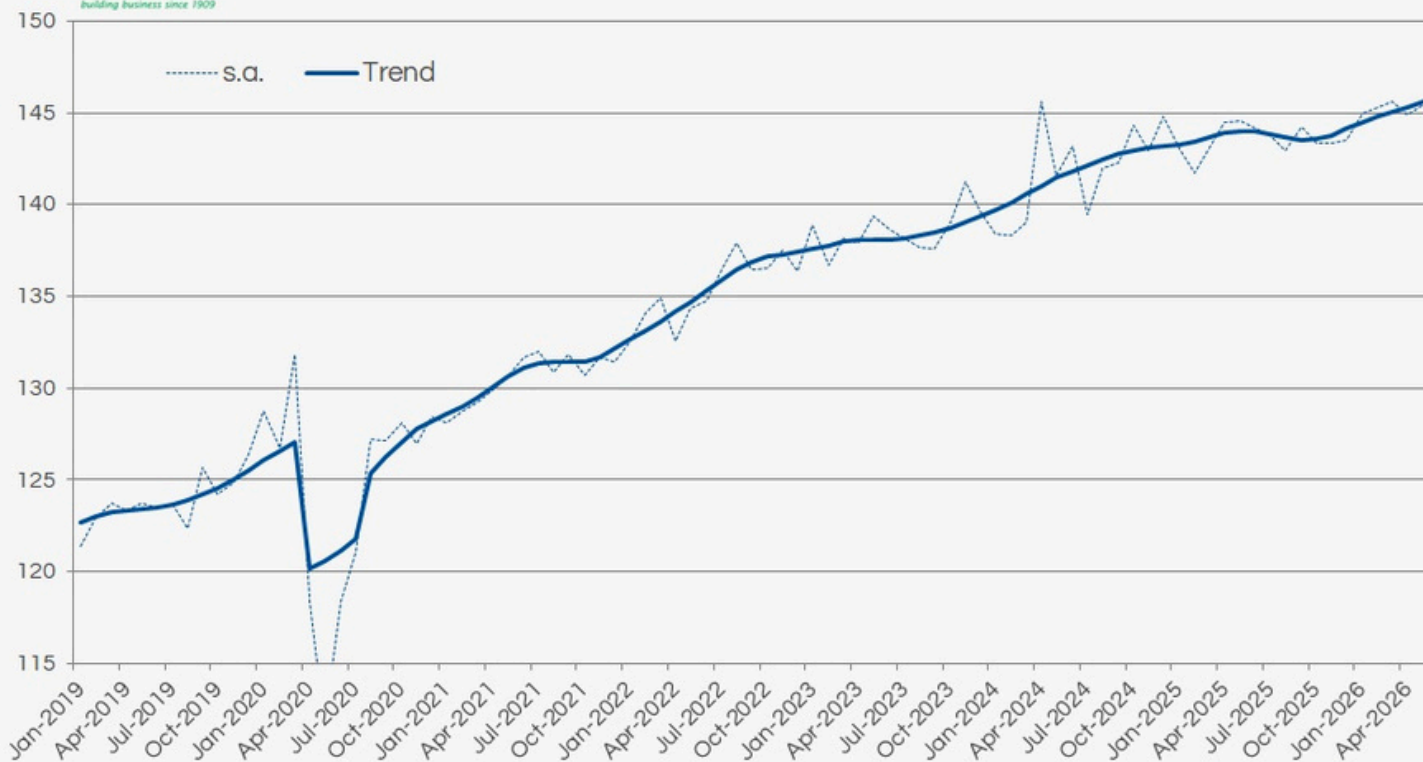
Source: Australian Bureau of Statistics and Conus/CBC Staff Selection

although this is merely reversing a negative trend that we had seen for this cohort and takes the total number of young people employed back to levels seen 15 years ago.

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. We still do not have access to this data beyond Jan 2026.

Trend employment growth in Queensland picked up slightly in May to 1.5% y/y (along with some downward revisions to previous months) with another 9,500 added to the number in work; this is the largest monthly increase in employment since Feb 2024.

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



Source: Conus derived from ABS original data

While this employment growth is encouraging, we must note that this month only 3,000 of those extra jobs have been full-time. Over the course of the past 6 months although the State has seen an extra 45,000 in employment, only 18,500 of those have been full-time positions.

A similar, although less strong, story holds true at the national level. Trend employment across Australia grew by 20,200 in May to take the annual pace of growth to 1.3% (after some downward revisions) which is its fastest pace since September last year. More than 11,000 of that increase came in the form of full-time positions. Last month we noted the volatility in the seasonally adjusted employment series. This month that volatility was again a major factor with seasonally adjusted employment increasing by 40,300 hot on the heels of a 40,700 decline in the previous month! This is why we prefer to focus our analysis on the Trend series.

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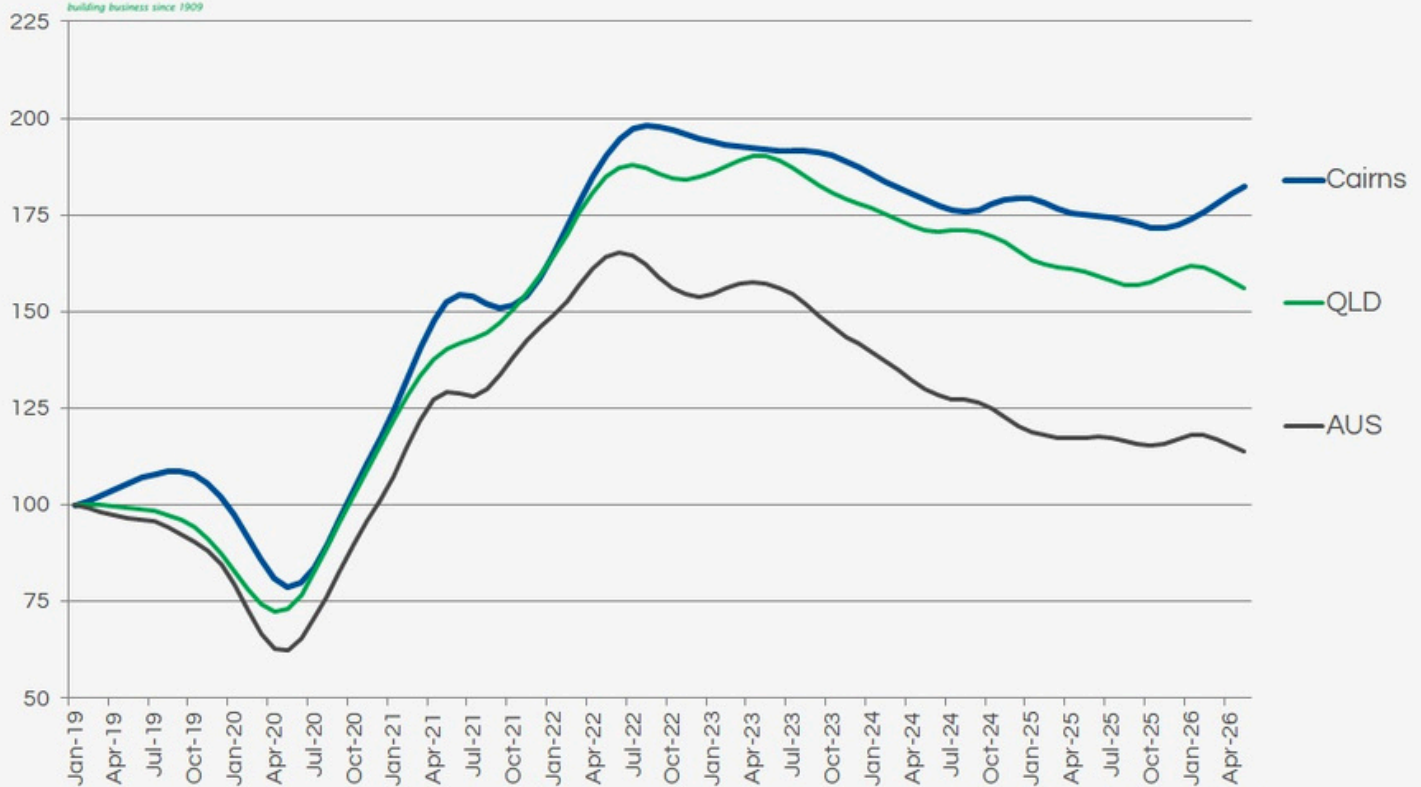
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## Online Job Vacancies Conus Trend Index (Jan 2019 = 100)



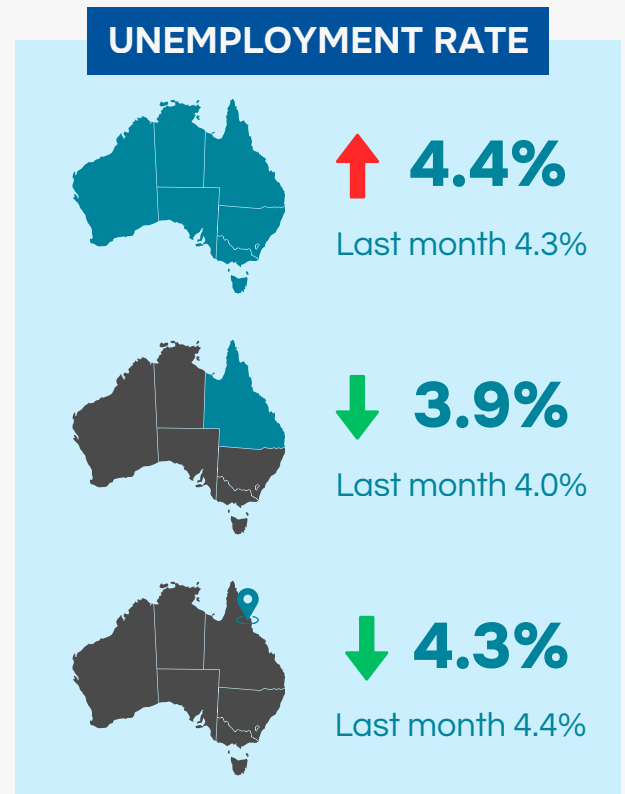
Source: Conus & Jobs and Skills Australia IVI

Although labour market conditions have certainly eased a little over the past 12 months, conditions remain quite robust and this strength is one of the reasons that the markets (and the RBA) are still not convinced that the interest rate hiking cycle is yet done.

The Online Job Vacancies data for May shows our region performing much better than the National average and confirms that the labour market has tightened even further over the past few months. Vacancies have declined 3.1% across Australia over the past 12 months but are up 0.9% in Far North Queensland and are up an even stronger 4.2% in Cairns SA4. Up until recently Queensland had been performing well but is now falling at a similar rate to the national Trend down 2.7%. As the chart makes clear, over the past 7 years Cairns has performed significantly better than both State and National average and that outperformance is once again evident in the recent data.

# Unemployment

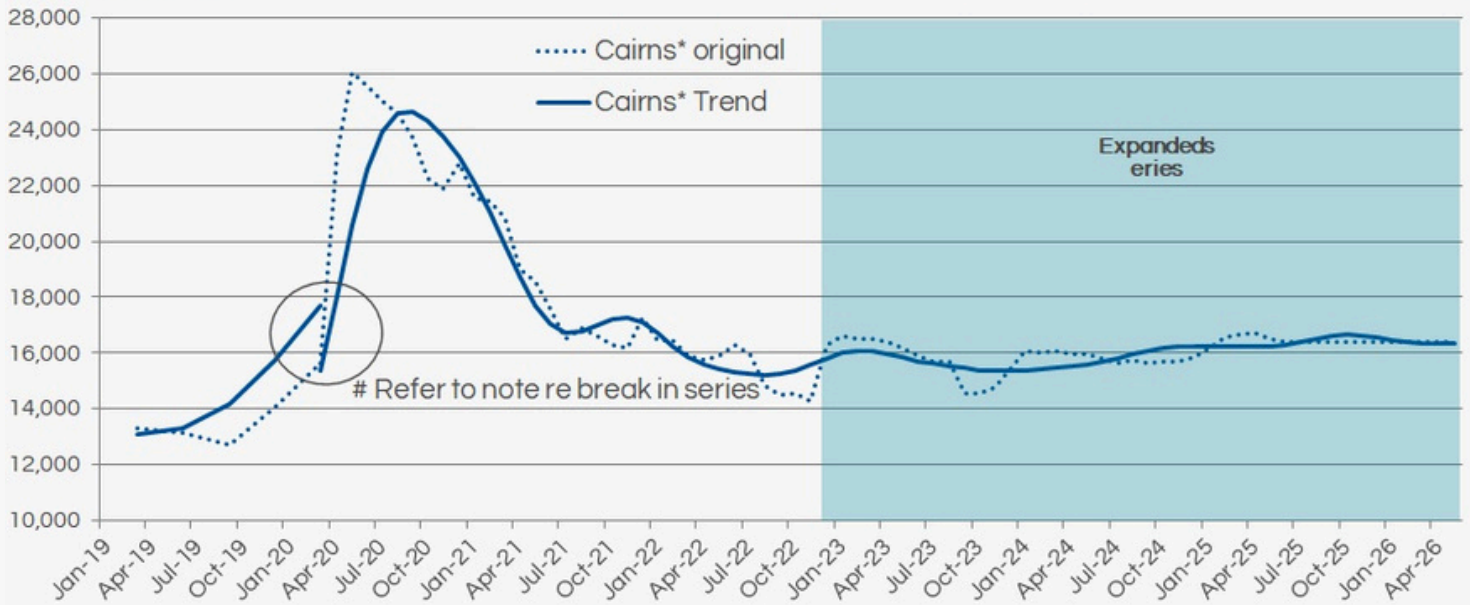
With the pace of employment growth picking up and an additional 1,800 people employed in the past 6 months, we have seen the Trend unemployment rate in Cairns moving a little lower. That has continued in May with the unemployment rate falling to 4.3% which is its lowest level since April 2023. Most regions in Queensland have now seen a decline in their Trend unemployment rates over the last 6 months, although the decline in Cairns (from 4.7% to 4.3%) is the third greatest in the State behind Moreton Bay – North and Wide Bay.



JobSeekers across the country continue to show Trend growth and were up 5.7% for the year to May. In Queensland the increase is somewhat slower at just 3.2%. Here in Cairns the Trend Jobseeker series edged very slightly higher in May after a series of 6 consecutive monthly falls. Nevertheless, the increase is just 0.7% for the year which demonstrates just how robust the local labour market is when compared to the State and Nation.

Queensland's Trend unemployment rate fell in May to 3.9% (while previous months were revised slightly lower). This is its lowest rate since January 2025 and has been steadily falling since October last year. The State's labour market remains very robust with the Trend unemployment rate having fallen by 0.2 ppts over the past year

## Jobseekers # Conus/CBC Staff Selection series



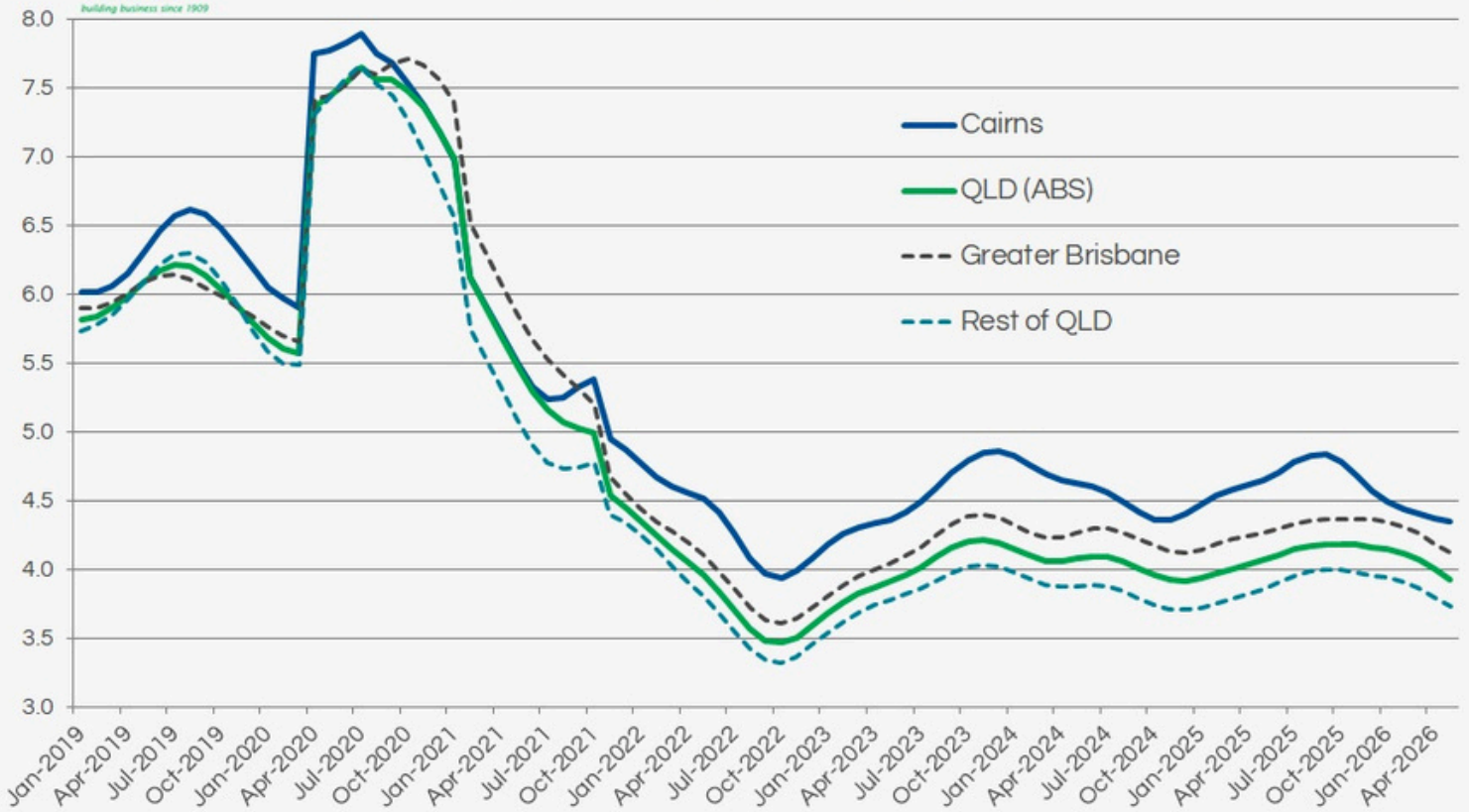
# Before Mar 2020 'Jobseekers' related to recipients of Newstart or Youth Allowance who were looking for work; from Mar 2020 onwards it is all JobSeeker recipients. From Dec 2022 the DSS have been using an 'Expanded' series which includes recipients who are current but on zero rate of payment and those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

We now have a spell of 38 months in which the Trend unemployment rate in Queensland has been fluctuating between 4.2% and 3.9% - an extraordinary run of strength. Participation in Queensland remains healthy with PR picking up slightly over the past 2 months. It is this relatively strong participation which is keeping the unemployment rate from falling further despite the pickup in employment growth noted above.

Across Australia the resilience of the labour market is also evident, although much less dramatically so. The Trend unemployment rate edged higher in May to 4.4%, although the more volatile seasonally adjusted series fell from 4.5% to 4.4%. This much more volatile series tends to get all the media attention but a focus on this drop in the s.a. unemployment rate is masking the gradual easing of the labour market underway at the national level. Like the situation in Queensland, a strong and fairly stable participation rate is stopping the unemployment rate from falling further despite a slight improvement in the pace of Trend 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 some early evidence which suggests the recently announced changes to CGT are having a negative impact on property prices nationally, there is scant evidence (at least at this stage) of any such effect being felt in the Cairns market. With interest rate increases looking like they may be on hold for some time, prices continue to move ahead strongly and in the year to June median unit prices have increased

by another 20% while median house prices continue to hover just below the \$800,000 barrier and are up 14% for the year.

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 17.2%, which equates to an increase of 61% over those 3 years.

## MEDIAN PRICE



Unit

**\$470,000**

+ 19% y/y



House

**798,000**

+ 15% y/y

This compares to a national average of 6.8% annually for a 3-year increase of 21.8%. Even when we consider price movements over the past 10 years Cairns (+104%) has outperformed both Sydney (+63%) and Melbourne (+68%). Despite this huge out-performance in recent years, the median combined (houses and units) price in Cairns is still \$260,000 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. For the fourth consecutive month the rental vacancy rate is below 1% at just 0.8% in May. It has now been 65 months during which the rental vacancy rate has been between 1.2% and 0.5% - an

extraordinary period of tightness which appears to once again be getting ever tighter. This tightness in the rental market over more than five years has been a major driver of such strong rent growth. Given this rental shortage the fact that weekly rents continue to rise strongly is no surprise. Rents across units and houses are now up 8% to 10% for the year.

#### VACANCY RATE

# 0.8%

Previous month 0.8%

#### MEDIAN RENTALS

2-bed unit

## \$530 p/w

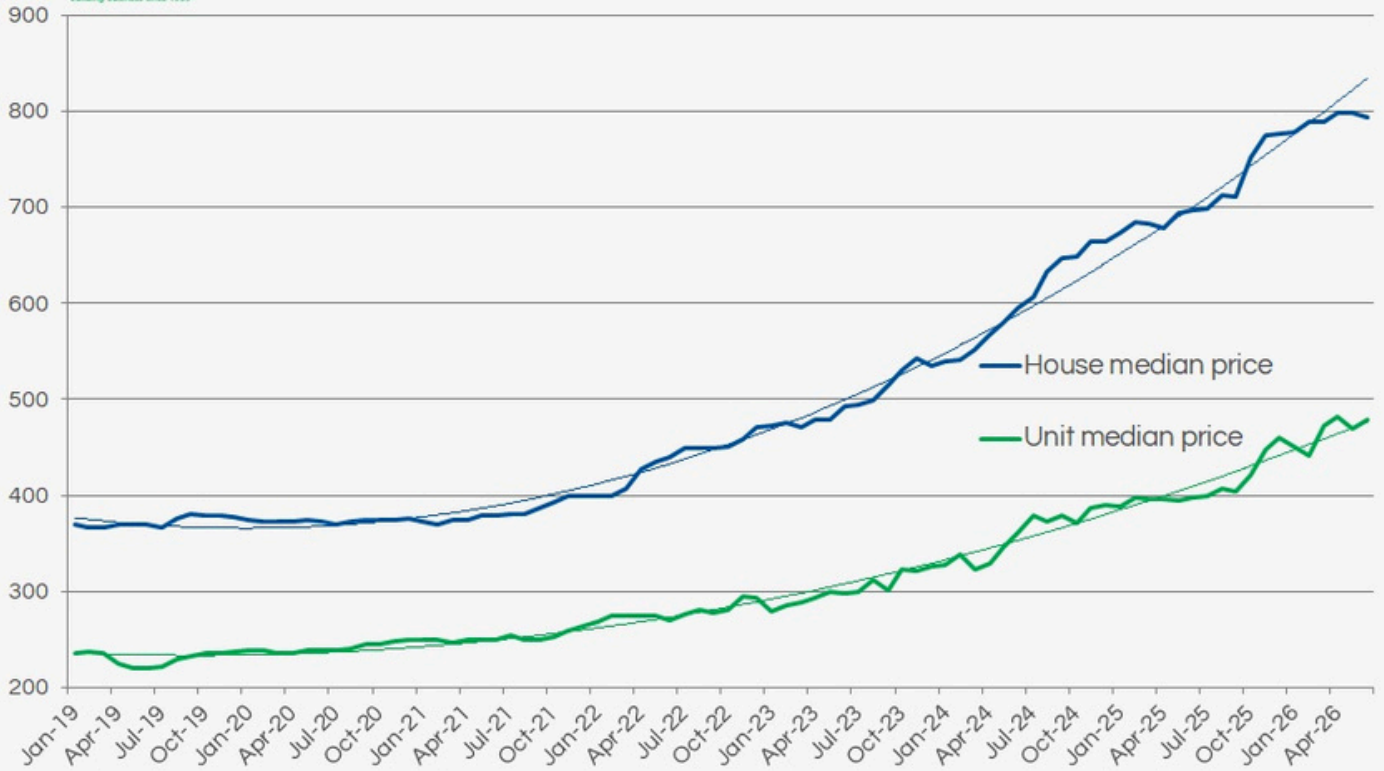
+ 10% y/y

3-bed house

## \$650 p/w

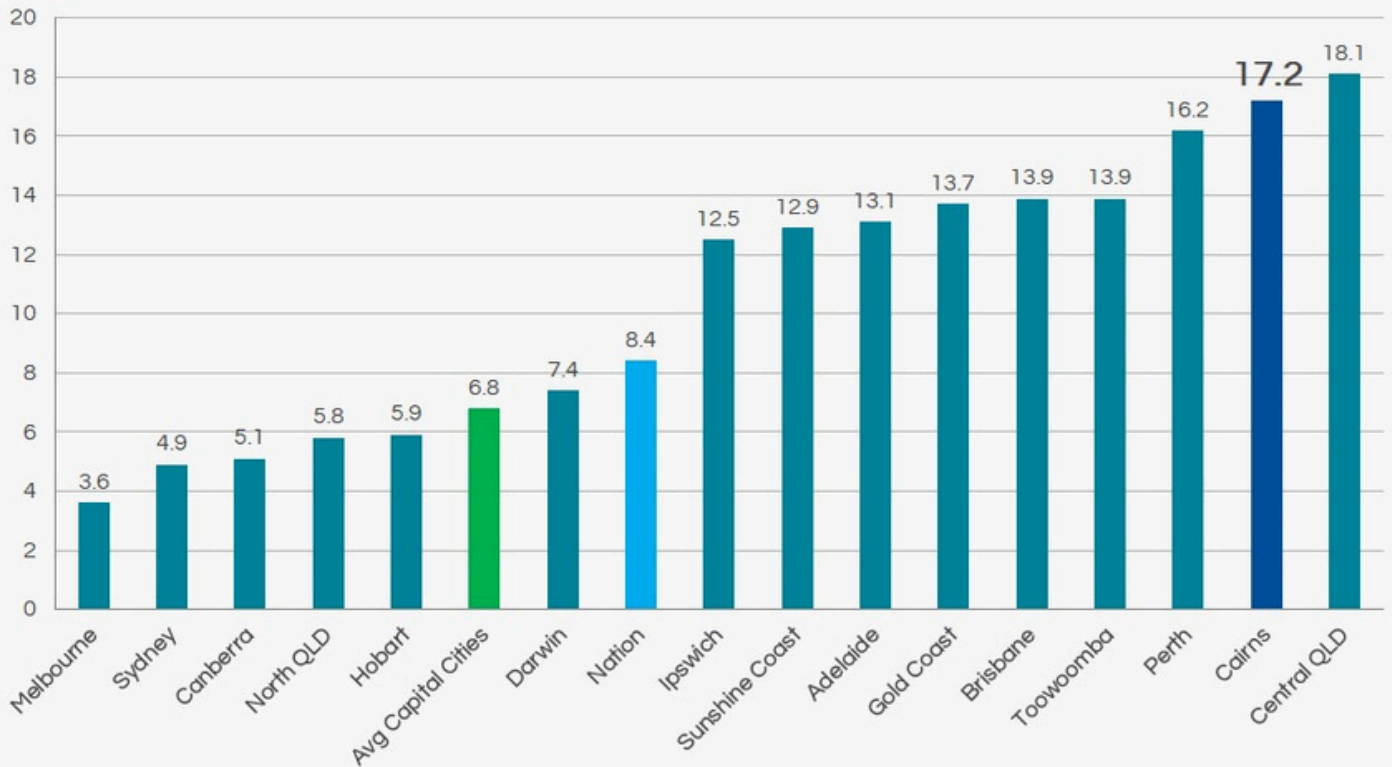
+ 8% y/y

## Real Estate Prices Cairns region \$000s



Source: SQM Research

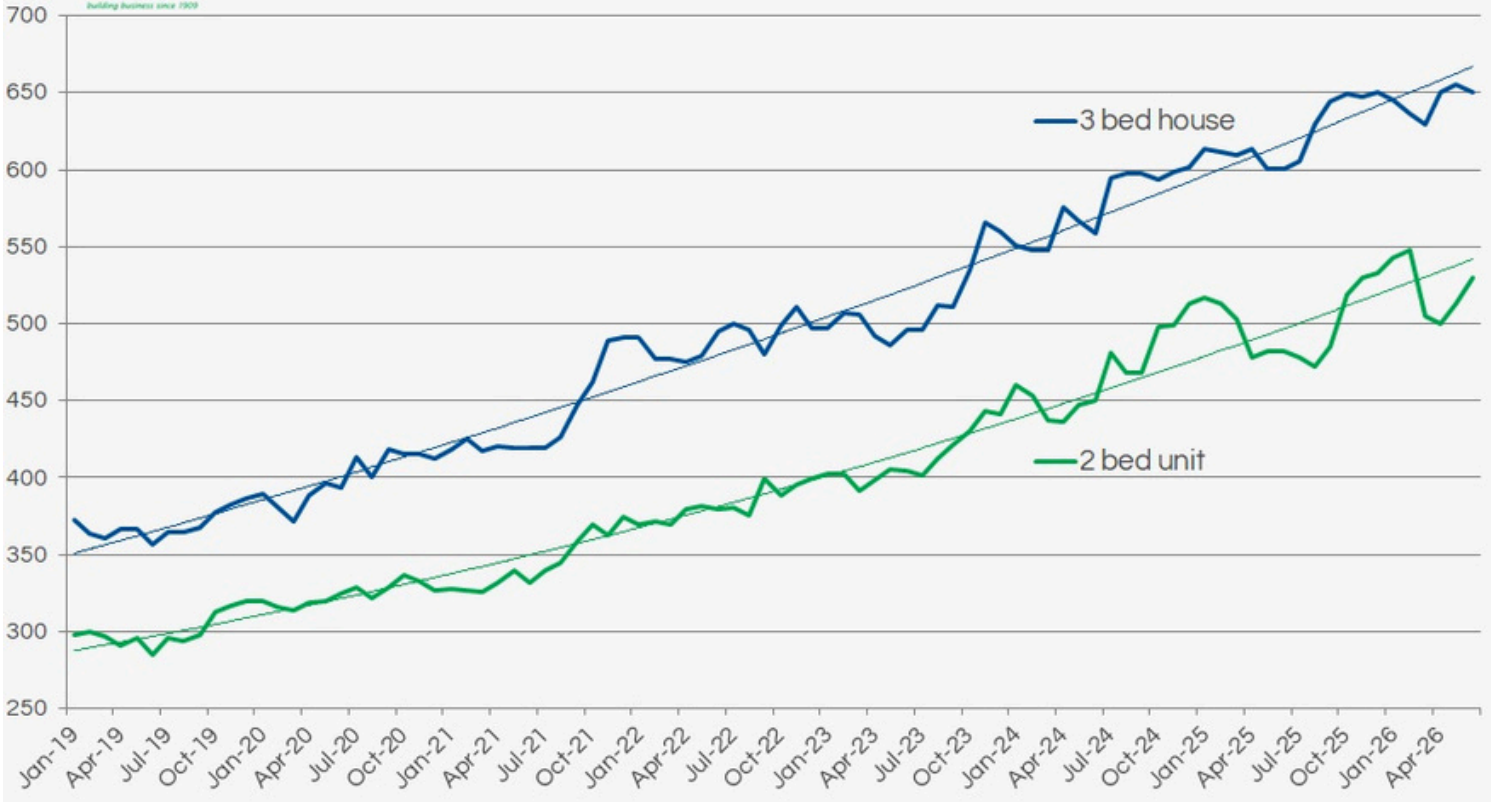
## Real Estate Prices 3 year pa %



Source: SQM Research



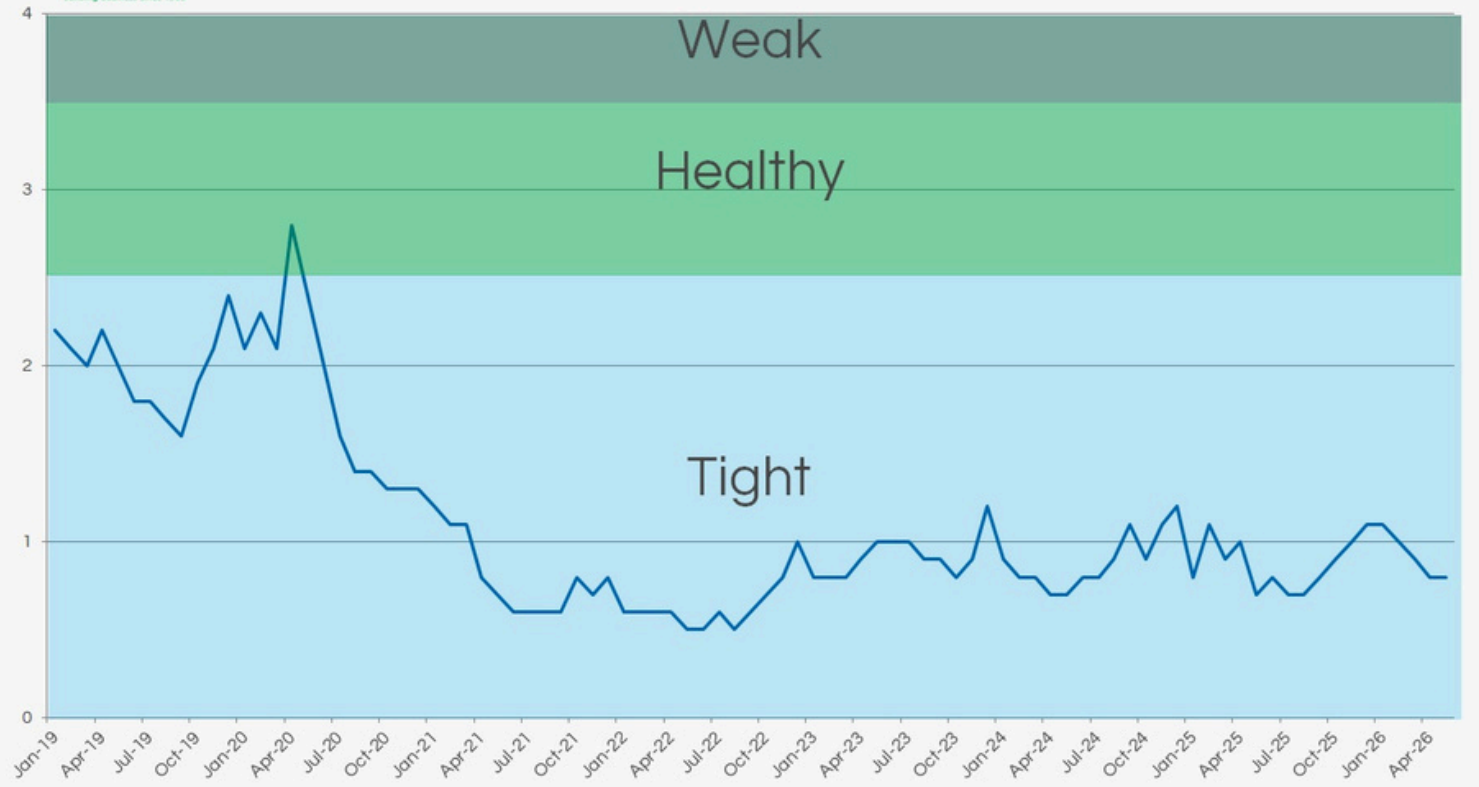
# Cairns Median Rents \$pw



Source: SQM Research



# Cairns Residential Vacancy Rate%



Source: SQM Research



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# A WORD FROM OUR SPONSORS

“ A new financial year is always a time of renewed energy, with businesses looking ahead to new opportunities and setting the course for the months ahead. At WGC Lawyers, we are pleased to commence the new financial year with the appointment of two new Directors – Chloe Moes and Kely Whitten - reflecting our continued growth and confidence in the future. We look forward to continuing to support businesses, organisations and individuals across Far North Queensland throughout the year ahead. ”

**Rhiannon Saunders**  
Managing Director, WGC Lawyers

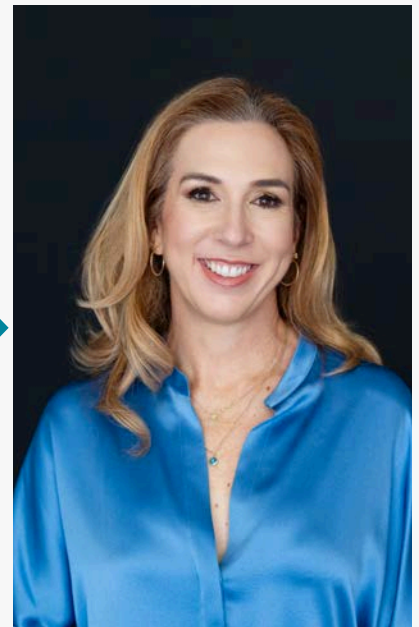


“ As the financial year drew to a close, tax planning was unusually busy, driven by a wave of proposed tax reforms that have made this year's planning season particularly complex. Across our client base, there is growing concern not only about the potential personal impact of these changes, but also their broader implications for business confidence, investment and the regional economy. While the details of many reforms are still being debated, the level of uncertainty reinforces the importance of proactive planning and seeking timely advice. We'll continue to monitor developments closely and help clients navigate what is shaping up to be a significant period of change. ”

**Michael Wilson**  
Partner, PVW Partners

“ The real estate industry is never dull. End of financial year brings the commencement of the new legislation impacting the entire nation covering and reforming Anti Money Laundering, capital gains, negative gearing and Self Managed Super Funds. Yet to be seen and nervously anticipated is proposed family trust tax reforms legislation. Whilst properties have continued to sell at great prices, certainly the lack of certainty has led to investors pausing to understand the lay of the land. Owner-occupiers have still been active and choosing those properties that are modernised and effortless to move straight into over those properties that require maintenance and updates. ”

**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 JUNE 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

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JULY

15

**BREAKFAST WORKSHOP**  
**The Future of Australia's Health Sector**  
7:30am - 9.30am  
DoubleTree Hilton Cairns

31

**JULY BUSINESS LUNCHEON**  
**An Economic Outlook**  
11:30am - 2:00pm  
Reef Hotel Casino

AUGUST

05

**FNQ DAMA**  
**Information Session for FNQ Employers**  
09:00am - 10.00am  
Cairns Chamber of Commerce

18

**AUGUST BUSINESS LUNCHEON**  
11:30am - 2.00pm  
Crystalbrook Riley, Cairns

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