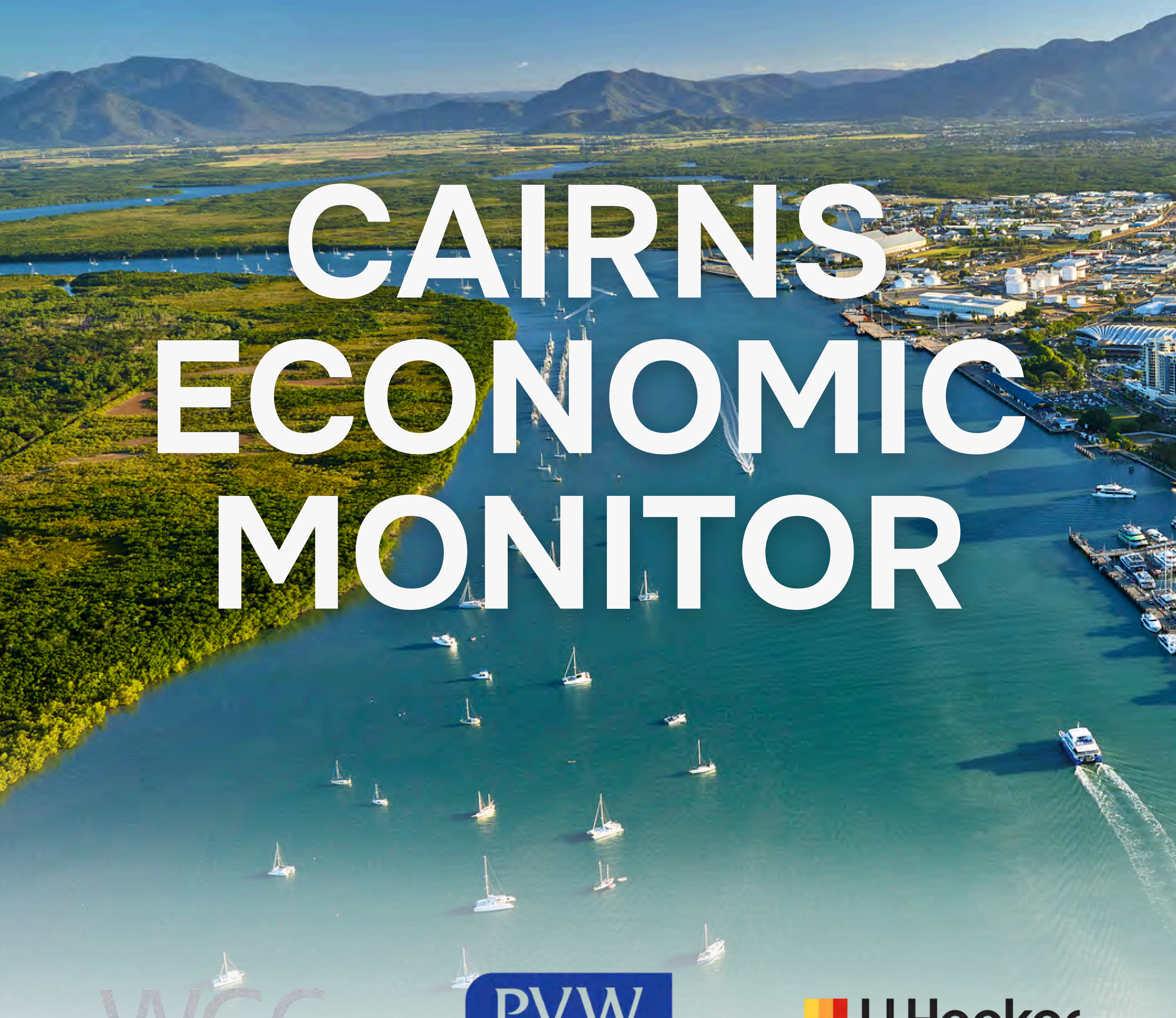
NOVEMBER 2025

CAIRNS CHAMBER OF COMMERCE
building business since 1909



CAIRNS ECONOMIC MONITOR

WGC Lawyers

PVW Partners Accountants and Advisors

LJ Hooker Cairns Edge Hill

SNAPSHOT

Trend building approvals, which saw the huge addition of the Woree affordable home development in the previous month, continue to show some very welcome strength with a solid 115 house approvals in August.

We will continue to monitor Trend for both the unadjusted (including the Woree units) and adjusted (excluding these units) series in coming months and can expect to see the two start to converge as the months go by.

A surprise increase in inflation in the September quarter has seen markets significantly scale back their expectations for further interest rate cuts. An increase in the core (Trimmed Mean) inflation to 3.0% sees the RBA standing pat at 3.6% at their November meeting and expectations for the next cut pushed out until later in 2026.

The Cairns labour market is still showing somewhat mixed signals with the unemployment rate edging higher to 5.0%, while at the same time, we are seeing jobs increase and an historically high level of participation persisting. Nevertheless, it is clear that the labour market has eased over the past few months in line with similar moves at the national and state level.

BUILDING APPROVALS

TREND APPROVALS

206
July 2025

TREND RATE OF APPROVALS

127.1%
year on year

Last month we saw the extraordinary addition of the Woree affordable housing development approvals (468 units) and the impact this had on our Trend estimates. We noted then that we would be tracking an adjusted series in coming months while this one-off effect worked its way through the Trend estimate.

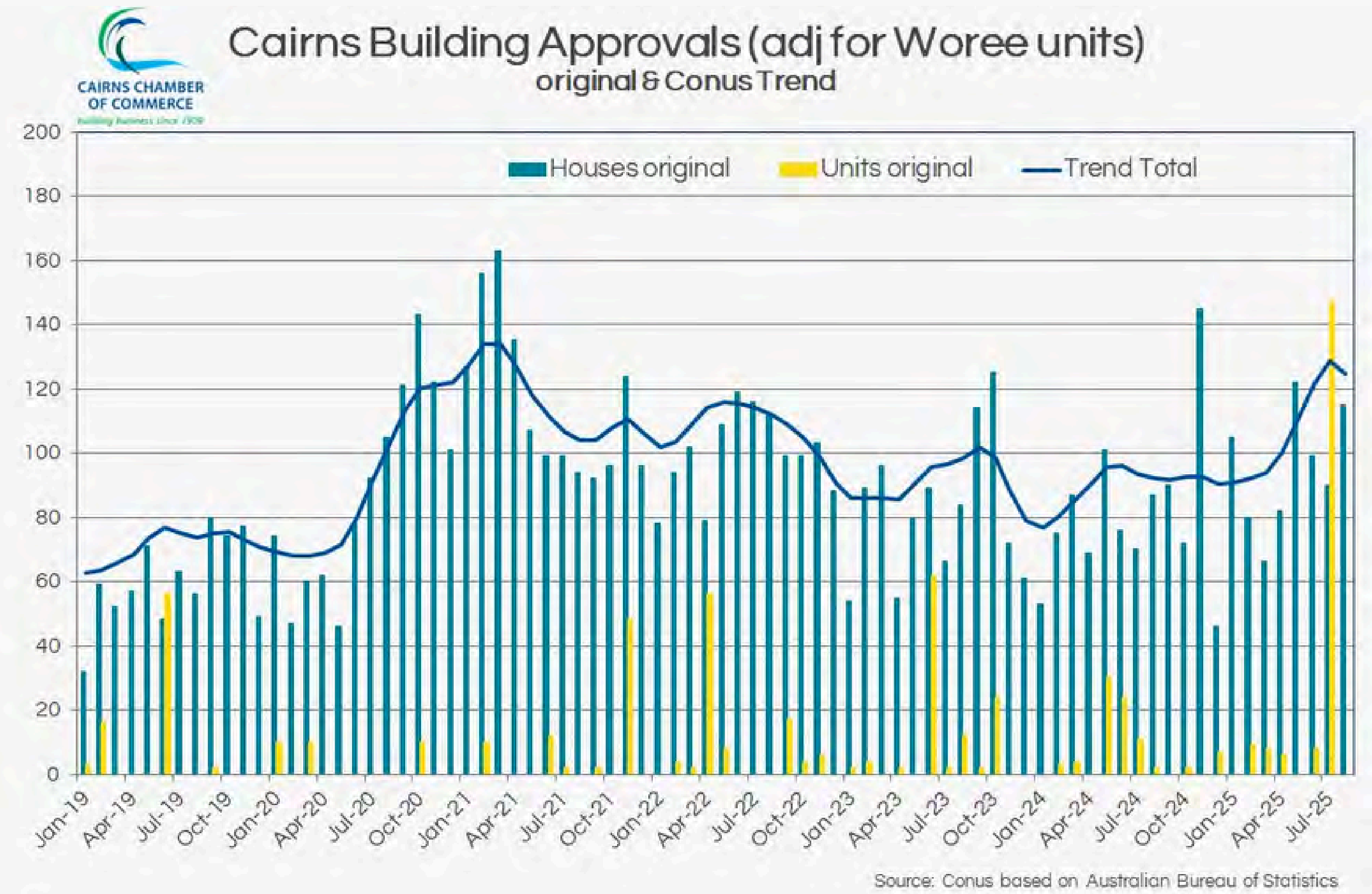
This month, although there have been no additional unit approvals, we see a healthy 115 approvals for houses and as a result the unadjusted Trend has edged even higher (to 206) while the adjusted series shows a slight decline to 124.

Over coming months, we will see these two series start to converge but it will take some time for this extraordinary impact to unwind in the statistical analysis.

We shall therefore continue to track both adjusted and unadjusted series.

Whichever way we look at it, we are seeing a marked improvement in the number of building approvals, which will certainly be welcomed by all those for whom the accommodation shortage has been such a significant issue impacting the potential growth of the region.

Nevertheless, it will take some time for these elevated approvals to feed through into available housing on the market and in the meantime shortages will likely continue to be the dominant theme.



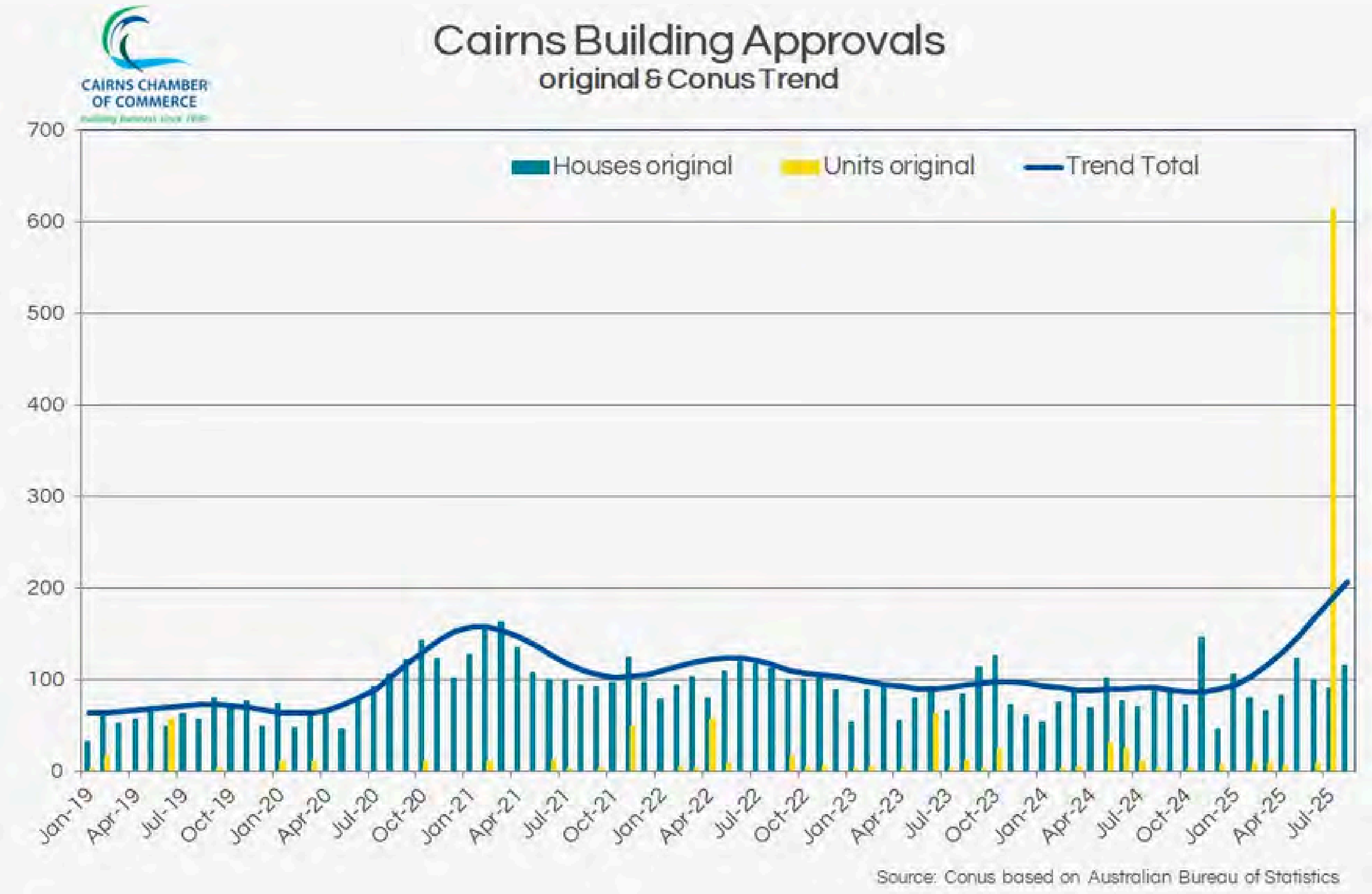
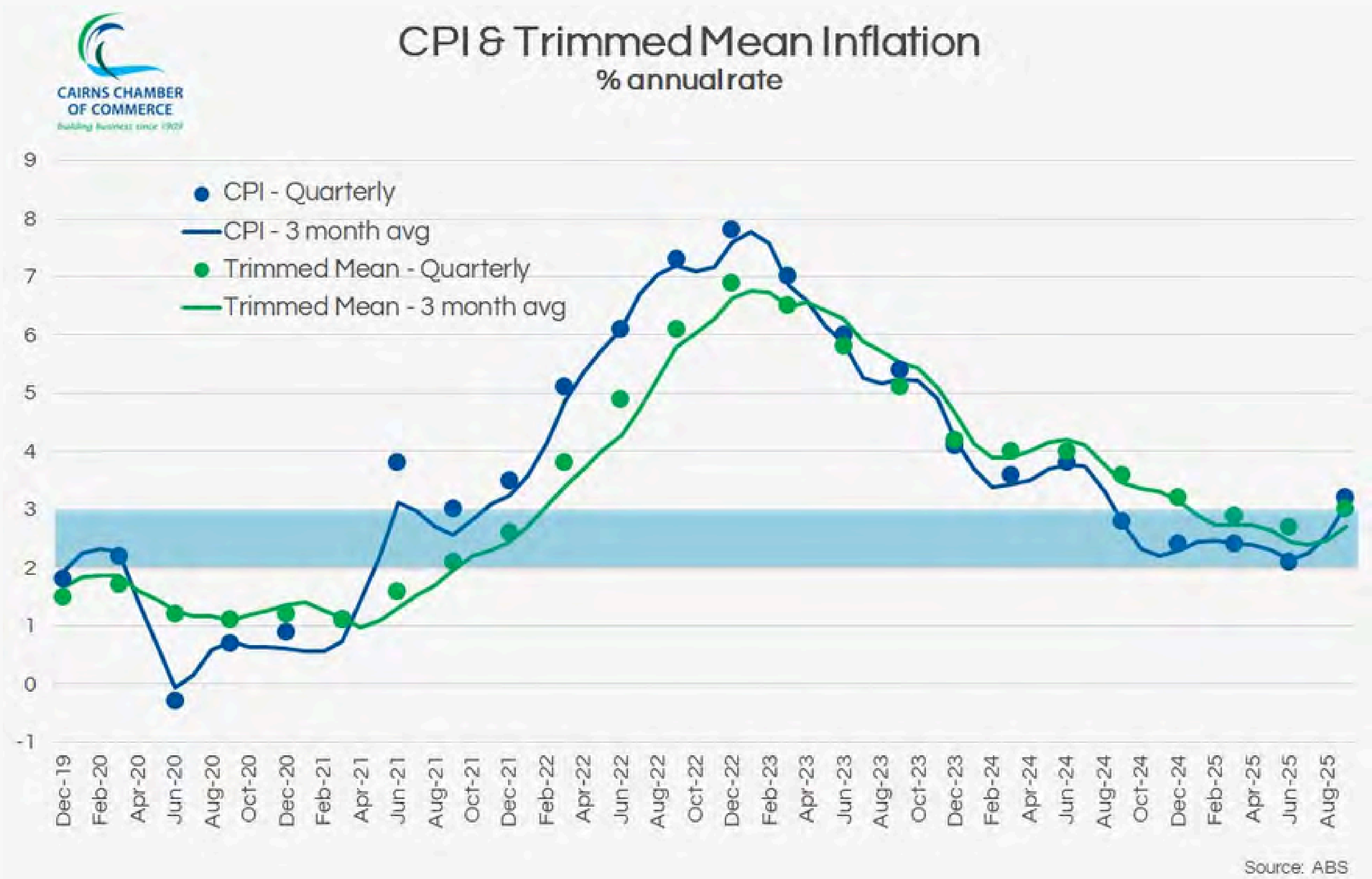

CAIRNS CHAMBER OF COMMERCE
Cairns Building Approvals
original & Conus Trend
Houses original
Units original
Trend Total
700
600
500
400
300
200
100
0
Jan-19
Apr-19
Jul-19
Oct-19
Jan-20
Apr-20
Jul-20
Oct-20
Jan-21
Apr-21
Jul-21
Oct-21
Jan-22
Apr-22
Jul-22
Oct-22
Jan-23
Apr-23
Jul-23
Oct-23
Jan-24
Apr-24
Jul-24
Oct-24
Jan-25
Apr-25
Jul-25
Source: Conus based on Australian Bureau of Statistics


Photo credit: Tourism Tropical North Queensland

WGC
Lawyers
123
WGC Lawyers

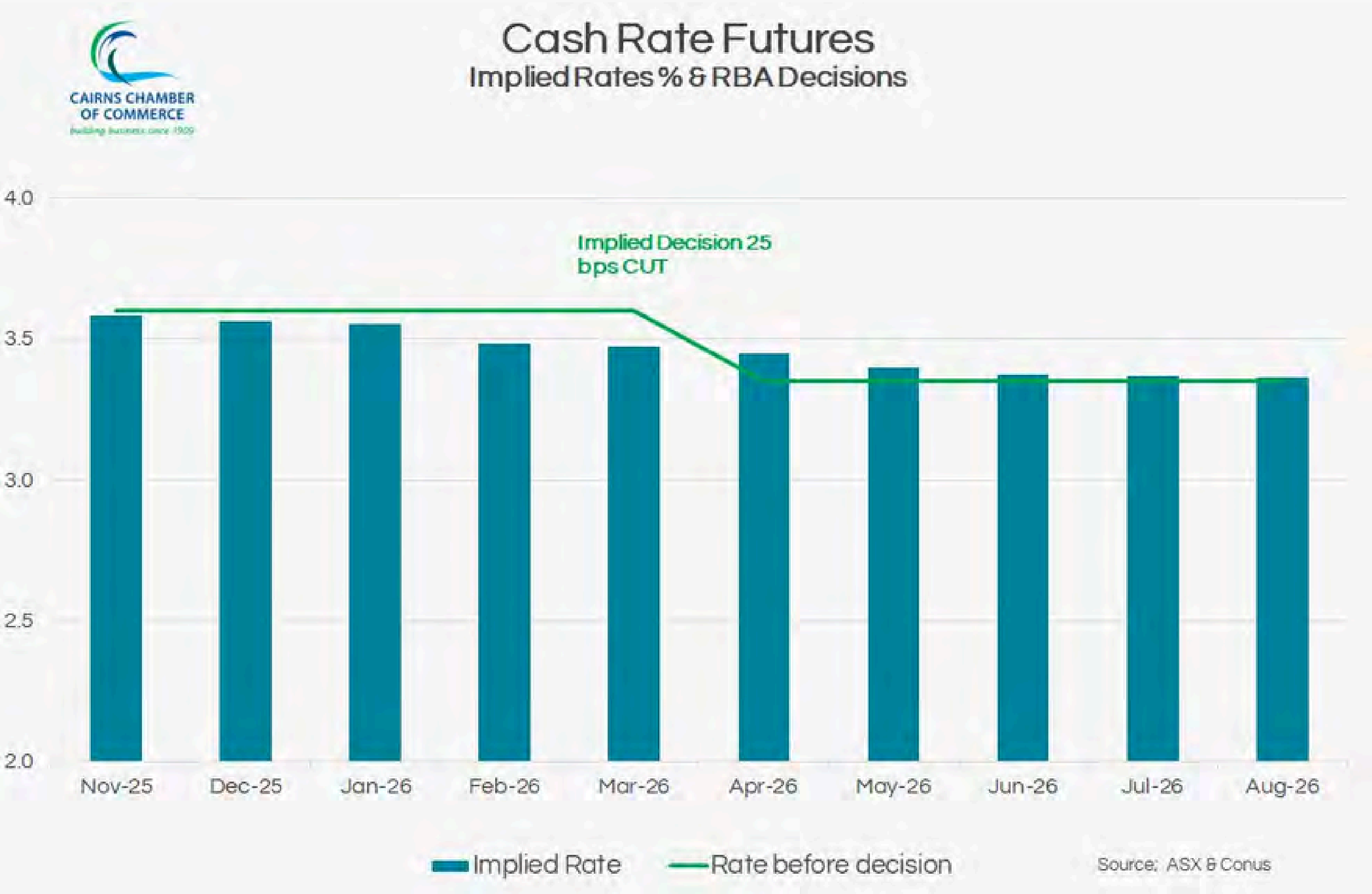
INFLATION & INTEREST RATES

Inflation in the third quarter has come in a good deal higher than the markets had been expecting. Headline CPI registered a 3.2% increase for the year (up from just 2.1% in the previous quarter). However, as regular readers of the Cairns Economic Monitor will know, what the RBA will be watching more closely is the core inflation series (Trimmed Mean) and here too we see a move higher than anticipated. Trimmed Mean in the third quarter increased to 3.0% from 2.7% in the previous quarter.



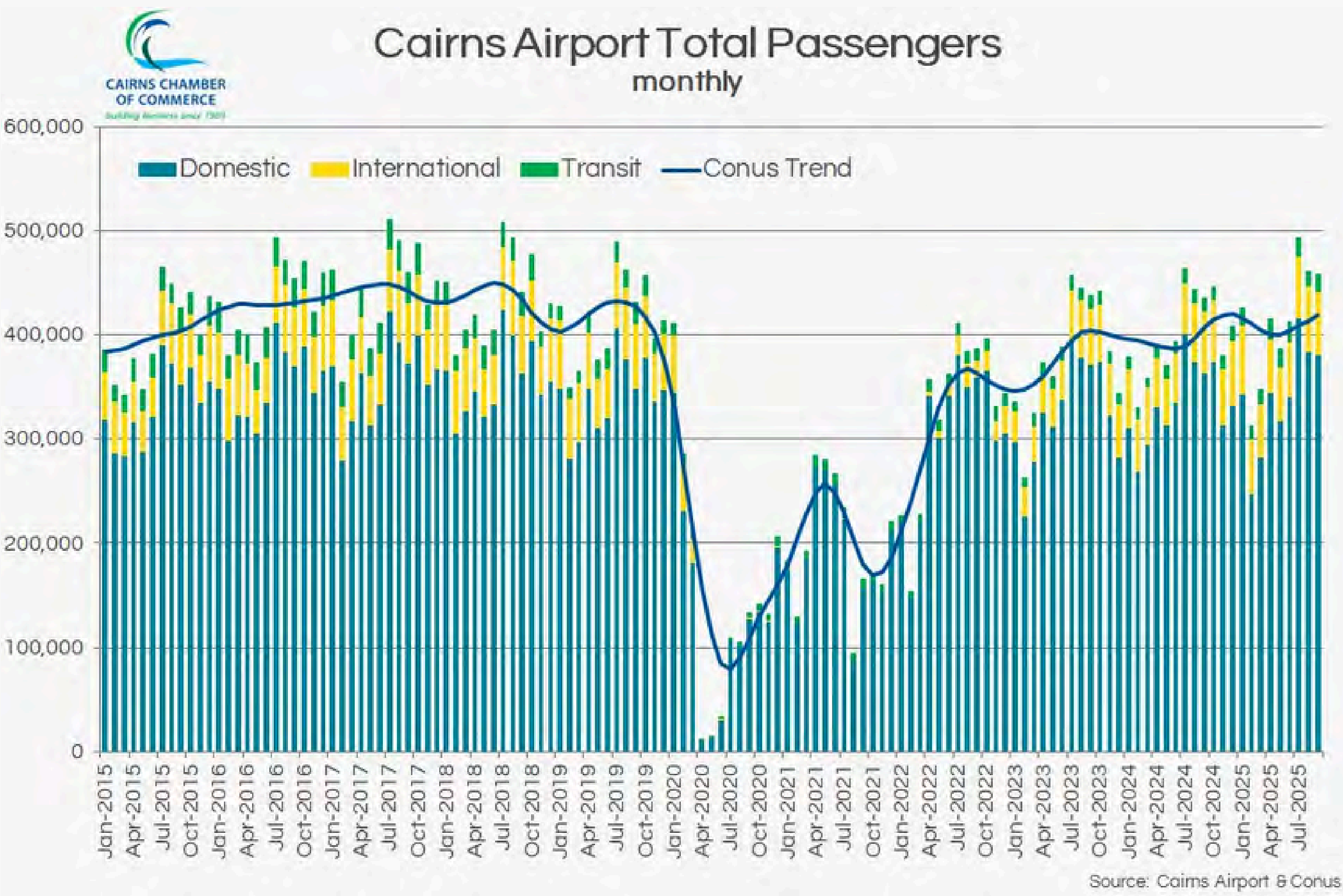
The somewhat surprising increase in the (seasonally adjusted) unemployment rate for September did create some short-lived market excitement about an interest rate cut being brought forward to as early as the November RBA meeting. At the time we made the point that the RBA were far more likely to be waiting, given the fact that the Trend unemployment rate had remained stable.

This surprise inflation data will have made it virtually impossible for the RBA to cut in November. Indeed, there were already signs within the futures market that the original excitement about an early cut was dissipating, and the next cut was not being fully priced in until the first quarter of next year. This data will likely push that timeline out even further.



TOURISM

September was a very solid month for passengers through Cairns Airport. The third quarter this year was the best for domestic passenger numbers since September 2018 while our monthly Trend estimate was at its highest since July 2019. International numbers were also strong with the quarter recording the best result since September 2019 and, even more impressively, our monthly Trend estimate now at its highest level since August 2006!



These numbers suggest that the recovery in passenger numbers, particularly international passenger numbers, continues to build as more routes open and international tourism returns to pre-COVID levels.

We will have to wait until December before we see the next release (for the Sept quarter) of official tourism data from Tourism Research Australia. However, in the meantime our own modelling of the domestic and international expenditure series for TNQ (which is based on a selection of more timely partial datasets), allows us to estimate what those results might look like.

Our model suggests that domestic expenditure, for which we have had to rely on estimates since the release of the last official figures for the year to Dec ’24, is likely to have lifted from $3.30 bn in the year to the June quarter to $3.41 bn for the year to September.


Photo Credit: Tourism Tropical North Queensland

Similarly, we estimate that international expenditure will lift from the official figure of $1.21 bn in the year to June to $1.24 bn in the year to September. In total therefore we are estimating a modest increase of $140 million over the previous quarter.

More timely monthly data for Overnight Visitations shows clearly the recovery in numbers in the region in recent months as we move through 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.

Indeed, figures for the total of the 12 months to September remain down 27% from the high seen in September 2022.

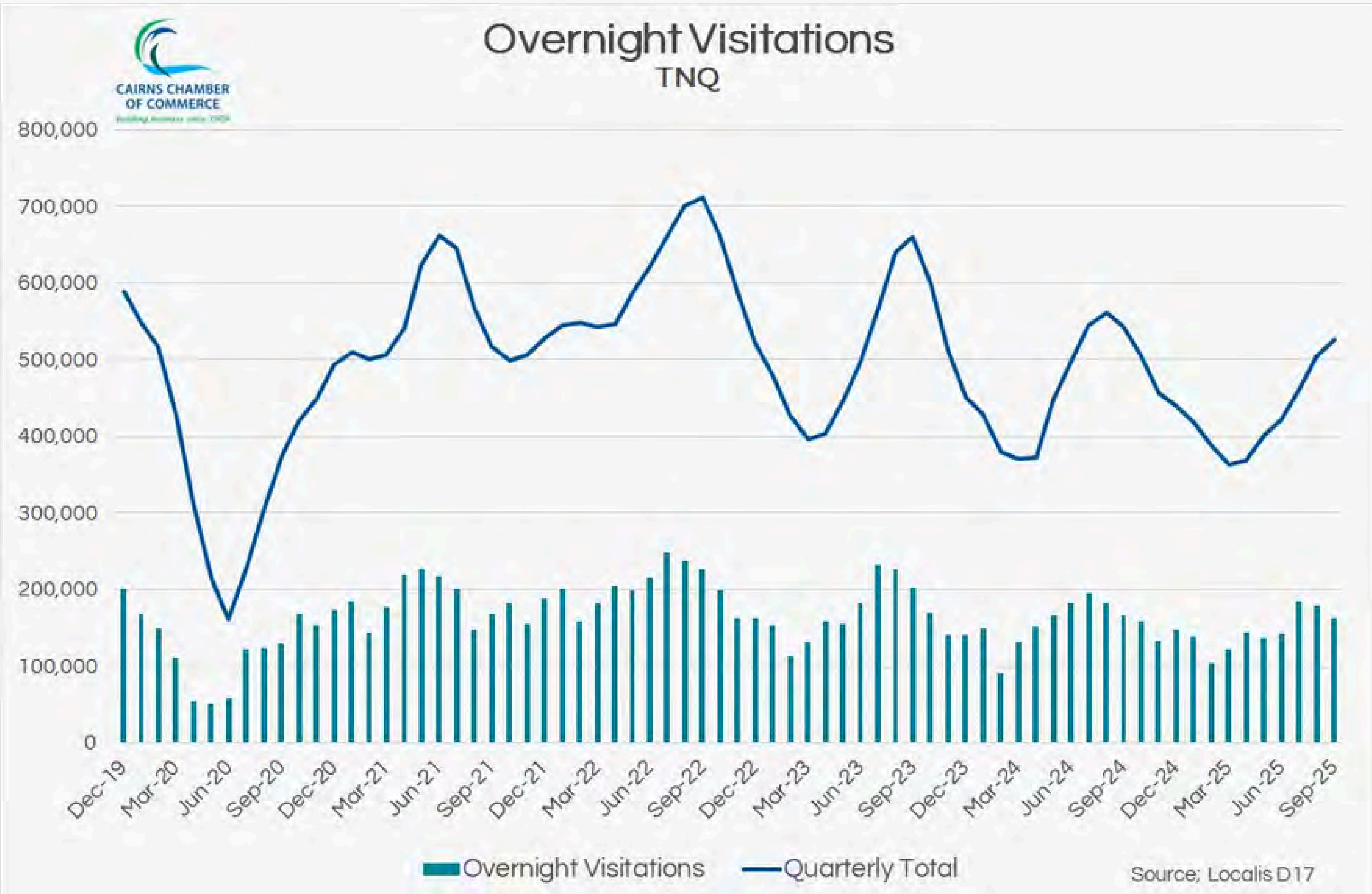


Photo Credit: Tourism Tropical North Queensland

LABOUR MARKET

Employment

While Trend employment lifted again in September (+200), as the chart makes clear employment growth has slowed significantly in recent months.

In Cairns annual employment growth has fallen to 0.8% pa from its previous high of 3.5% pa just over a year ago.

PEOPLE EMPLOYED

↑ **14,647,000**

Last month 14,627,200

↑ **3,007,000**

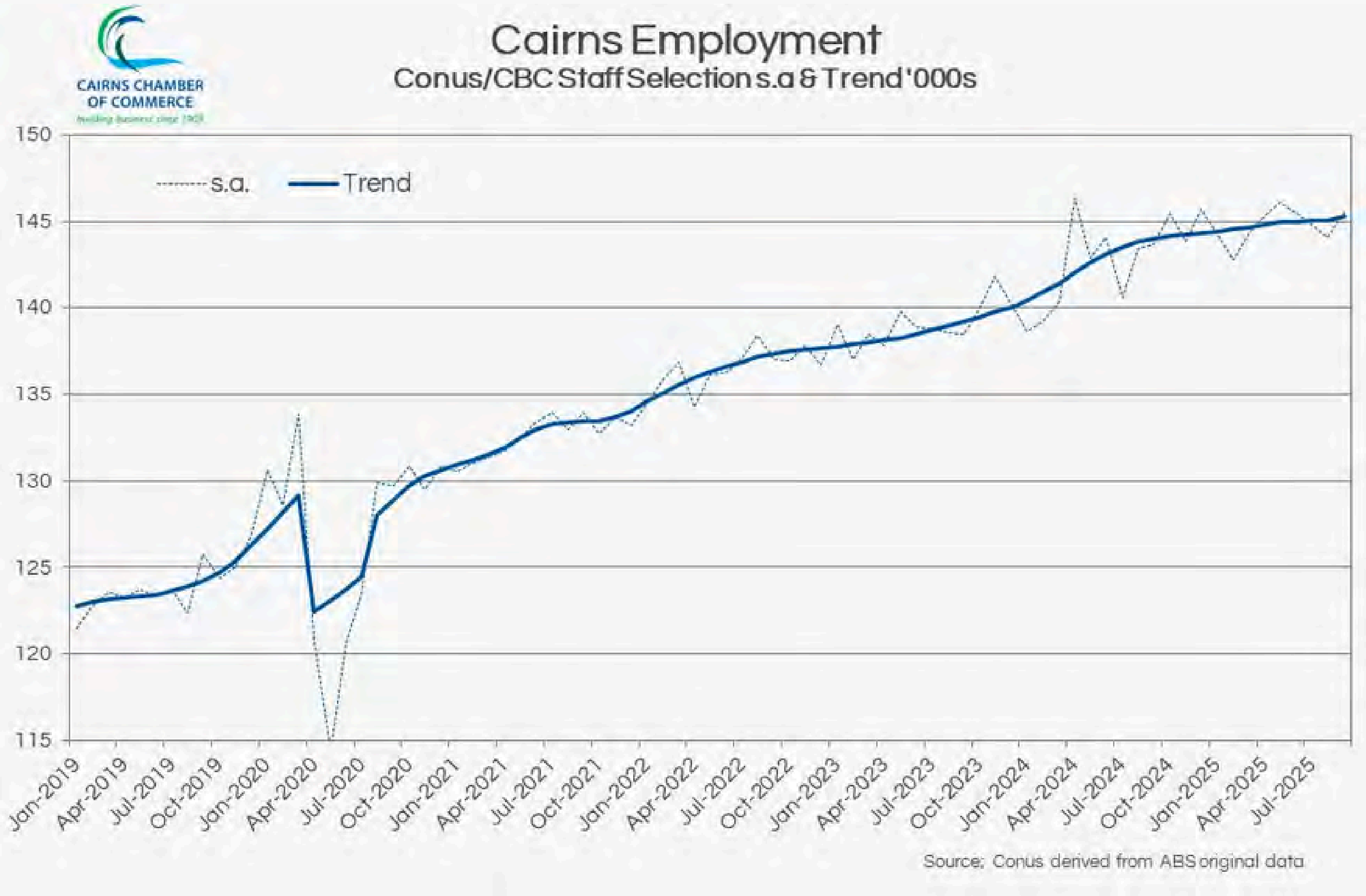
Last month 3,003,800

↑ **145,300**

Last month 145,100

The highlight in the Cairns labour market over the past year or so was the pace of growth of full-time employment. This recent slowdown is being reflected here too; full-time employment dipped sharply this month (-700), and the pace of growth is now negative for the year with 2,500 full-time job losses.

This is another clear sign of the softening of our labour market in recent months in line with the story at both the national and state level.



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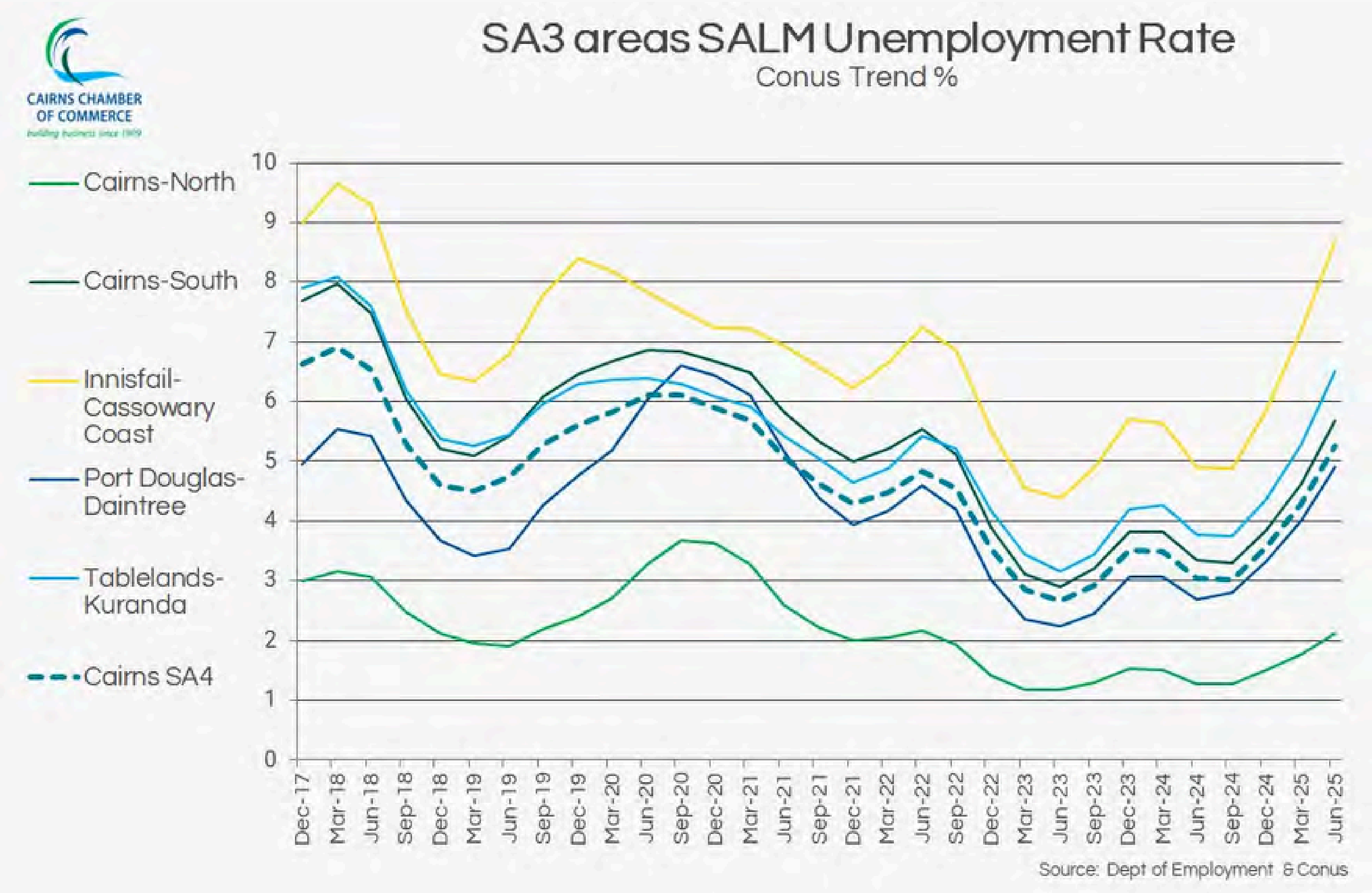
Jul-2025
Source: Conus derived from ABS original data



CAIRNS CHAMBER OF COMMERCE
SA3 areas SALM Unemployment Rate
Conus Trend %
Cairns-North
Cairns-South
Innisfail-Cassowary Coast
Port Douglas-Daintree
Tablelands-Kuranda
Cairns SA4
10
9
8
7
6
5
4
3
2
1
0
Dec-17
Mar-18
Jun-18
Sep-18
Dec-18
Mar-19
Jun-19
Sep-19
Dec-19
Mar-20
Jun-20
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Mar-21
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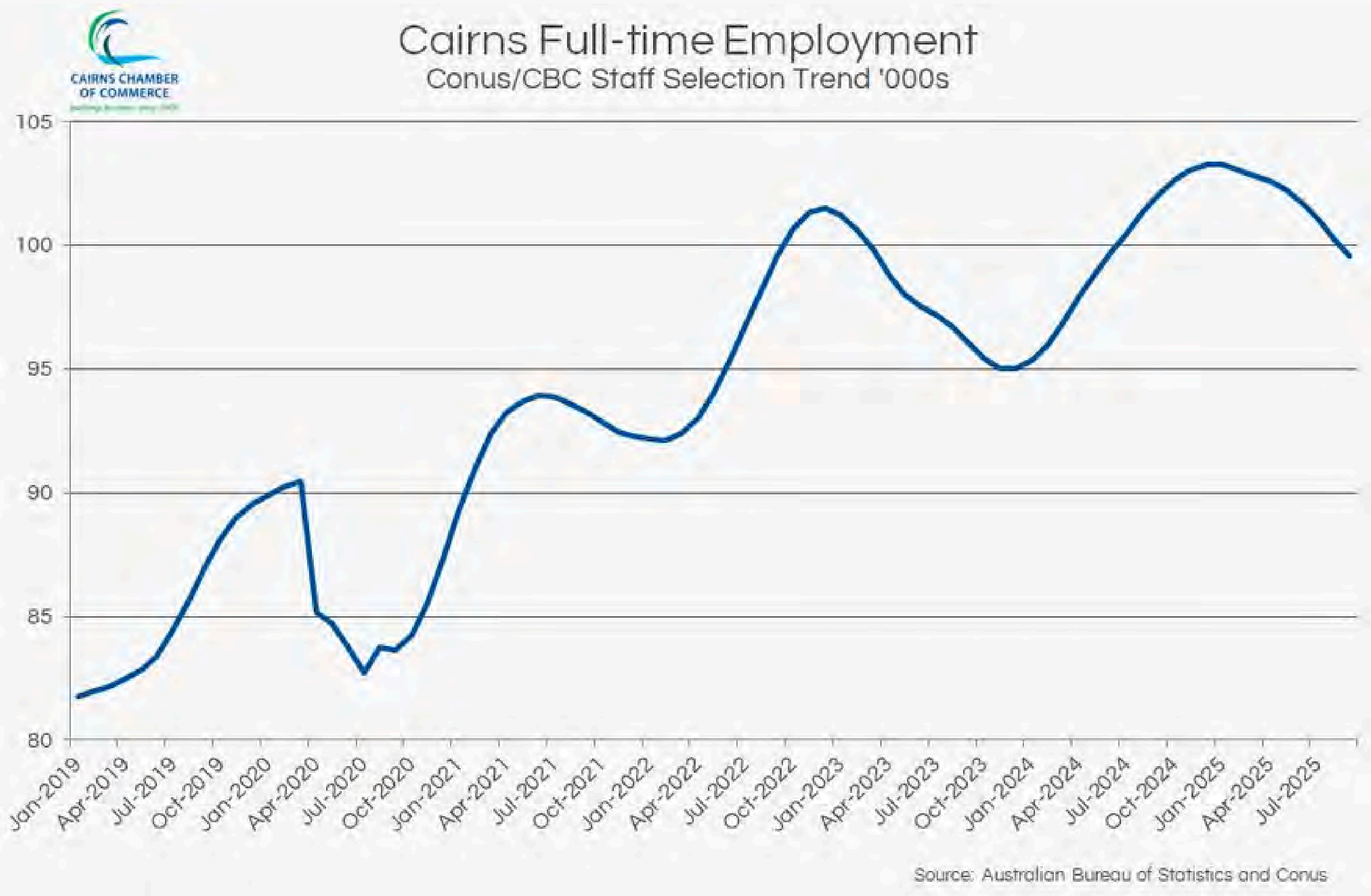
Sep-22
Dec-22
Mar-23
Jun-23
Sep-23
Dec-23
Mar-24
Jun-24
Sep-24
Dec-24
Mar-25
Jun-25
Source: Dept of Employment & Conus

The number of JobSeekers continues to increase across the country. In Australia to September Trend JobSeekers rose by 8.5% for the year. In Queensland the increase was somewhat less, just 5.7%, while here in Cairns we saw an increase of just 3.2%. We are seeing a clear signal of the continued easing of the labour market, but also a clear signal that the easing is even less marked in Cairns that across the nation as a whole.

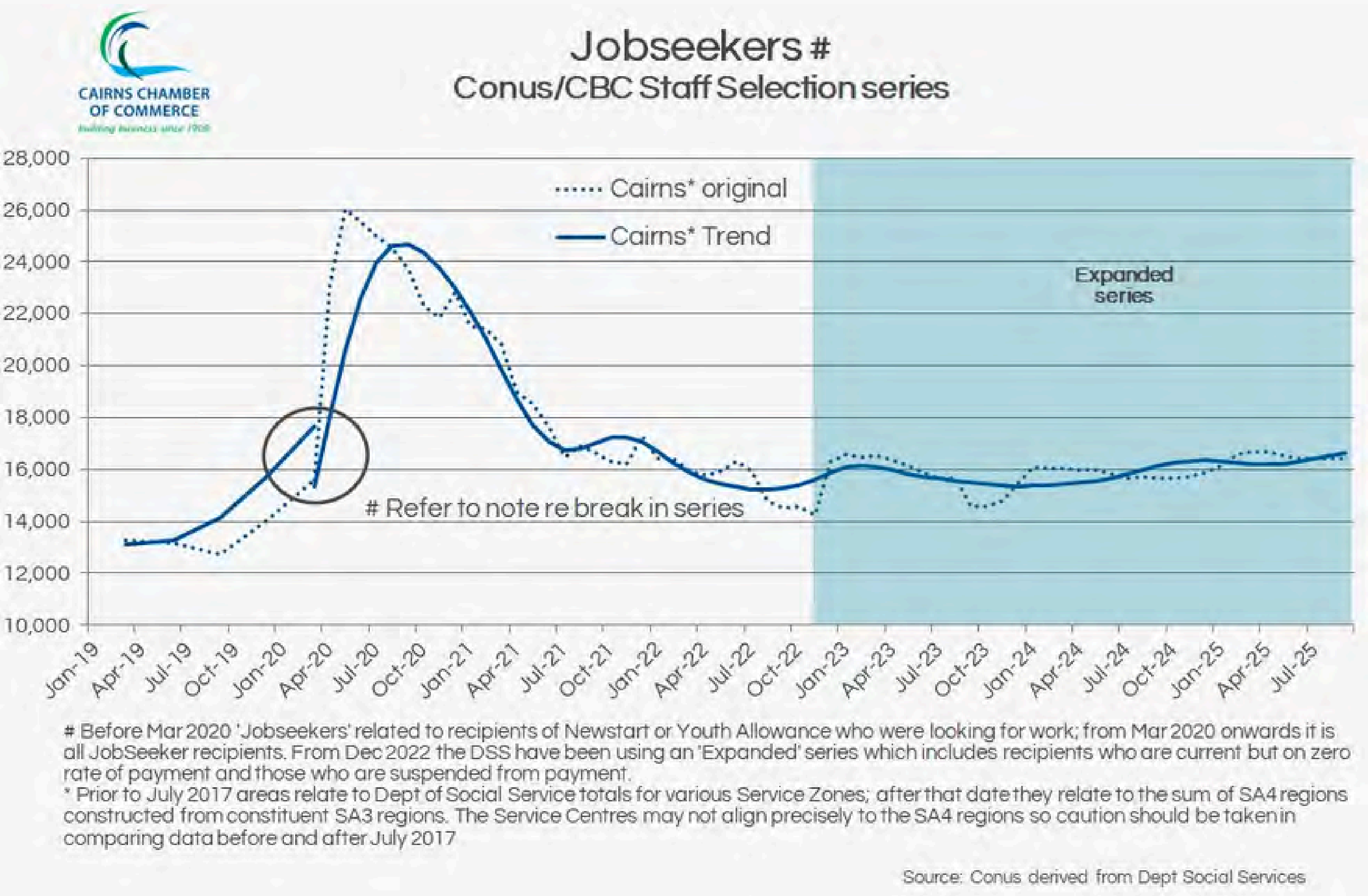
Trend employment growth in Queensland has been slowing for some months (as regular readers of the Cairns Economic Monitor will be well aware of) and in September sits at just 1.9% y/y, its slowest pace since March 2021. Nevertheless, full-time positions were up in September by 1,600 which is the largest gain we have seen since February this year. Although employment growth is slowing there is still plenty of evidence of a general robustness in the State's labour market.



National employment growth has slowed further and now sits at just 1.5% for the year with another 19,900 employed added in September.

We have been saying for some months that the labour market is slowing (as has been expected by RBA and Treasury) and we are now seeing very clear signs in the data of that slowing.

We posed the question last month of whether this slowing was a normal correction after a period of rapid growth, or something more concerning. With only an additional month's data to add to the story it may be too early to say for sure, but our sense is still that this is simply an (expected) correction.



The trend in Online job vacancies is also now clearly lower. The data for September shows that nationally online vacancies have fallen by 9.3% y/y while we see a slightly better result in Queensland: a decline of 8.8% y/y. However, this data set suggests that the Cairns labour market continues to show signs of considerably more robustness with online vacancies down just 0.6% y/y.

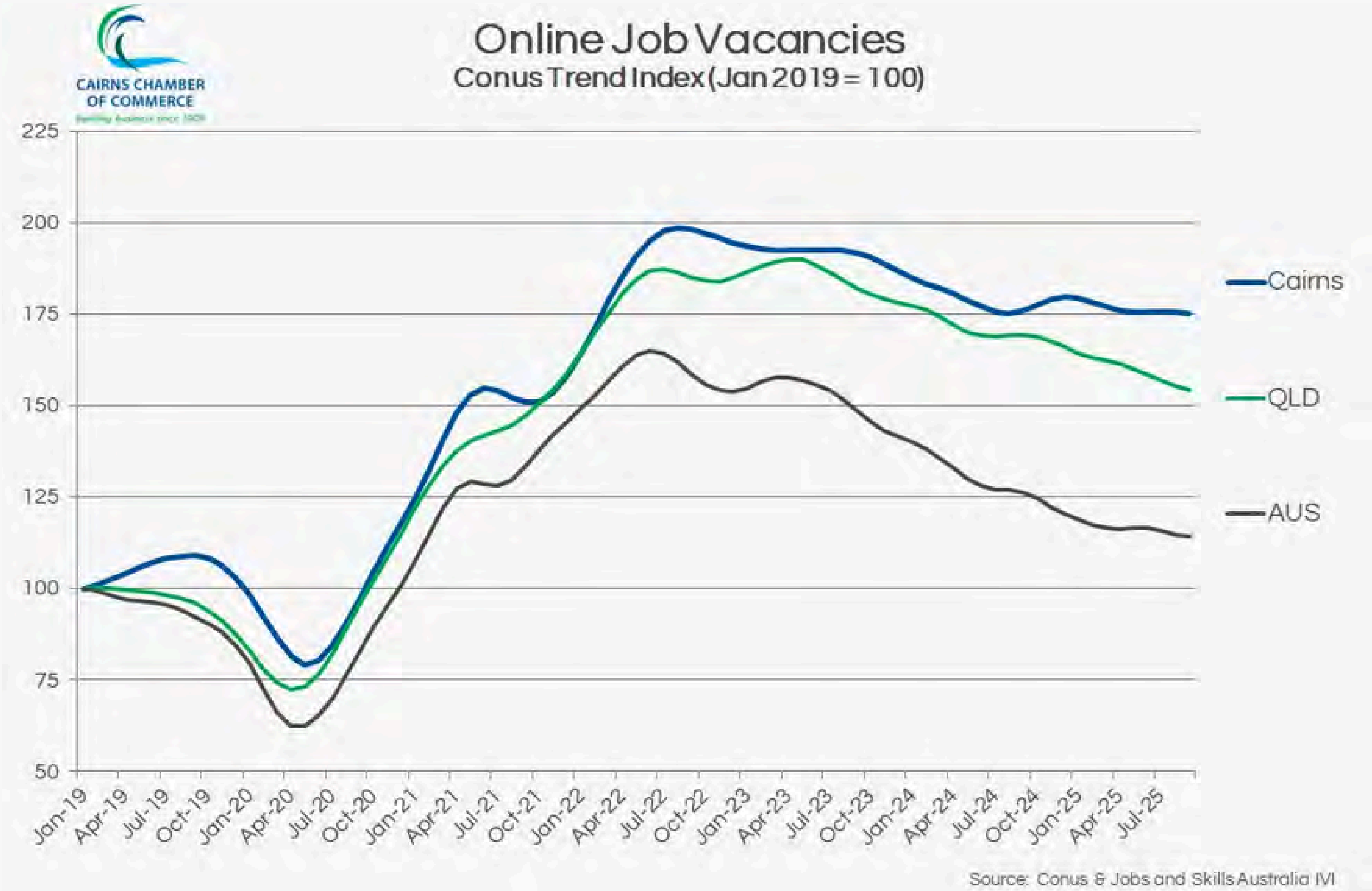
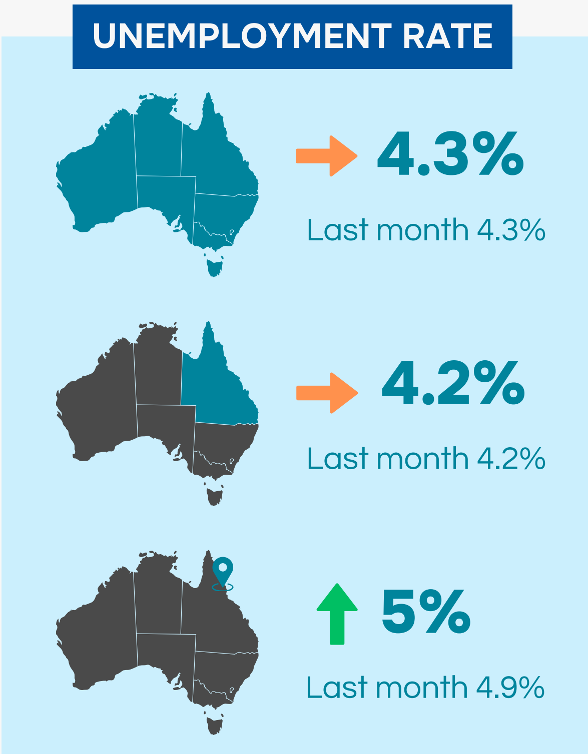
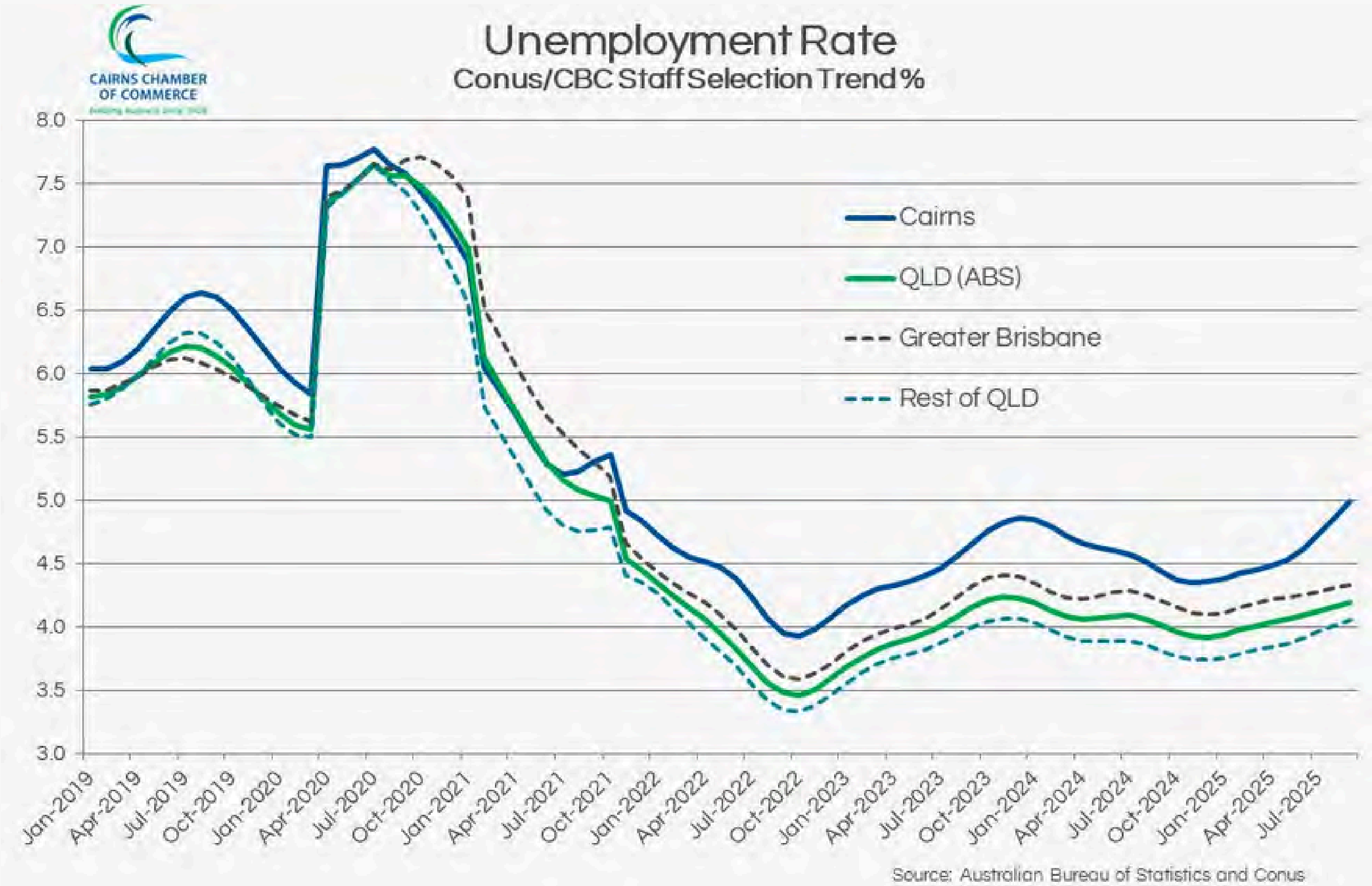



Photo Credit: Tourism Tropical North Queensland

Unemployment

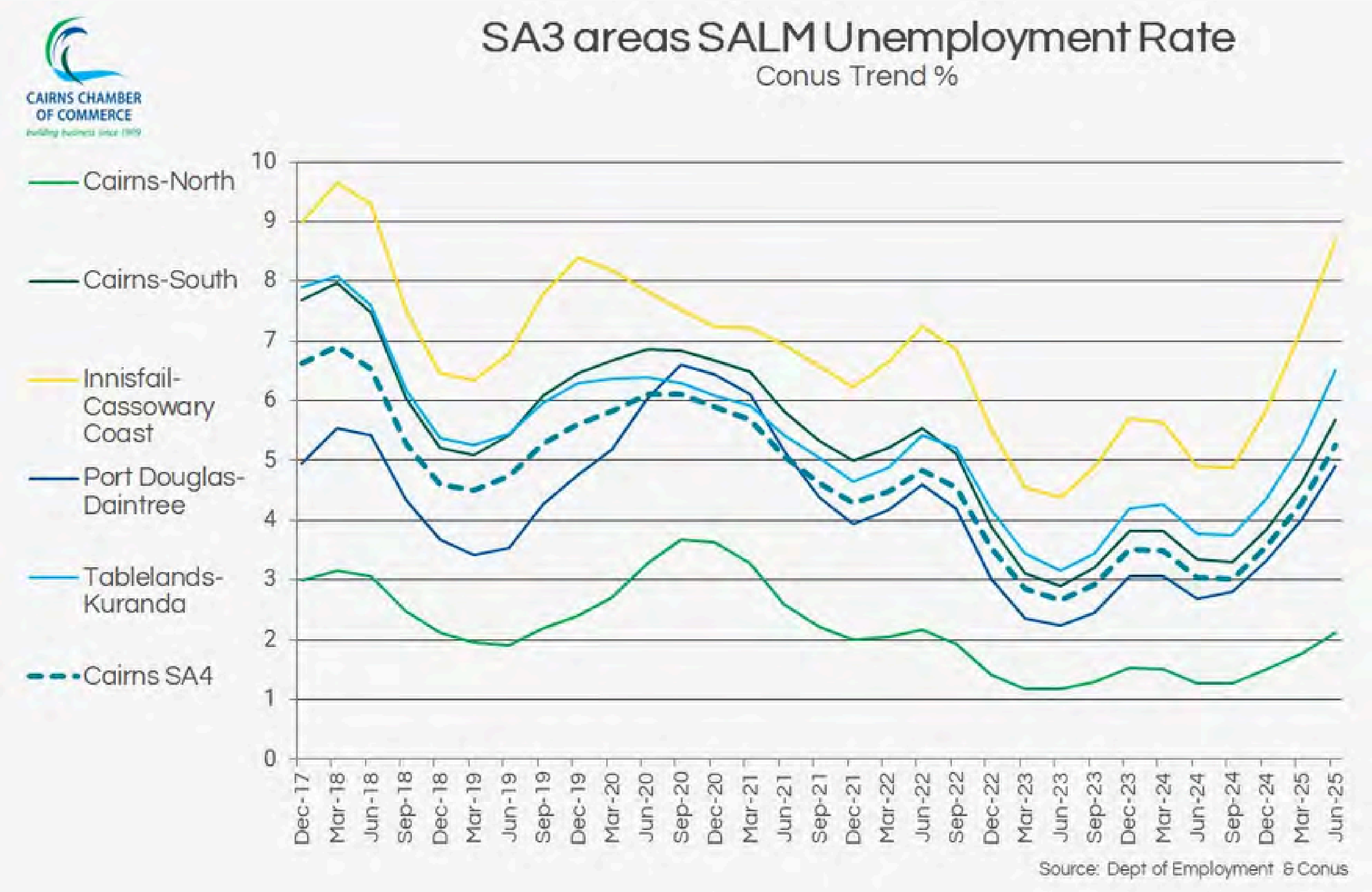
It is no real surprise, although it is disappointing, to see the Cairns Trend unemployment rate back at 5.0% in September. The unemployment rate has been steadily climbing since November last year. If there is a silver lining in this data, it comes from the fact that the Participation Rate remains near multi-year highs (and has edged higher in recent months). Were it not for the increase in participation we have seen since the start of this year the unemployment rate would currently be at 4.7%.





To see the unemployment rate return below 5.0% we may need to see an easing in the Participation Rate in coming months. The somewhat delayed, quarterly Small Area Labour Market data from the Dept of Employment confirms this increase in the unemployment rate across our region. This data shows us an obvious shift higher in all the SA3 regions across the broader Cairns SA4 region.

Queensland's Trend unemployment rate remained unchanged at 4.2% and while there is an unmistakeable move higher in recent months, it is also true that the Trend unemployment rate has sat in a band between 3.9% and 4.2% for 25 months. This is an extraordinary run of very stable, and historically low, unemployment; particularly noteworthy given that participation has also been at, or close to, 15 year-highs over that time.



The national Trend unemployment rate has also remained unchanged at 4.3%. Here too we see an extended period of very stable, and relatively low, unemployment. In the national case the Trend unemployment rate has been between 3.9% and 4.3% for 22 months with the Participation Rate also close to all-time highs. This gradual easing in the labour market has been expected by the RBA and policymakers and will not be seen by anyone as surprising or particularly concerning.

Photo Credit: Tourism Tropical North Queensland

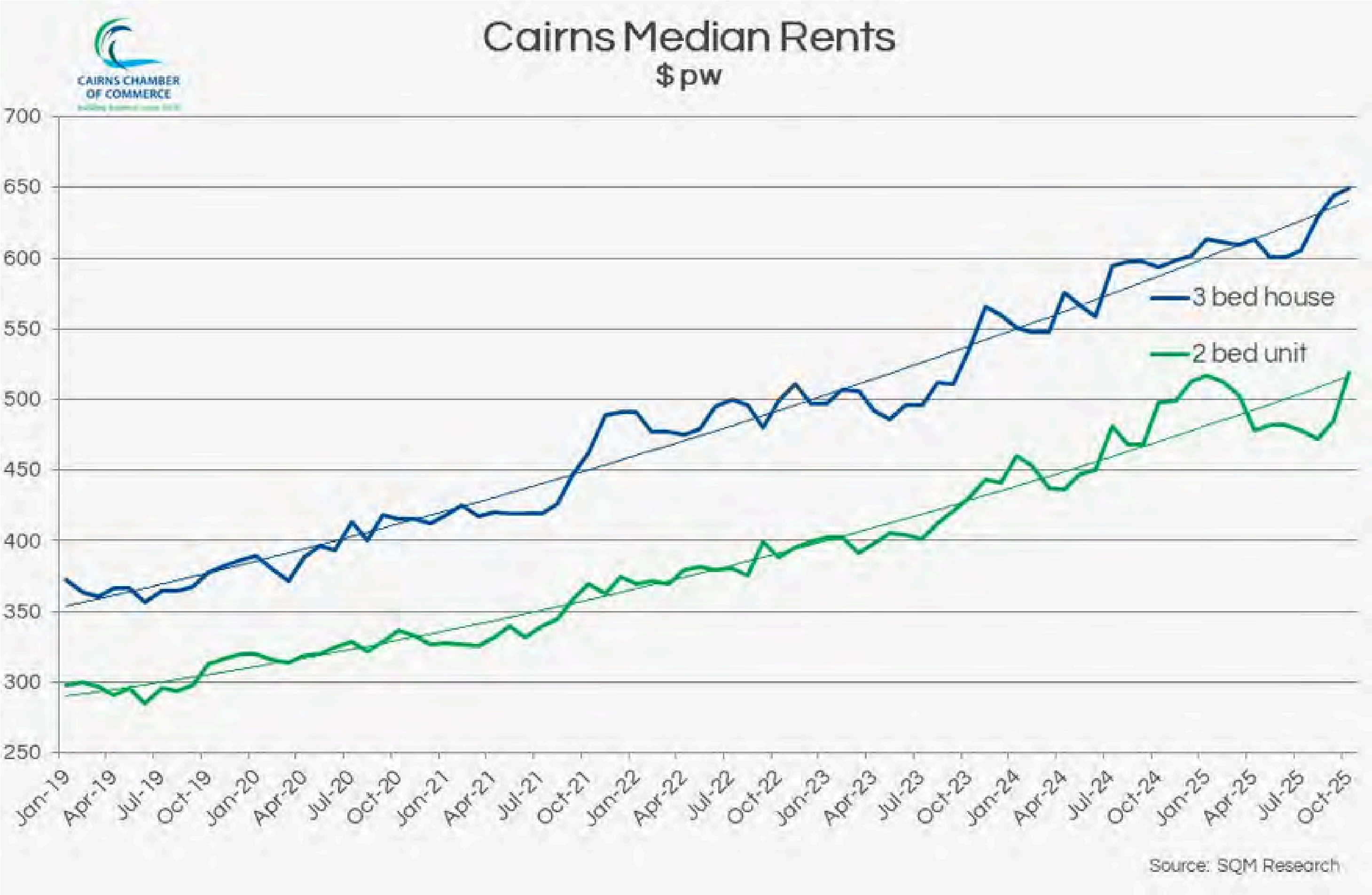
REAL ESTATE

There appears to be no slowing in the pace of price rises in the Cairns real estate market. After some apparent reluctance to breach the $700K (houses) and $400K (units) prices barriers a few months ago, prices have moved ahead firmly this quarter and are now up between 13-16% for the year.

MEDIAN PRICE

Unit
$421,000
+ 13% y/y

House
$752,000
+ 16% y/y



With the trajectory of interest rates likely to be lower still in the next 6-9 months, there would appear to be plenty of reason to continue to see prices move higher.

Although rents are rising at a slower pace than prices (+4% for units and +9% for houses) now, it is still true that over the long-term rents in Cairns have out-paced prices by about 10% in the case of units but just 1% for houses. The shortage of rental properties is not a new phenomenon, and it has certainly been a major factor in this disparate increase in unit rents over the past decade.

VACANCY RATE

↑ 0.8%

Previous month 0.7%

MEDIAN RENTALS

2-bed unit

$519 p/w

+ 4% y/y

3-bed house

$650 p/w

+ 9% y/y

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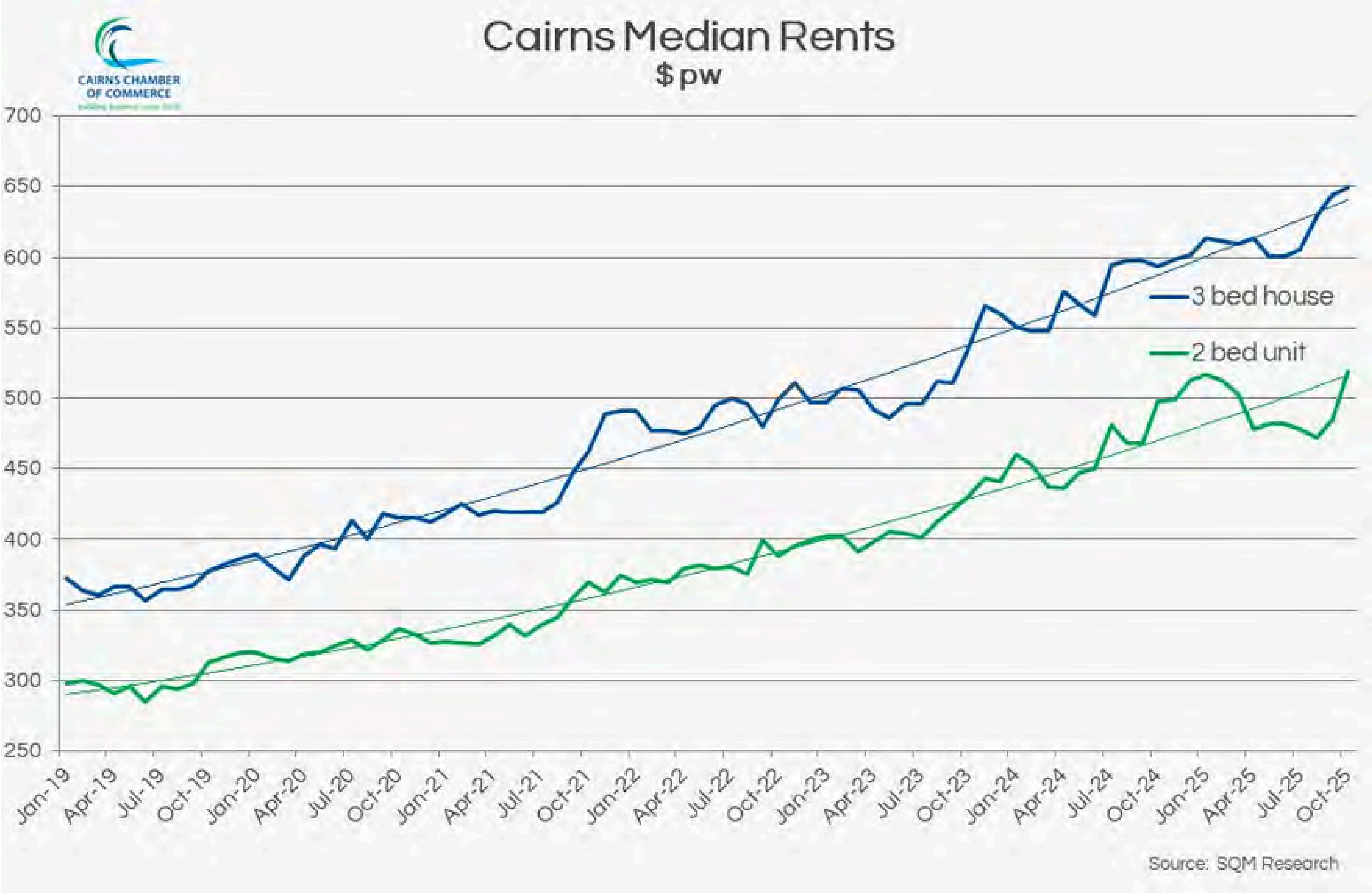
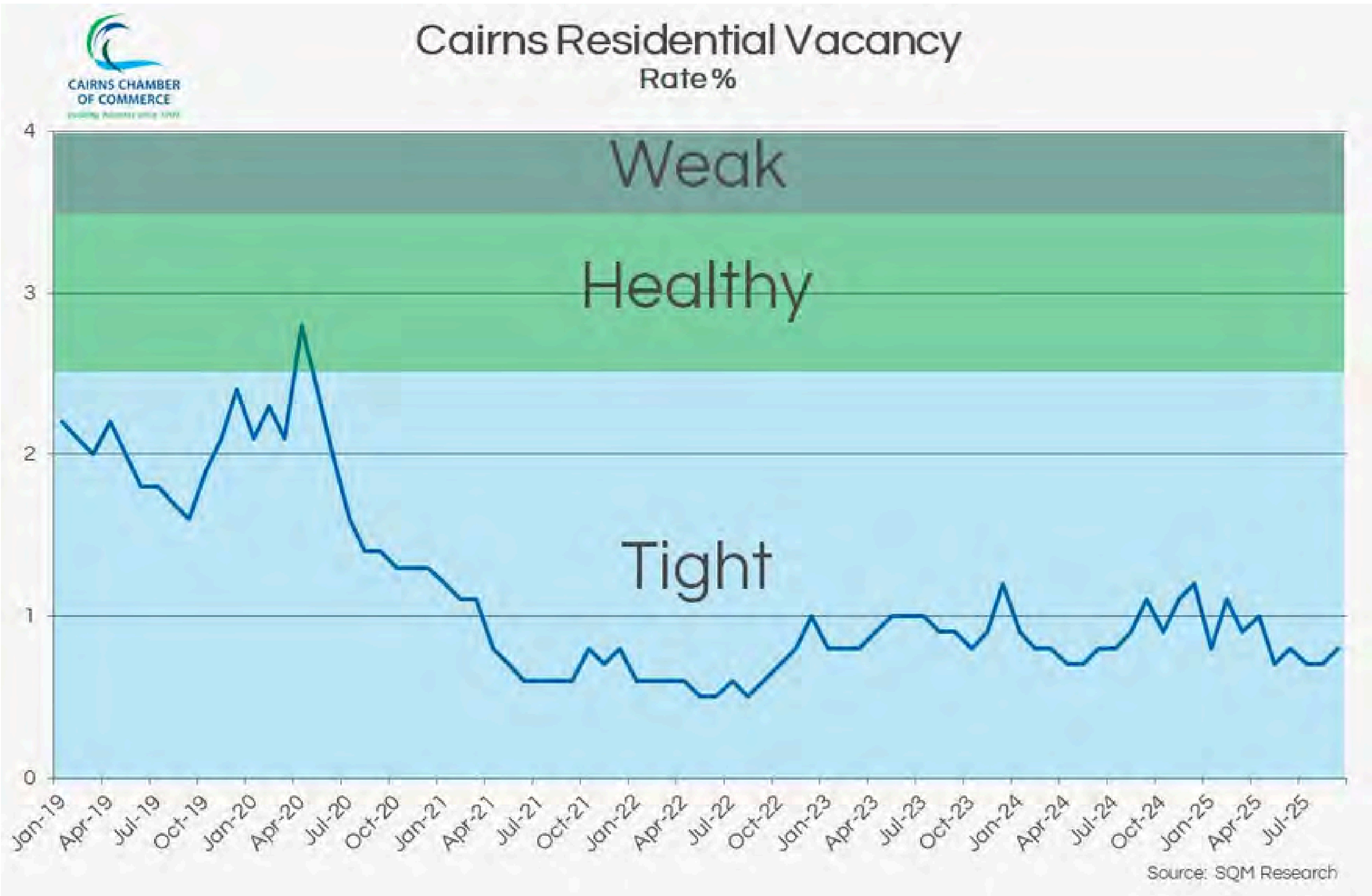


CAIRNS CHAMBER OF COMMERCE
Cairns Median Rents
$ pw
3 bed house
2 bed unit
Source: SQM Research

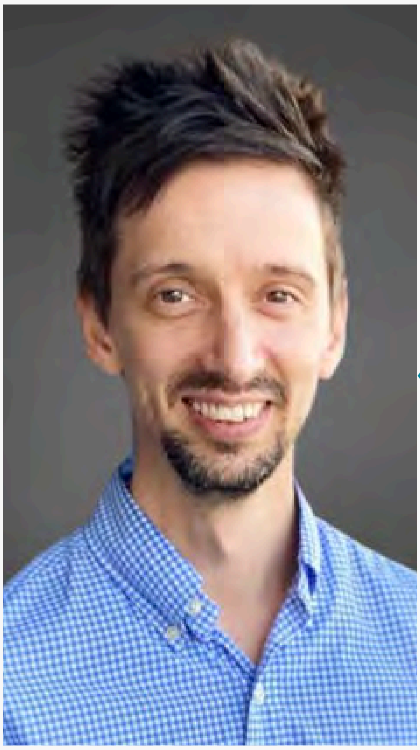


CAIRNS CHAMBER OF COMMERCE
Cairns Residential Vacancy
Rate %
Weak
Healthy
Tight
Source: SQM Research

Cairns continues as one of the best performing real estate markets in the country. Compounding growth over the past three years is now running at 17.5% pa. This equates to a median price increase over the three years of 62% and is well ahead of the national average of 8.6% pa (or 28% over three years).

Over the past seven years the gap is smaller, but Cairns (+10.3% pa) is still ahead of the national average (+8.7% pa). Even when considering the past ten years Cairns (+6.6% pa) is now only a little behind the national average (+7.3% pa).

A WORD FROM OUR SPONSORS



“The Cairns housing market has surged at a pace that seems to far outstrip growth in local incomes. Just a few years ago, the median house price was around $376,000 at a time when the typical household earned roughly $85,000 per year. Today, the median house price is edging toward $750,000 - close to doubling in five years - while median incomes have risen far more modestly, particularly after adjusting for inflation.

This doesn’t necessarily imply current prices are unsustainable, but it does highlight a growing divide in mortgage affordability that could reshape the local property landscape for years to come, unless price and income growth find a more balanced footing going forward.”

Michael Wilson
Partner, PVW Partners

“This month’s Cairns Economic Monitor highlights continued strength in building approvals and a steady flow of tourism spending, both positive signs as we head into the busy Christmas period.

The recent commencement of the Property Law Act 2023 (Qld) brings significant modernisation to property transactions, an important development for those active in the local property market. With the year drawing to a close, it’s encouraging to see confidence holding firm across key sectors.”

Rhiannon Saunders
Managing Director, WGC Lawyers

“There is so much speculation about interest rates however I purely focus on the old adage “supply vs demand”. Since COVID, supply of housing has remained at critically low levels and buyer demand has remained strong.

Accordingly, we have witnessed an increase in our housing prices at exponential levels since 2021. Supply has tightened even more over the last month and as we head into Christmas with lighter stock and a supply of buyers, I cannot help but wonder what will happen to property prices in January 2026 when new buyers join our property market?”

Nadine Edwards
Director, LJ Hooker Cairns Edge Hill

A WORD FROM CAIRNS CHAMBER OF COMMERCE

building business since 1909

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

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

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

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

Patricia O'Neill
Chief Executive Officer

UPCOMING EVENTS

To Book Your Tickets, Visit www.cairnschamber.com.au/events

NOV

06 NOV	**Business Resilience Series I Disaster Media Training** 7:30am - 11:30am Pullman Reef Hotel Casino
11 NOV	**November Business Luncheon - The Strategy Guy** 11:30am - 2:00pm Pullman Reef Hotel Casino

DEC

02 DEC	**Business Resilience Series I Small Business Disaster Resilience & Crisis Communication Training** 8:30am - 12:30pm Crystalbrook Bailey
05 DEC	**December Annual Christmas Luncheon** 11:00am - 2:00pm Pullman Cairns International Hotel

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Cairns Chamber of Commerce

Data Analysis & Commentary
Pete Faulkner

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