APRIL 2026

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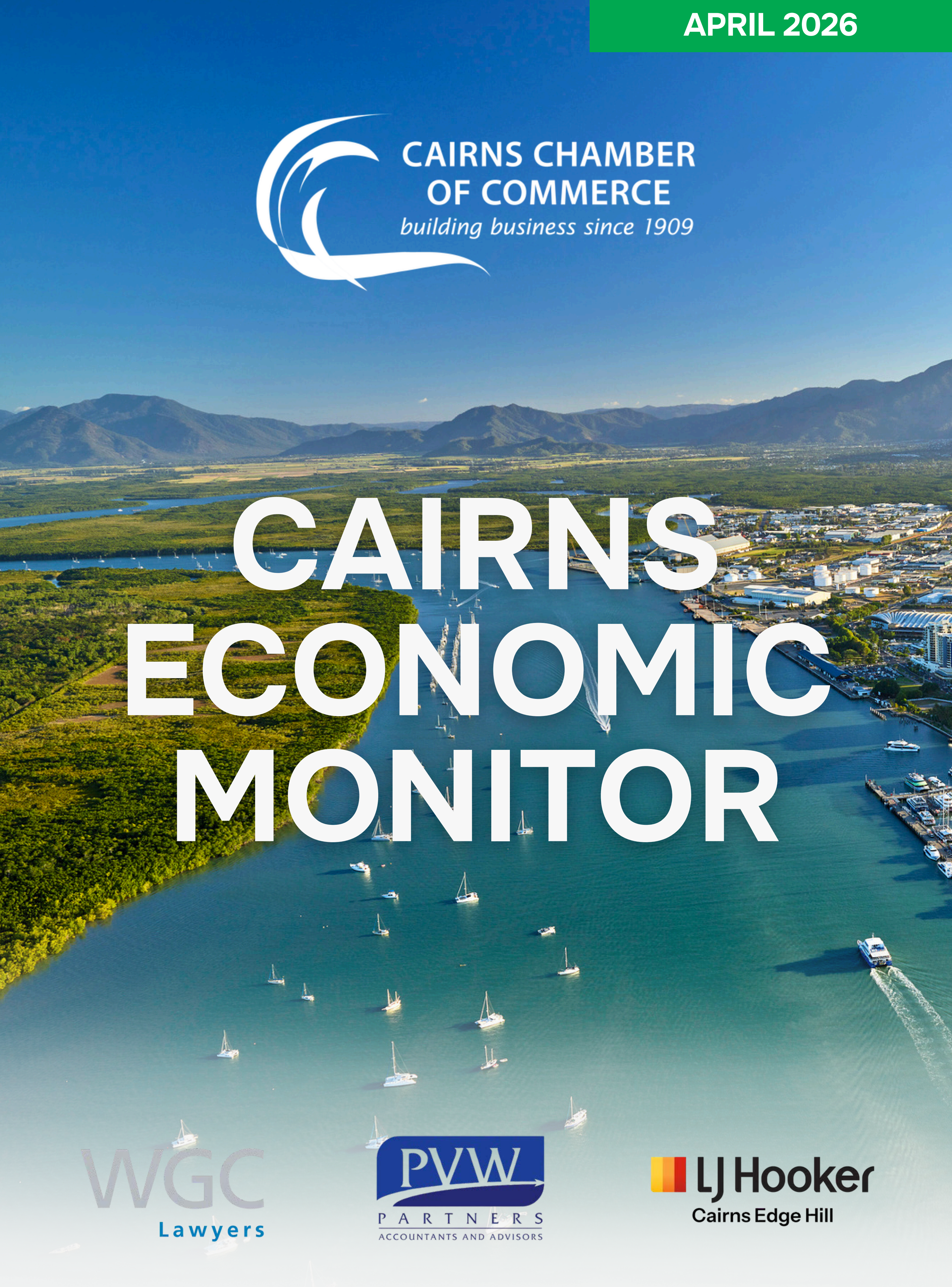


CAIRNS ECONOMIC MONITOR

WGC Lawyers

PVW PARTNERS ACCOUNTANTS AND ADVISORS

LJ Hooker Cairns Edge Hill

SNAPSHOT

The RBA's war on persistent inflation led to another rate hike at the Board's March meeting, to 4.1%. Despite the fact that the RBA insisted the 25bps hike wasn't caused by rising oil prices, there can be no doubt that the 5-4 majority decision to hike in March (rather than waiting until the May meeting after the release of Q1 CPI data) was driven, at least in part, by the increase in global uncertainty caused by the US/Israel war in Iran.

Headline inflation in February dipped slightly to 3.7%, but this will not yet be reflecting the impacts of oil price increases caused by the war in Iran. The decline in the trend of residential building approvals continues this month. This is a major threat to continued economic growth in the region and needs to be a policy focus of all levels of government.

The first full year of the new DoTS (Domestic Tourism Statistics) methodology for domestic tourism, shows expenditure from the domestic sector down while international continues to recover. Total expenditure is therefore some way below what the pre-COVID trend would have suggested we might have expected by now. We see the US has emerged as the largest international visitor market (in terms of expenditure), a position that China is a long way from reclaiming.

Once again Cairns' labour market continues to show underlying strength. For the second consecutive month Cairns has been the only region in Queensland to see the Trend unemployment rate drop (to 4.4%) with another 400 added to the number employed. However, it is part-time rather than full-time jobs that are driving much of the growth.

BUILDING APPROVALS

TREND APPROVALS

91

JAN 2026

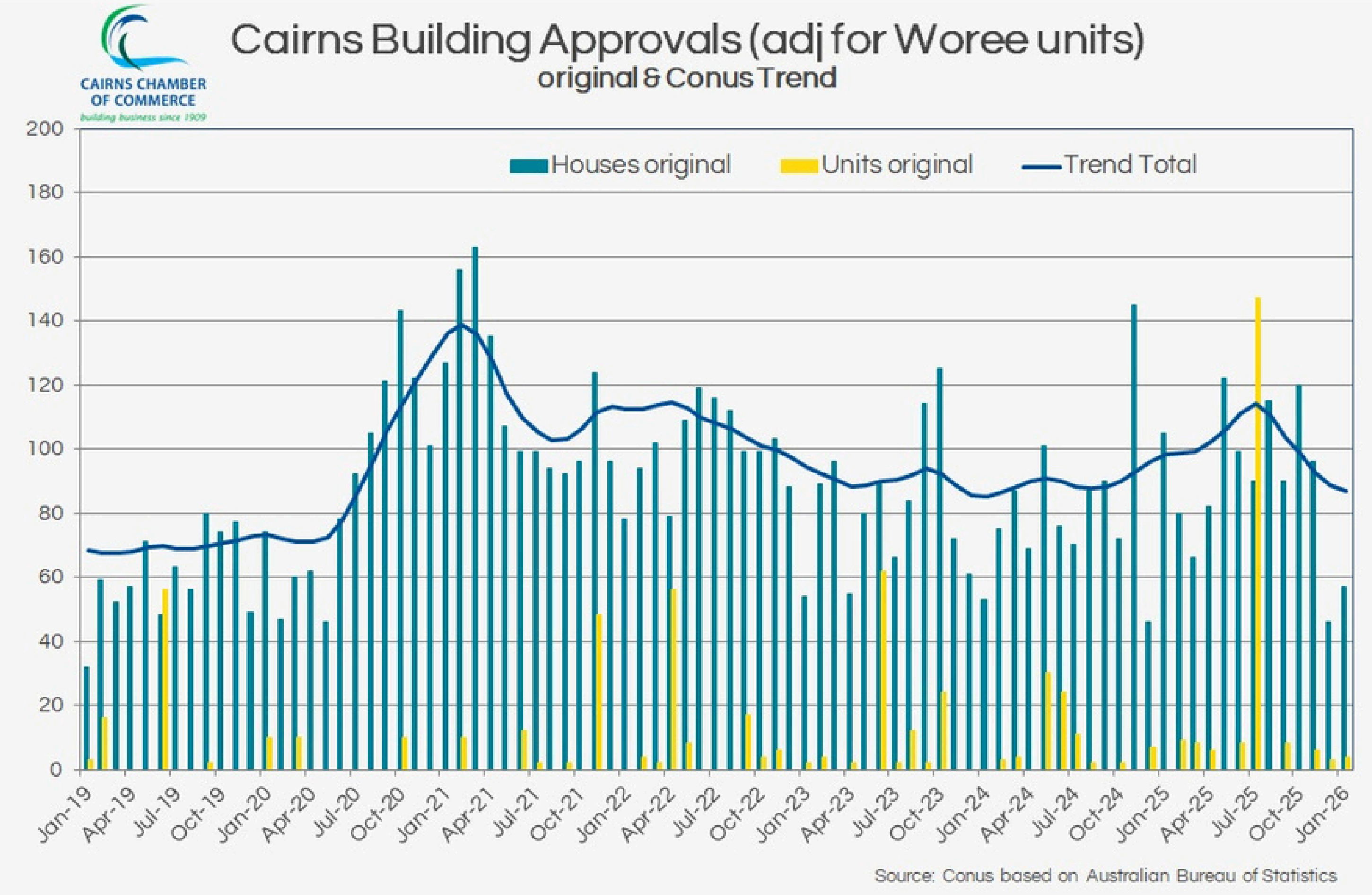
TREND RATE OF APPROVALS

8.3%

year on year

As we have been doing for the past few months, we will continue to report on building approvals data in both its unadjusted (i.e. including the 468 Woree affordable housing units) and adjusted form (i.e. excluding those Woree units). However, this month has seen a large convergence between these two series (as we have expected), and therefore from next month we shall revert to simply reporting the unadjusted series.

The unadjusted Trend series for January has, as expected after such a large distortion, moved lower again this month. The unadjusted Trend now sits at 91. When we adjust for the Woree units, we also see a decline to just 87 Trend approvals in January. The adjusted series now sits at its lowest level since a few months in early 2024; before that we can go back all the way to mid-2020 to see Trend approvals this weak.



Without wishing to sound like a broken record, we continue to make the point that the current chronic shortage of accommodation in the region will persist and indeed is set to get worse as regional population growth continues apace, if we do not see a very significant pick-up in the level of approvals in the near to medium-term.

There is clearly no sign of that happening and given that Building Approvals will typically lead actual construction by 6-12 months there is no sign of an improvement in the accommodation shortage for at least that long. This continues to be a major threat to the region's economic growth and requires urgent attention from all levels of government.

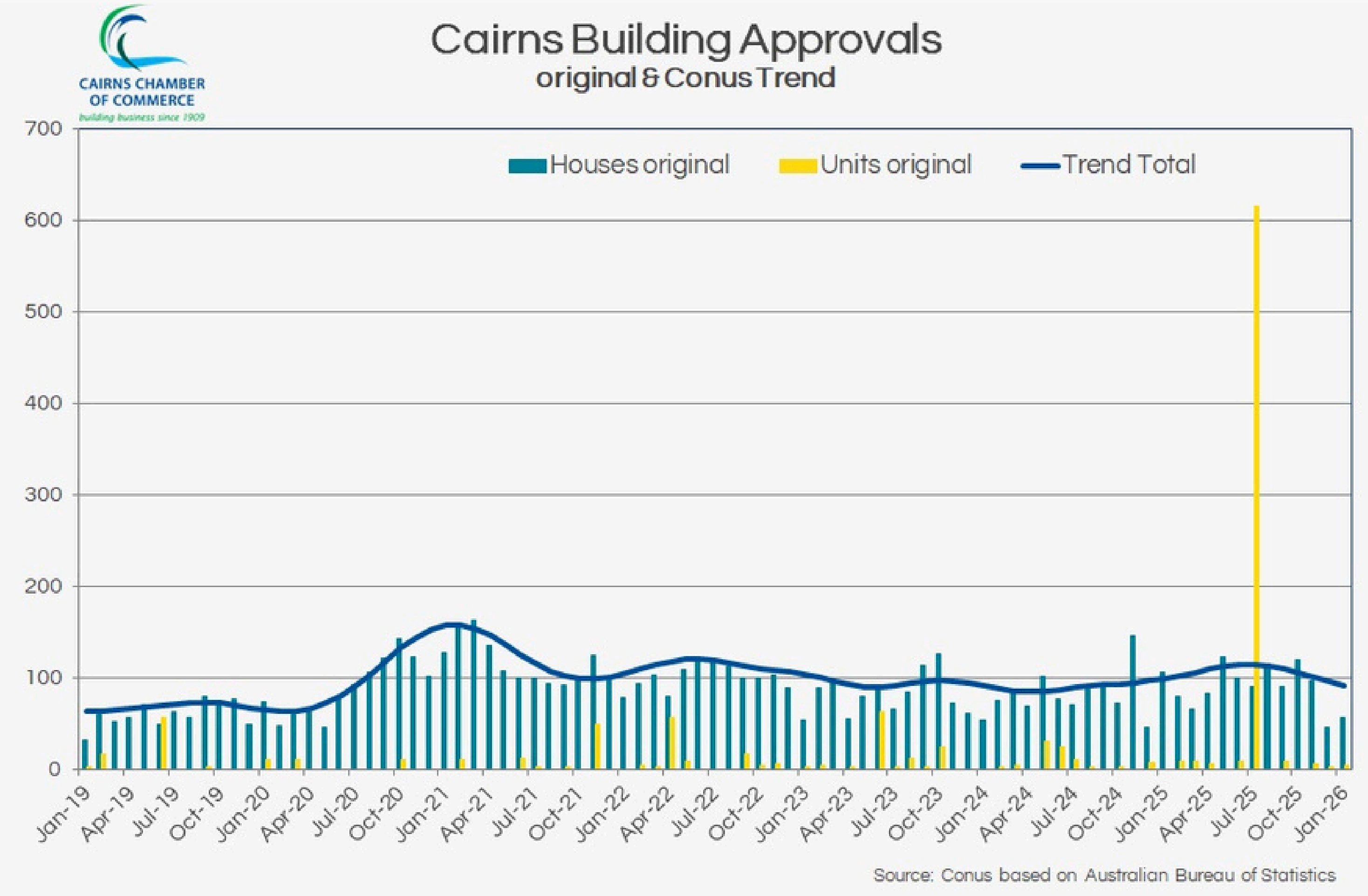


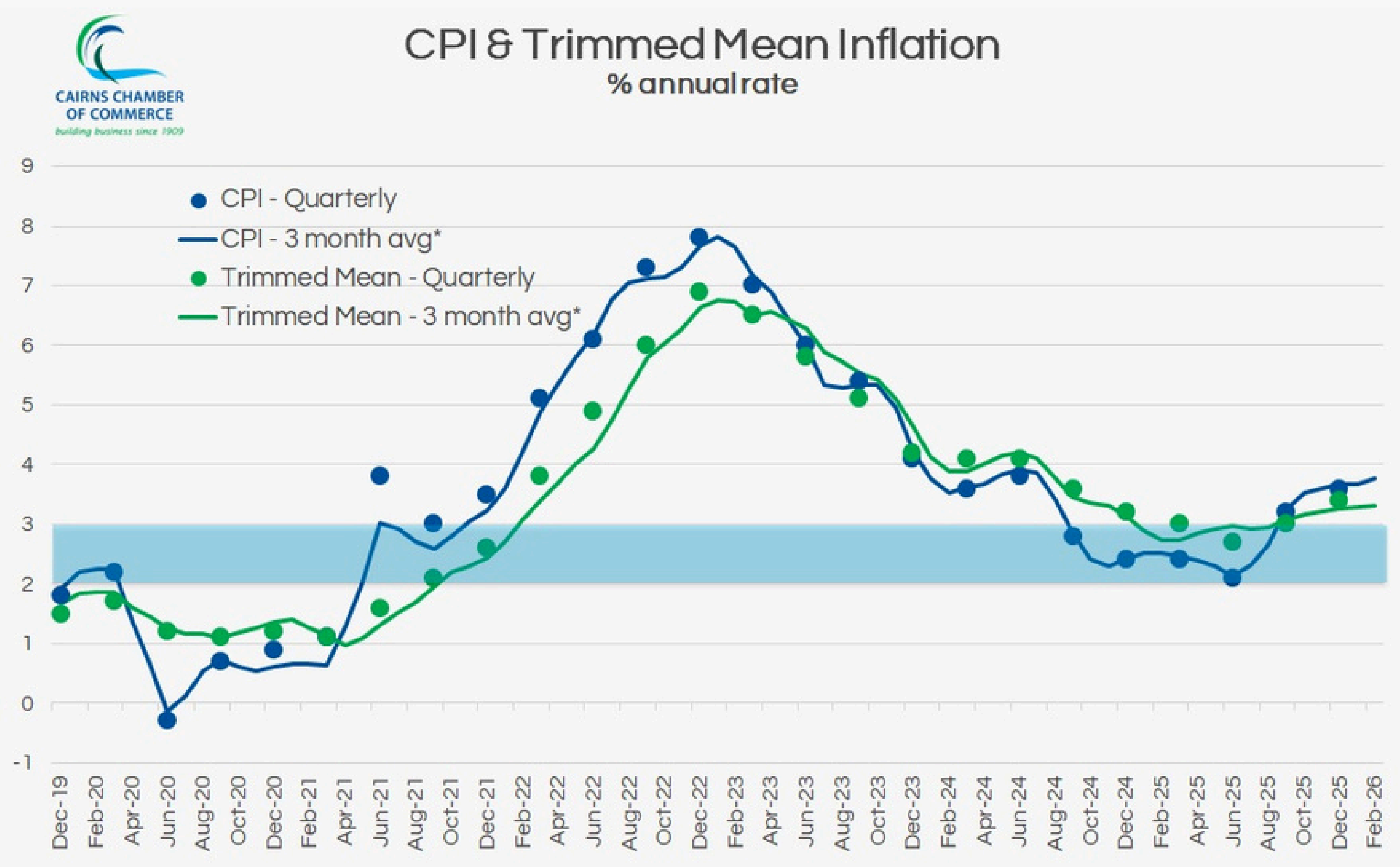
Photo credit: LJ Hooker Edge Hill

Photo credit: Tourism Tropical North Queensland

INFLATION & INTEREST RATES

The ABS's new Monthly read on inflation will, eventually, supplant the quarterly data. However, for now the RBA have said their focus will remain more on the quarterly numbers as the new monthly series 'beds down'.

At their March meeting the RBA Board opted (in a 5-4 majority decision) to hike the cash rate by 25bps to 4.1%. This move came earlier than most people (including us) had originally been expecting; the reason for the shift being, at least in part, the start of the US/Israel war in Iran. The war, and particularly the blocking of the Strait of Hormuz, has seen oil prices climb sharply and this has already fed into fuel price increases here in Australia. While the Bank was quick to distance the decision to hike from being directly linked to petrol price increases, there is no doubt that their move will have been driven in part by the spike in global uncertainty that the war has caused.



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

The futures market are pricing in a further 50bps of rate hikes yet to come during 2026. The first quarter CPI data will be released on April 29th, although this will be only partly impacted by the recent spike in oil prices. Nevertheless, the Bank will be watching this data closely for any sign of core inflation increasing further.

In the meantime, the monthly CPI data for February showed headline CPI down slightly at 3.7%, although the headline Trimmed Mean (the core inflation figure which the RBA pays more attention to) was unchanged at 3.3%. The only silver-lining in the data was the fact that Trimmed Mean, when we look at the data more closely, actually fell from 3.33% in January to 3.27% in February.

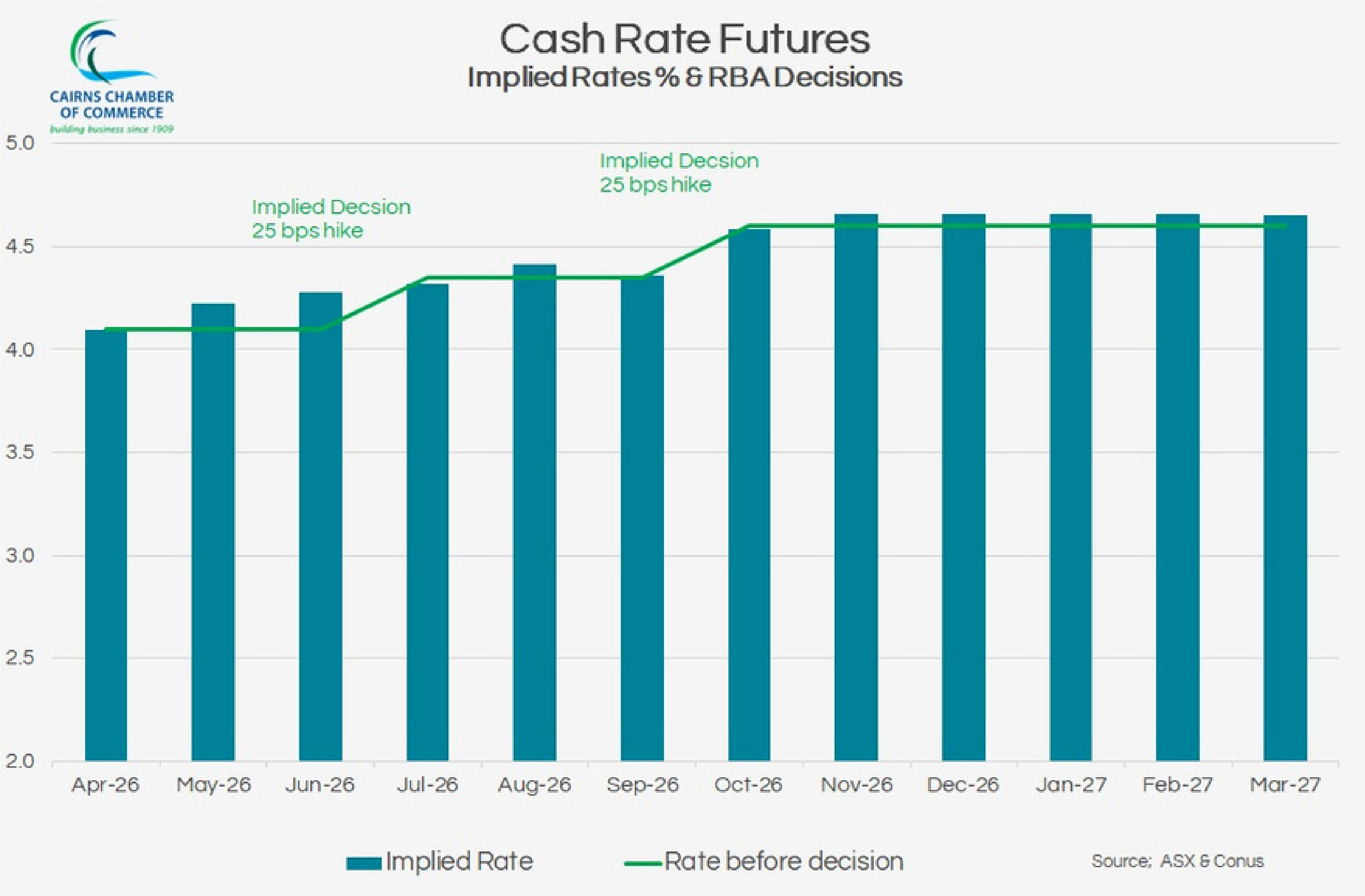
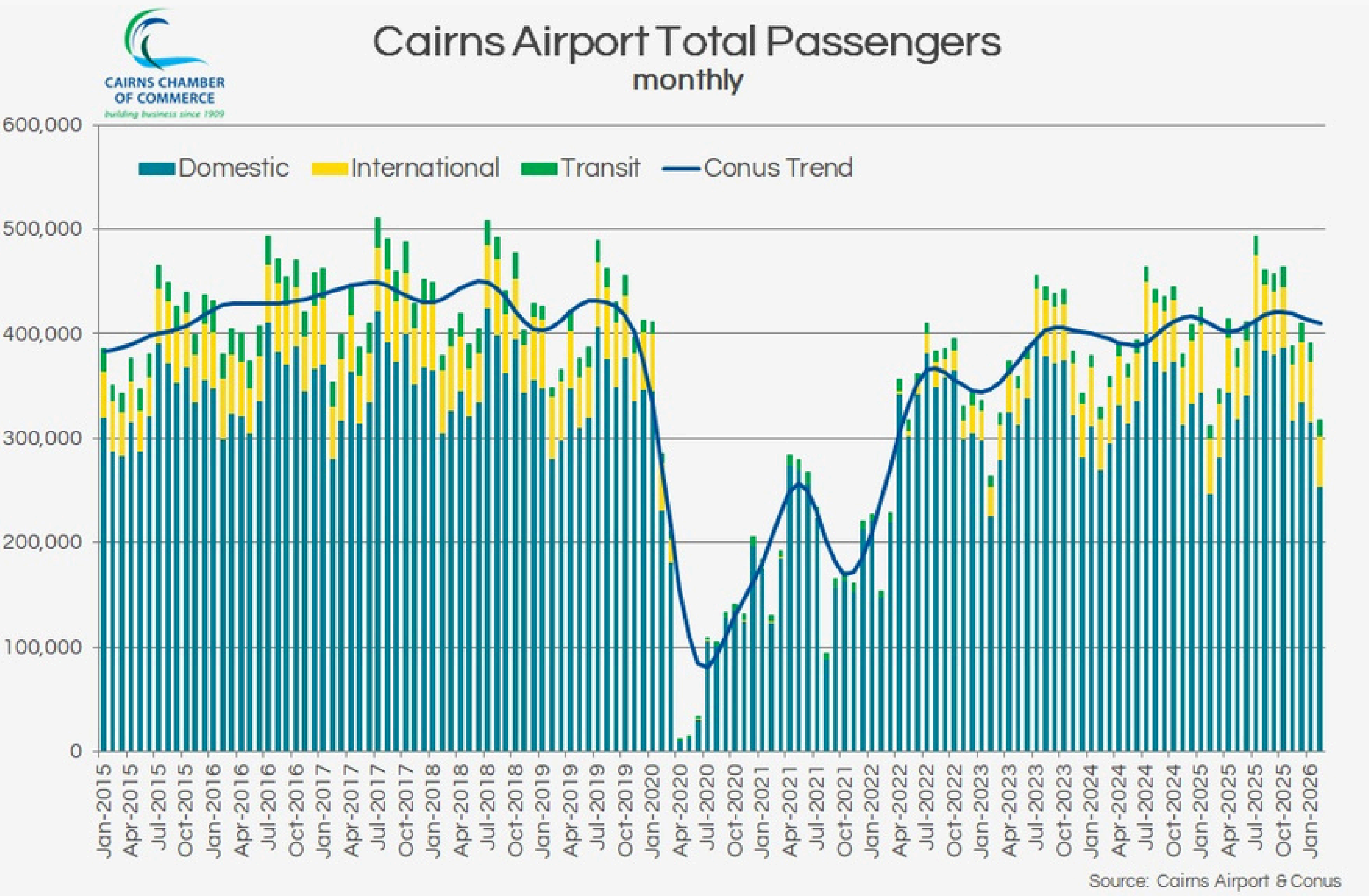


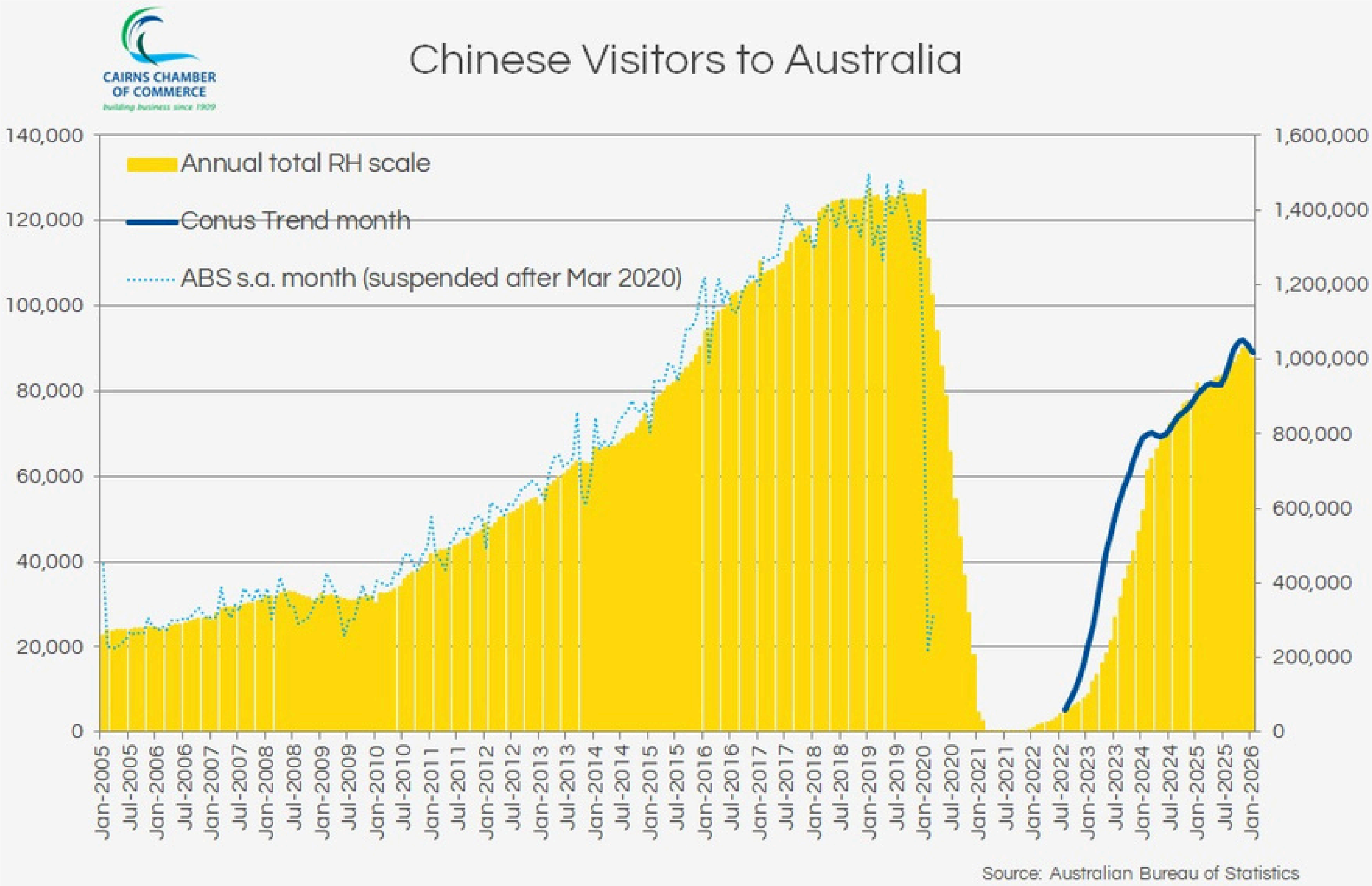

Photo credit: Tourism Tropical North Queensland

TOURISM

Trend passenger numbers through Cairns Airport have fallen again in February, for the 5th consecutive month and are now up just 0.1% on the year. The weakness is coming from the domestic sector where Trend passenger numbers are down 3.2% from a year ago while international passenger Trend numbers continue to improve, up 5.6% for the year



Although this ongoing recovery in international numbers is encouraging, the fact that domestic passenger numbers appeared to have stalled at about 4.1 million for the year (which is some 200,000 below the peak seen in the months before COVID) will no doubt be causing some concern within the sector.

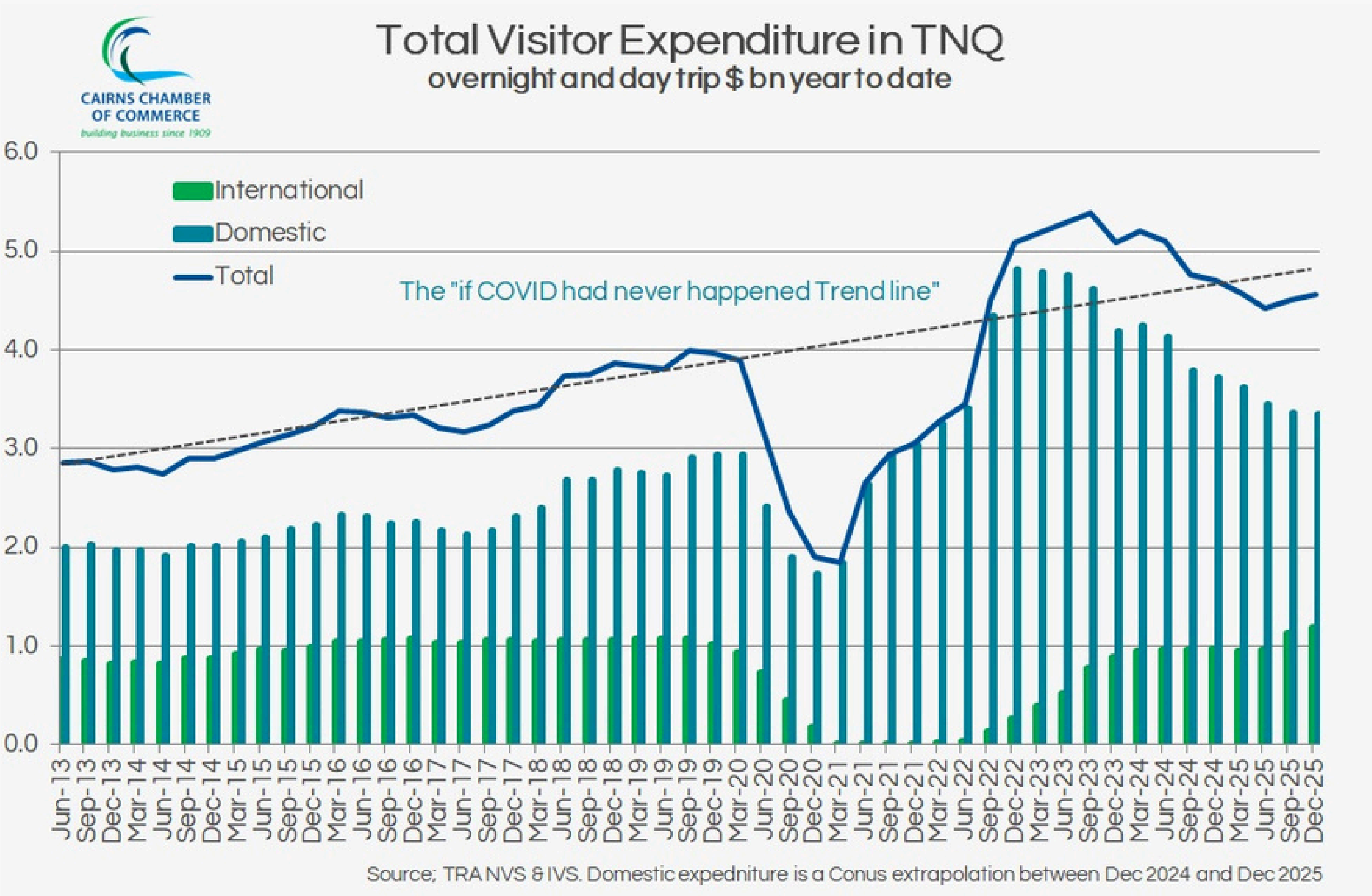


This stall in domestic passengers has been reflected in the latest official tourism data for the year to December 2025. This release finally allows us to see the whole year of data using the new methodology and, as expected and foreshadowed last month, it has led to revisions of our estimates for domestic tourism expenditure during the previous quarters in 2025.

The annual data showed that TNQ domestic tourism expenditure for the year to December 2025 was just $2.87 billion (down from $3.28 billion in the year to December 2024). The recovery in the international market has seen international expenditure increase to $1.22 billion from $981 million a year earlier.

Nevertheless, as the chart makes clear, total tourism expenditure currently sits well below the level we might have anticipated by now 'had COVID never happened'.

Since December 2019 international tourism expenditure in TNQ has increased by 18.5%, but the increase has been far from uniform across markets. China remains down 53% while the US has increased 69.8% and the UK has more than doubled (+110.5%). Japan has grown slowly up just 6.5% while expenditure from visitors from Continental Europe is down 7.3%. Over the course of these 6 years US has gone from the 4th to 1st place, while China has fallen from 1st place to 5th.



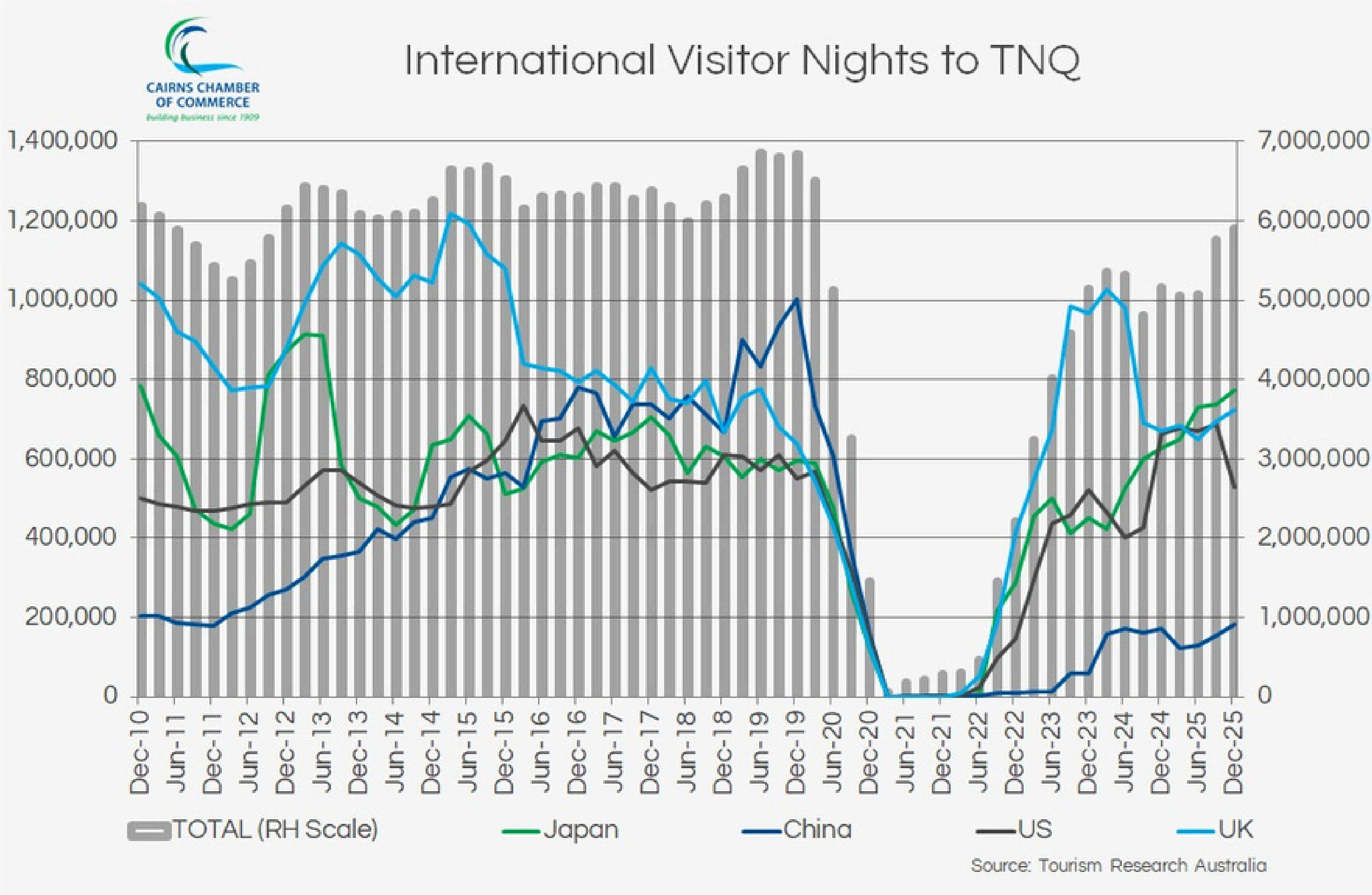


Photo credit: Tourism Tropical North Queensland

Photo credit: QLD Government

LABOUR MARKET

Employment

Trend employment growth picked up again in February with another 400 added to the number in work. This takes the annual rate of growth to 0.9%. While this is the fastest pace of growth since the middle of last year it remains well below the almost 3% rate 18 months ago.

PEOPLE EMPLOYED

14,721,400

Last month 14,697,400

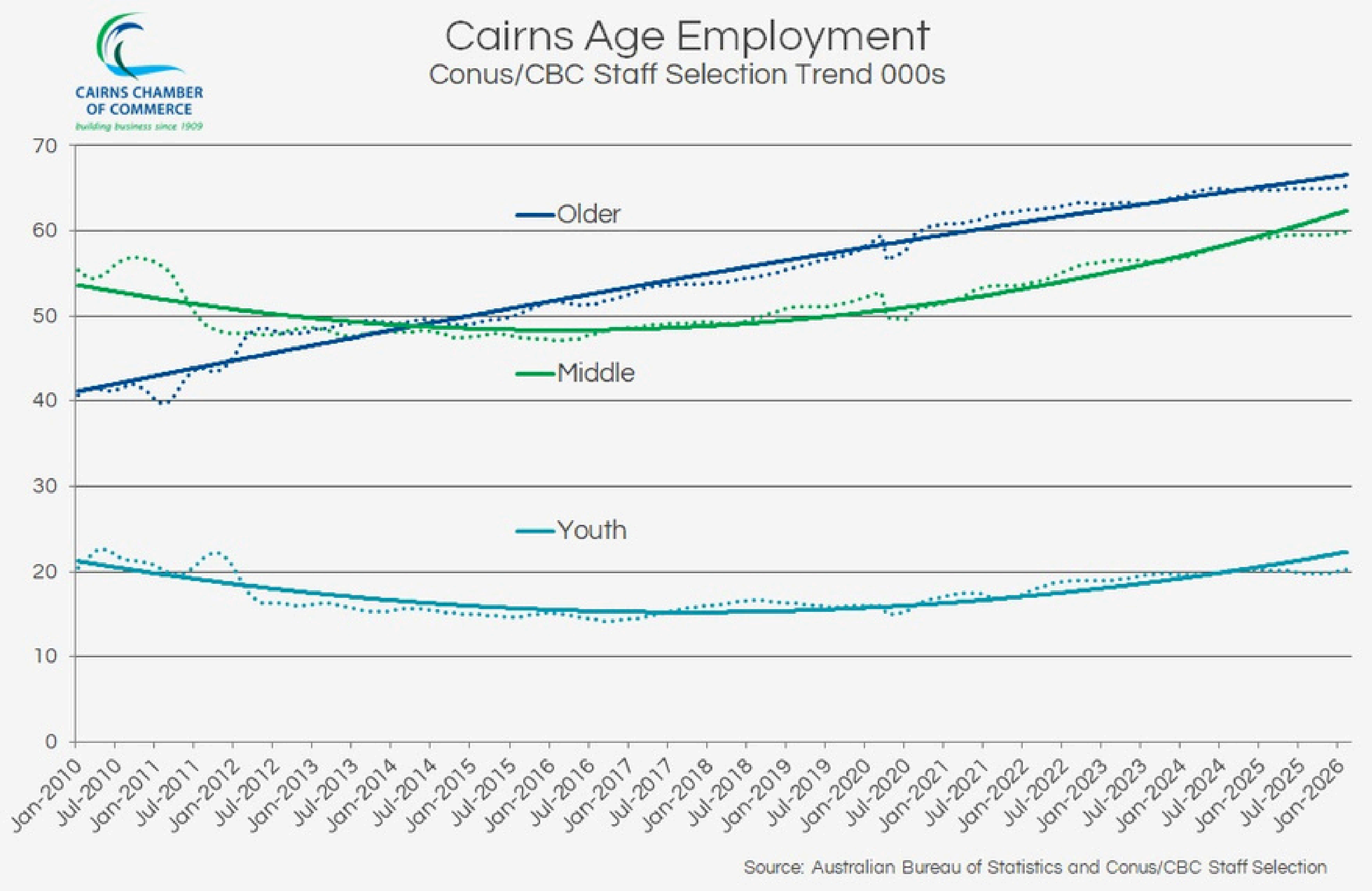
3,013,100

Last month 3,007,100

145,400

Last month 145,000

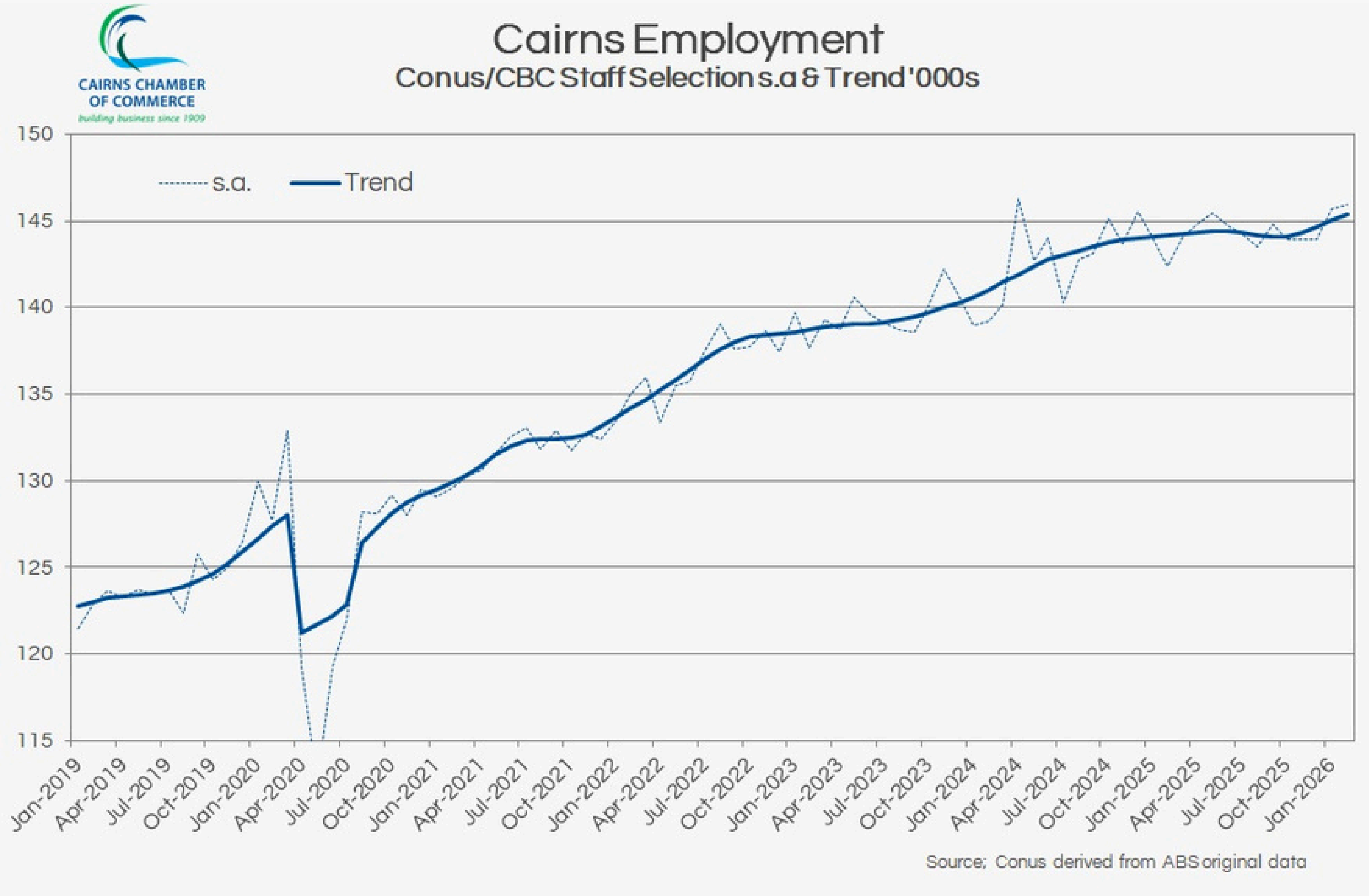
For the past few years we have been watching the changing structure of the Cairns labour market. Not only have we seen a huge increase in the number of females employed, but the age breakdown of those employed has also seen major changes. As the chart makes clear in the past 12 years we have seen those over 45 years of age become the largest single cohort of workers while the youth sector has remained largely static. More recently in the past 9 months the pace of growth of middle-aged workers has picked up significantly and it now sits at 1.2% annually, well above the total pace of just 0.9%, with the older cohort employment growing 0.8% y/y.



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.

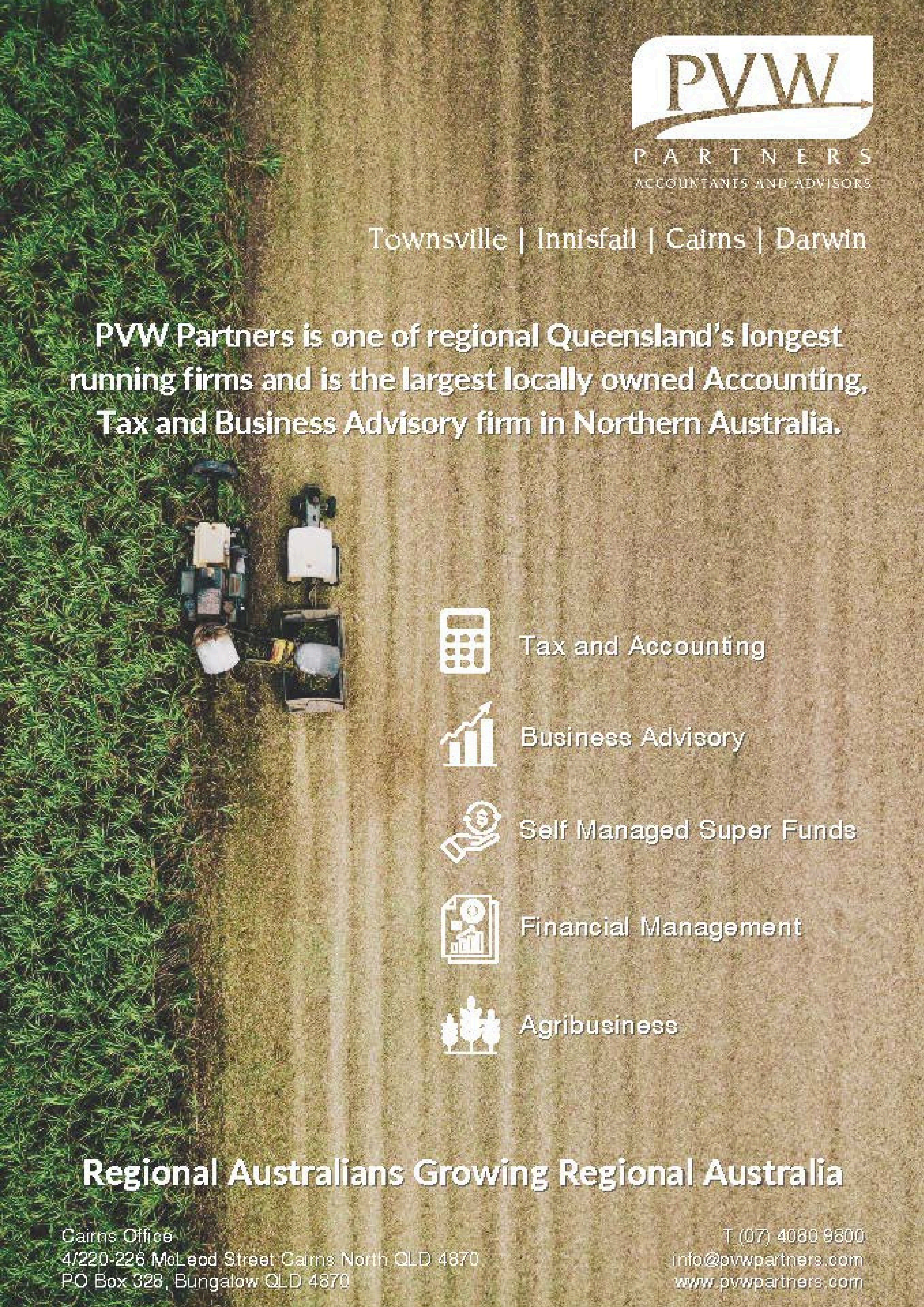
We have just got access to full-time and part-time employment data for Cairns to January. It shows that full-time employment contracted 1% over the past 12 months while part-time positions grew by 4.7%. Whilst this data is a month out-of-date it does clearly show that the employment growth we are seeing in Cairns is being driven by the part-time sector.

Trend employment growth in Queensland picked up again in February to 1.1% y/y (after some downward revisions to past months) with 6,100 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 from full-time employment (unlike in Cairns), which has increased in each of the past 3 months and in February saw the biggest gain (2,300) since January last year.

A similar story holds true at the national level. Trend employment across Australia grew by 24,000 in February (again, after some downward revisions) to take the annual pace of growth to 1.2% which is its fastest pace since September last year. Almost 10,000 of that increase came in the form of full-time positions. Although we have seen a clear easing in labour market conditions over the past 12 months, conditions remain robust and this pace of employment growth was one of the factors which nudged the RBA into their current tightening cycle.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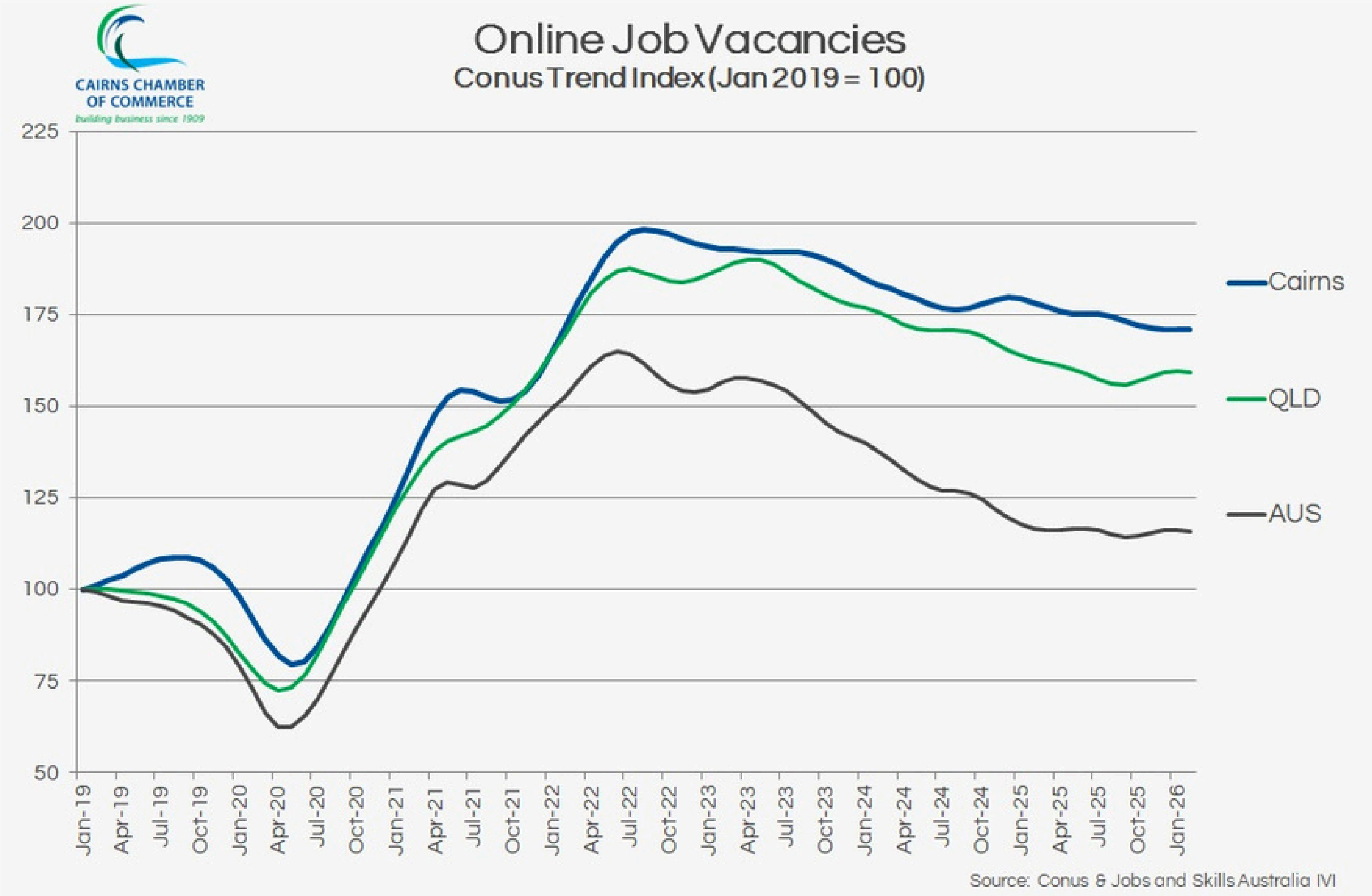
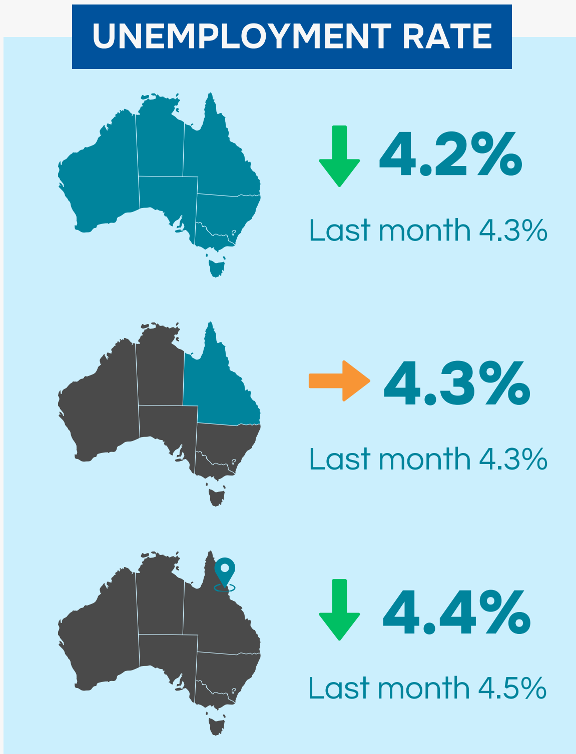


Online Job Vacancies data continues to show the Cairns region underperforming the State and National figures. Vacancies in Cairns are now down 4.1% for the year while they are down 2.1% in Queensland and just 0.7% across the country. Part of the reason for this worse performance is the fact that Cairns had been doing so much better through the early part of 2025 and, taken over the past 3 years, Cairns has still done better than both State and Nation.

Nevertheless, this more recent weakness does point towards a gradual easing in labour market conditions in the region. Quarterly data on Total New Vacancies (which includes estimates of vacancies beyond those posted online) confirm this somewhat weaker performance in Cairns in recent months.

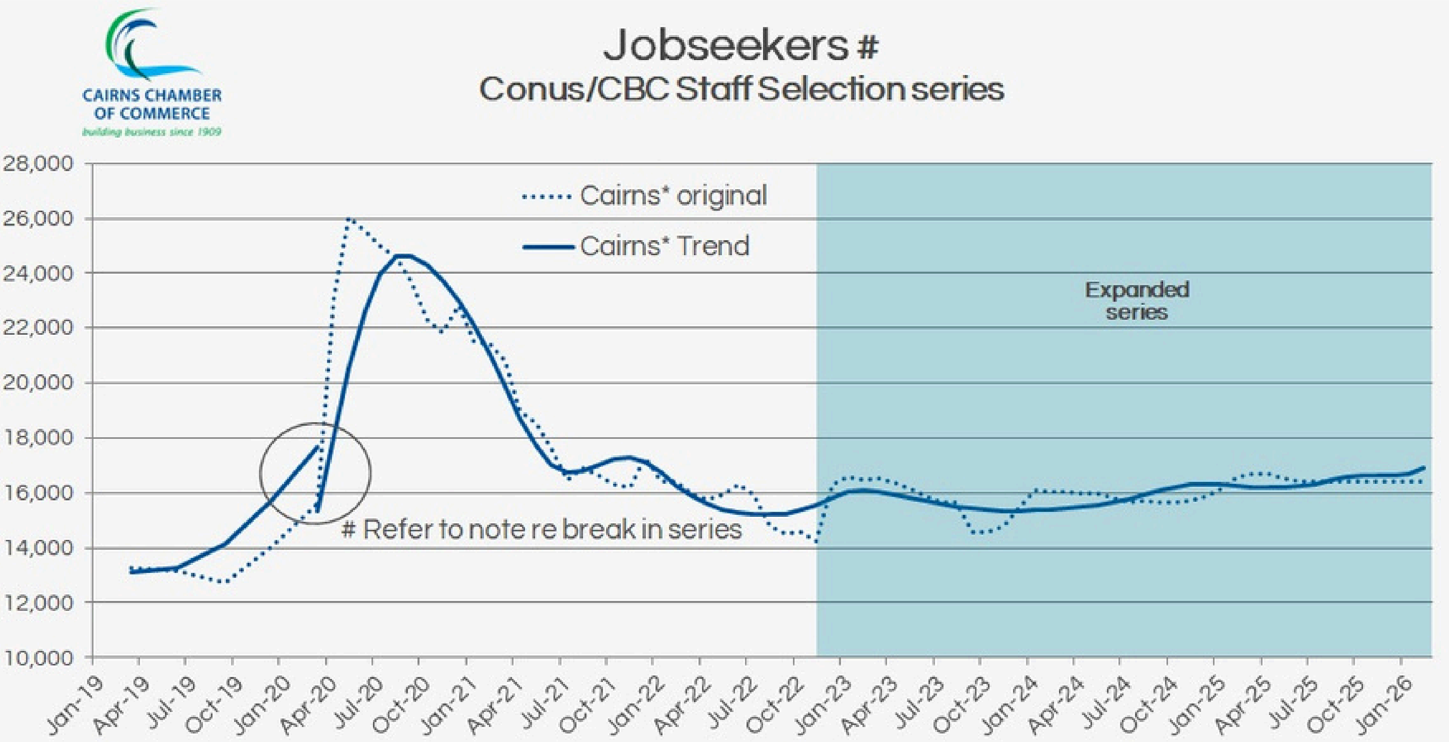
Unemployment

With the pace of employment growth picking up a little and an additional 1,300 people employed in the past 4 months, we have seen the Trend unemployment rate in Cairns moving lower. That continued in February with the unemployment rate now down to 4.4% which is its lowest level since February last year. For the second consecutive month Cairns has been the only region in Queensland where the unemployment rate has fallen.



The number of JobSeekers continues to increase across the country and in February the number claiming climbed by a touch more than 7,500. The Trend figure for Cairns increased again in February and has now edged higher in each of the last three months. The Trend across the Nation is up 7.1% for the year, it's up 8.4% across Queensland, but is still only up 3.7% for the year in Cairns; this is the slowest of any region in Queensland by some margin. Townsville's JobSeekers are growing at 5.2% y/y, which is the second slowest growth across the State, and highlights once again the underlying strength in the Northern labour market.


Photo credit: Tourism Tropical North Queensland

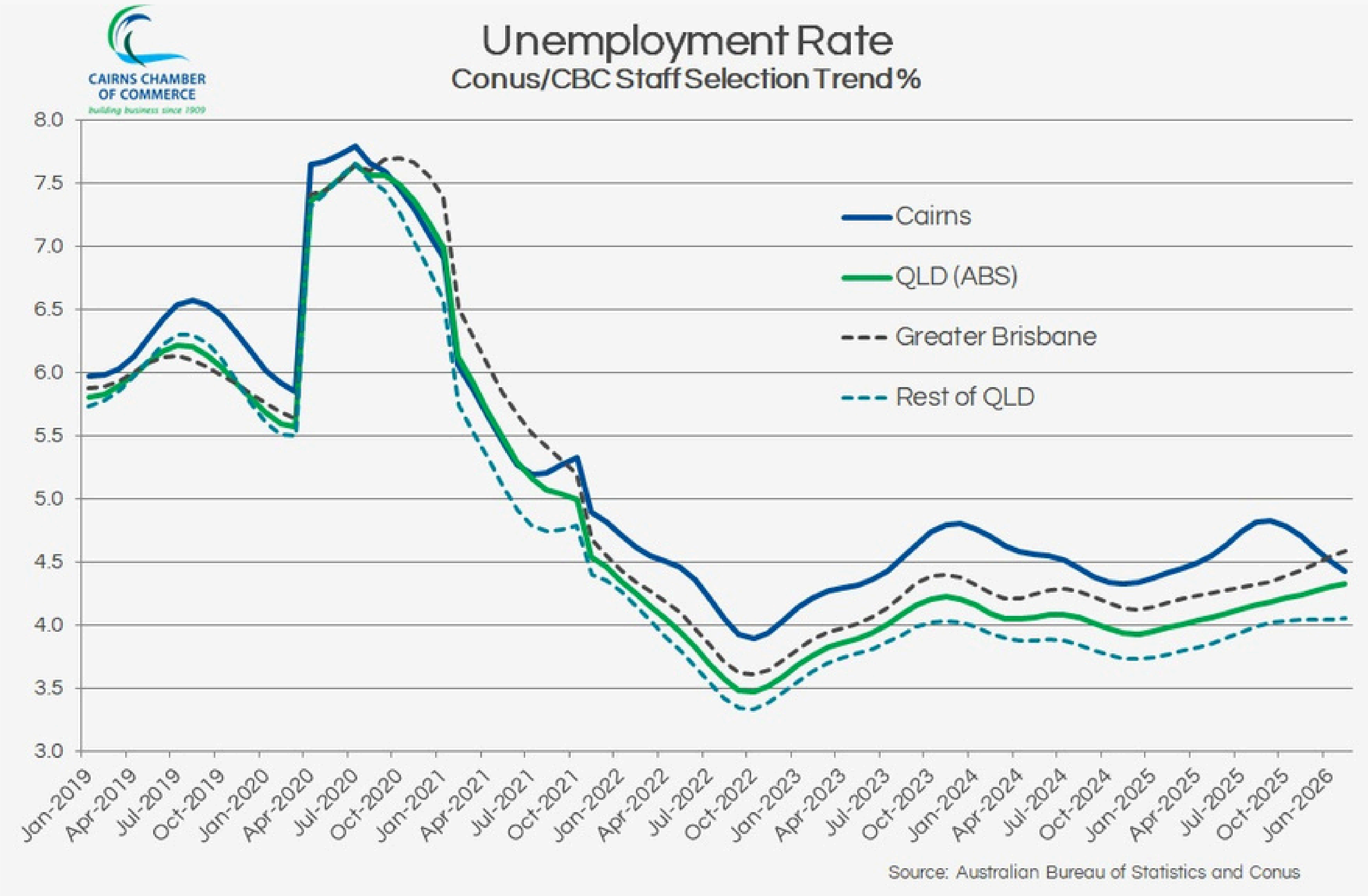


Before Mar 2020 'Jobseekers' related to recipients of Newstart or Youth Allowance who were looking for work; from Mar 2020 onwards it is all JobSeeker recipients. From Dec 2022 the DSS have been using an 'Expanded' series which includes recipients who are current but on zero rate of payment and those 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 remained unchanged at 4.3% (after an upward revision from 4.2% in January) and while there has been a very gradual move higher since the start of 2025, the unemployment rate has only lifted by 0.3ppts since this time last year. 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 despite the slight pickup in employment growth noted above.

Across Australia the resilience of the labour market is also evident. The Trend unemployment rate fell in February to 4.2% (although January was revised up to 4.3%) and now sits at its lowest level since June 2025. After having shown clear signs of easing throughout 2025, when the unemployment rate lifted from 4.0% to 4.3%, the past few months have seen it stable or declining slightly.



Part of the reason for this had been a slight easing in the participation rate, although over the past 6 months we have seen PR stable at 66.8. In the statement from the RBA after their most recent hike they note that while "part of the pick-up in inflation is assessed to reflect temporary factors, the Board judged that the labour market has tightened a little recently and capacity pressures are slightly greater than previously assessed."


Photo credit: Tourism Tropical North Queensland

Photo credit: LJ Hooker Edge Hill

REAL ESTATE

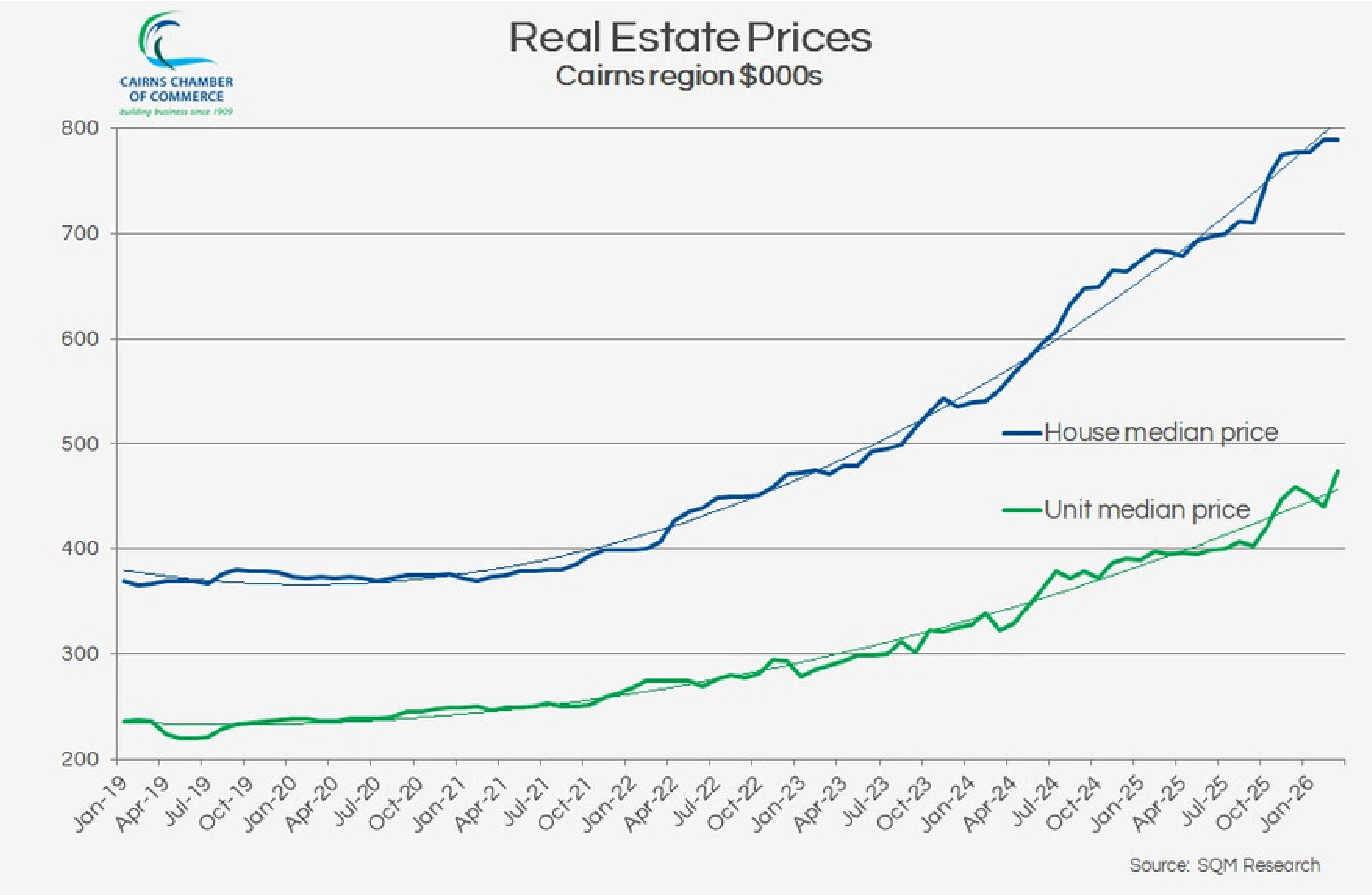
There is now no doubt that the interest rate cycle is in a hiking phase. Nevertheless, property prices continue to perform very well in the Cairns market. A few months ago we wrote "unit prices may have rather more upside than houses at this stage of the cycle." Since then, unit prices have risen by 5% while house prices are up a much more modest 1.4%.

MEDIAN PRICE

Unit
$473,000
+ 20% y/y

House
$789,000
+ 15% y/y

Median unit prices are now up 20% for the year with house price growth a very healthy (but somewhat less impressive) 15%. Whether the Cairns market can continue to buck the trend as interest rates rise perhaps even further remains to be seen, but at this stage the signs continue to look positive.



CAIRNS CHAMBER OF COMMERCE
Real Estate Prices
Cairns region $000s
800
700
600
500
400
300
200
House median price
Unit median price
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
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Apr-25
Jul-25
Oct-25
Jan-26
Source: SQM Research

CAIRNS CHAMBER OF COMMERCE
Real Estate Prices
3 year pa %
20
18
16
14
12
10
8
6
4
2
0
3.9
4.9
5.0
5.1
7.0
7.4
8.7
9.6
13.3
13.8
14.2
15.0
15.4
15.8
16.5
16.9
18.6
Hobart
Melbourne
North QLD
Canberra
Darwin
Sydney
Avg Capital Cities
Nation
Sunshine Coast
Ipswich
Adelaide
Toowoomba
Gold Coast
Brisbane
Central QLD
Perth
Cairns
Source; SQM Research

Cairns' position as one of the best performing real estate markets in the country remains unchallenged. Over the past 3 years compounding annual growth has averaged 18.6%, which equates to an increase of 67% over those 3 years. This compares to a national average of 9.6% annually for a 3-year increase of 32%. Despite this huge out-performance in recent years, the median combined (houses and units) price in Cairns is still $280,000 below the national average. Cairns remains a good-value option and can therefore certainly sustain further growth.

VACANCY RATE

↓ 1.0%

Previous month 1.1%

MEDIAN RENTALS

2-bed unit

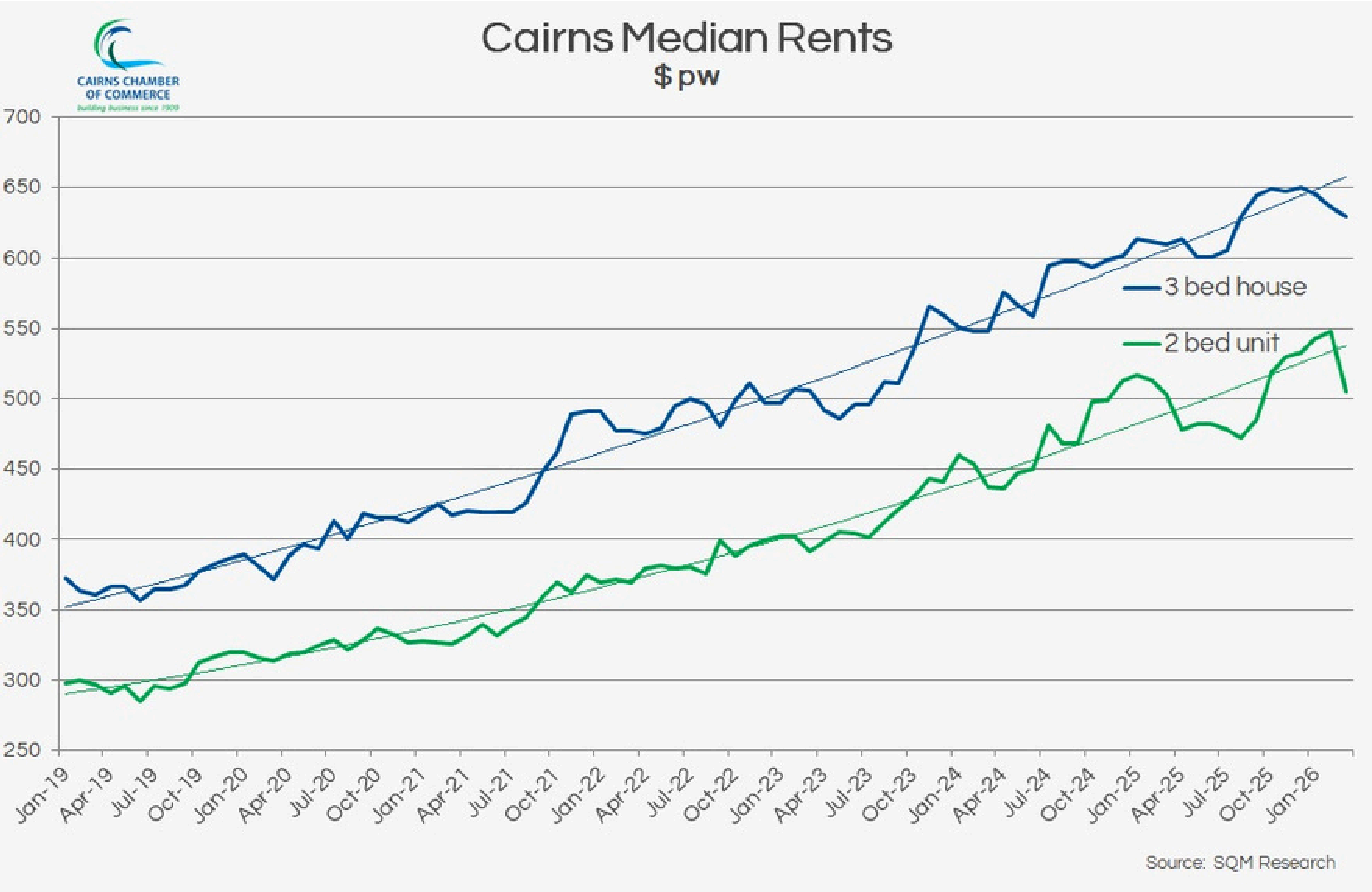
$508 p/w

+ 7% y/y

3-bed house

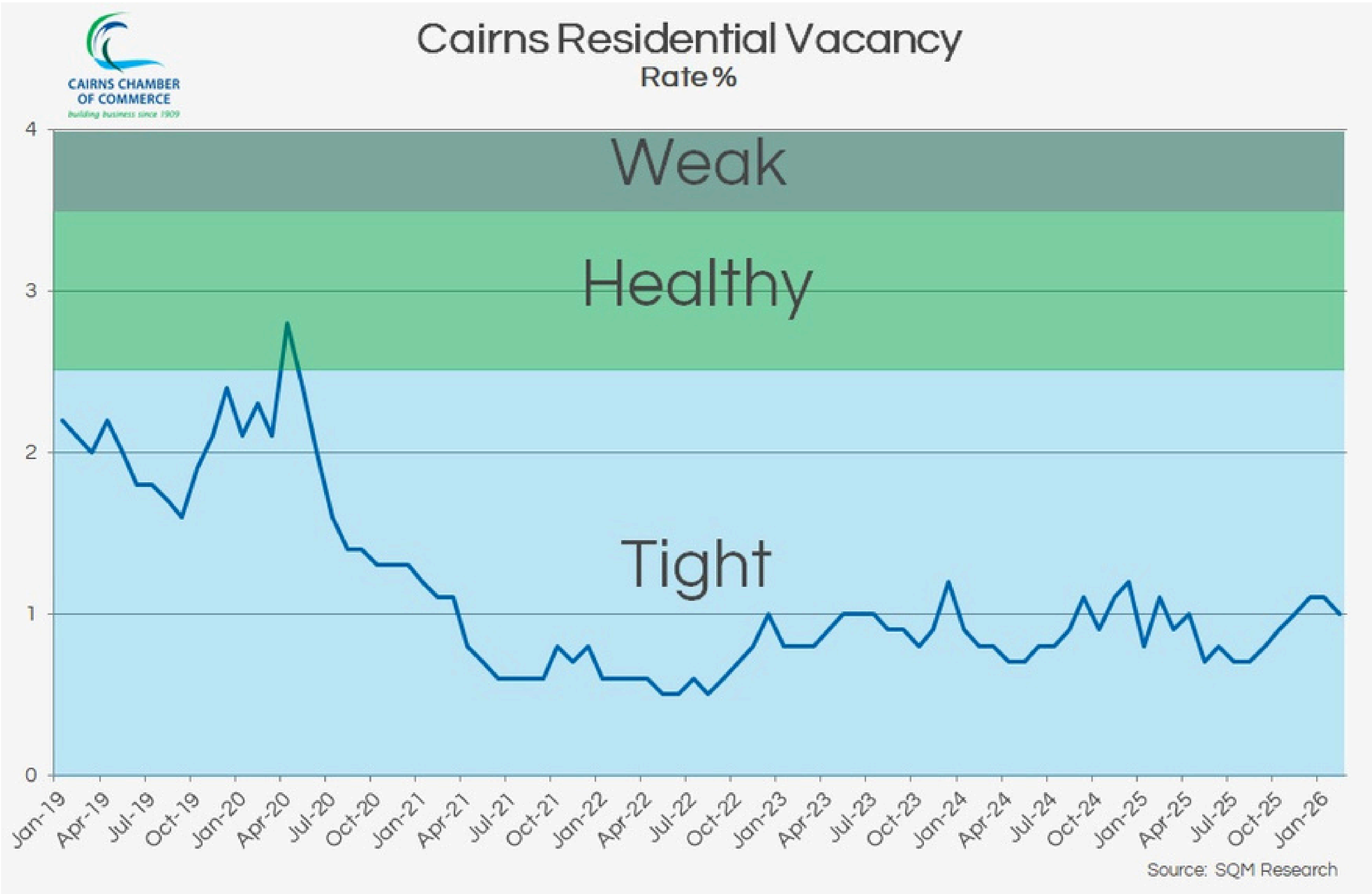
$629p/w

+ 3% y/y



The rental vacancy rate edged a little lower again this month to 1.0%. The tightness in the rental market, which has been a driving factor since COVID, continues to support strong rental growth. Given that strength it appears strange to see both unit and house rents taking a breather in recent months; units are barely changed and houses are up just 3% for the year.

The next few months of data will confirm whether this is merely statistical noise or if we are seeing a genuine rebalancing of rents. However, in the face of weakening building approvals this tightness will act as a brake on regional growth prospects.



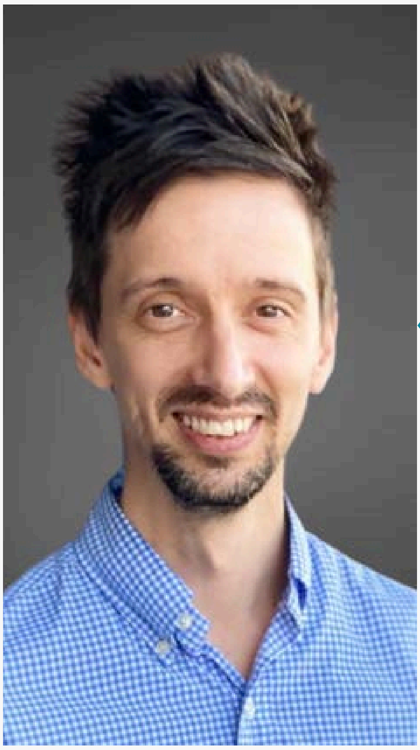
A WORD FROM OUR SPONSORS

“Registrations with AUSTRAC opened on 31 March 2026, kicking off the process for businesses captured under the Tranche 2 AML/CTF reforms ahead of their 1 July 2026 start date. If your business is affected, now is the time to begin preparing for registration.

These reforms apply to real estate professionals, dealers in precious stones, lawyers, conveyancers, accountants, and trust and company service providers. Affected businesses will need to put internal compliance processes in place, including verifying client identities and identifying the source of funds used in certain transactions and activities. Please remember to review your obligations and ensure the necessary systems are in place ahead of commencement.

With Easter fast approaching, we wish everyone a happy and safe break.”

Rhiannon Saunders
Managing Director, WGC Lawyers



“Fuel prices are the dominant issue being raised by businesses, although the impact varies significantly by sector. Recent increases are already affecting cost structures, and a prolonged Middle East conflict risks further pressure through sustained fuel and transport costs. This would likely weigh on domestic travel demand and discretionary consumption.

Primary producers, particularly cane growers, are especially exposed given their limited ability to pass on higher input costs or influence global sugar prices. Tourism operators may have some capacity to increase prices, but higher costs risk dampening demand. Transport and logistics providers face similar challenges. The key uncertainty is not whether prices rise, but who is ultimately able to absorb them.”

Michael Wilson
Partner, PVW Partners

“With the current geo-political landscape combined with high building costs ensuring low development and building approvals, I will try and focus on the facts to answer the question, “How is the Cairns real estate market?”. Properties for sale still remain incredibly low in our region in comparison to this time last year. Interest rate increases will have impacted some buyers’ serviceability. Units, being the more affordable commodity, continue to climb in price, whereas house prices have continued to do well but at a marginal increase over the last month. As for the rental market, we continue to sit at a vacancy of below one percent.”

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, **this APRIL 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

APRIL

10 APR
April Business Luncheon | Cairns Airport Update
11.30am - 2:00pm
Rullman International

16 APR
NBN Connects with Microsoft AI Workshop
08.30am - 11.05am
Rydges Esplanade Hotel

MAY

06 MAY
Members Orientation Session
9:00am - 10.00am
Cairns Chamber of Commerce

06 MAY
DAMA Information Session for FNQ Employers
10:00am - 11.00am
Cairns Chamber of Commerce

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Pete Faulkner

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