

MAY 2022

# CAIRNS REPORT

A monthly snapshot of the  
Far North Queensland economy

PRESENTED BY



## Number of people employed in Cairns hits new record high

The Cairns employment scene continues to impress as the nation settles into the 'learning to live with' phase of the COVID-19 pandemic.

As we noted in last month's Report, the pace of jobs growth in Cairns has picked up considerably in 2022, rising more than four times the national pace over the past 12 months. But it is the number of people employed that is the standout in this month's *Cairns Report*, growing beyond 140,000 people for the first time ever. With the high volume of online job vacancies being advertised, solid building approval figures, positivity on the tourism front and a buoyant property market – not to mention some significant election promises and projects for our region – the second half of the year looks positively promising for FNQ.

### UNEMPLOYMENT RATE

4.0%      4.0%      4.0%

NATIONAL      QLD      CAIRNS

### PEOPLE EMPLOYED

↑ 13,389,900    ↑ 2,720,400    ↑ 141,100

NATIONAL      QLD      CAIRNS

### PROPERTY PRICES

↑ \$275,000      ↑ \$426,000

UNITS      HOUSES

### MEDIAN RENTS

↑ \$379 P/W      ↑ \$475 P/W

2-BED UNIT      3-BED HOUSE

### PASSENGERS

365,031      ▼      227,860

MARCH '19      MARCH '22

CAIRNS AIRPORT

### BUILDING APPROVALS

102 APPROVALS IN FEBRUARY

▼ -33%

COMPARED TO A YEAR AGO

All data relates to Cairns unless otherwise stated.  
The most current data set available before publication is used throughout The Cairns Report.  
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## CAIRNS REPORT

A monthly snapshot of the  
Far North Queensland economy

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Cover: Cairns Esplanade

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Grant Thornton

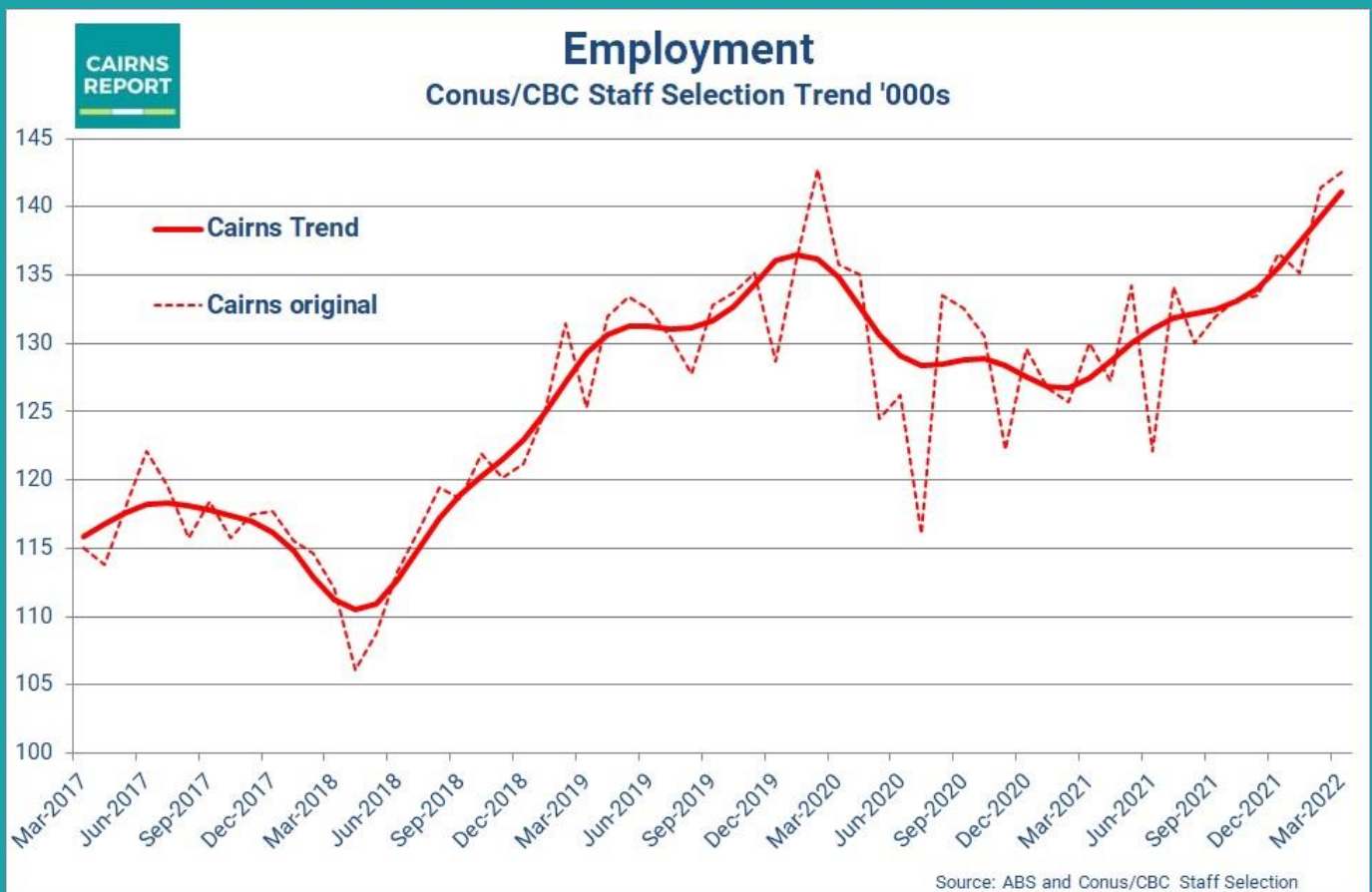
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## PEOPLE EMPLOYED

13,389,900	2,720,400	141,100
NATIONAL	QLD	CAIRNS
↑	↑	↑
	LAST MONTH	
13,372,000	2,712,400	137,400

Employment in Cairns is now 3.4% higher than it was at the time of its previous pre-COVID highs, comparing favourably with the national figure (3% higher) and with Queensland (5.9% higher).

The pace of growth in Cairns has picked up considerably in recent months and is now a very healthy 10.7% year on year, which is more than four times the national pace of 2.6%.

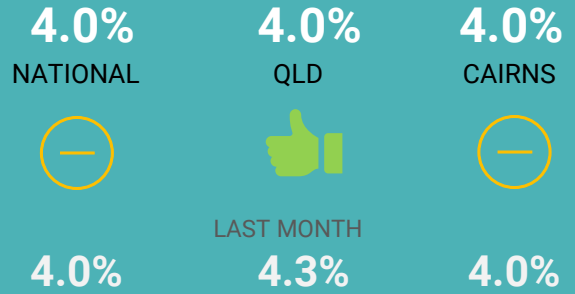




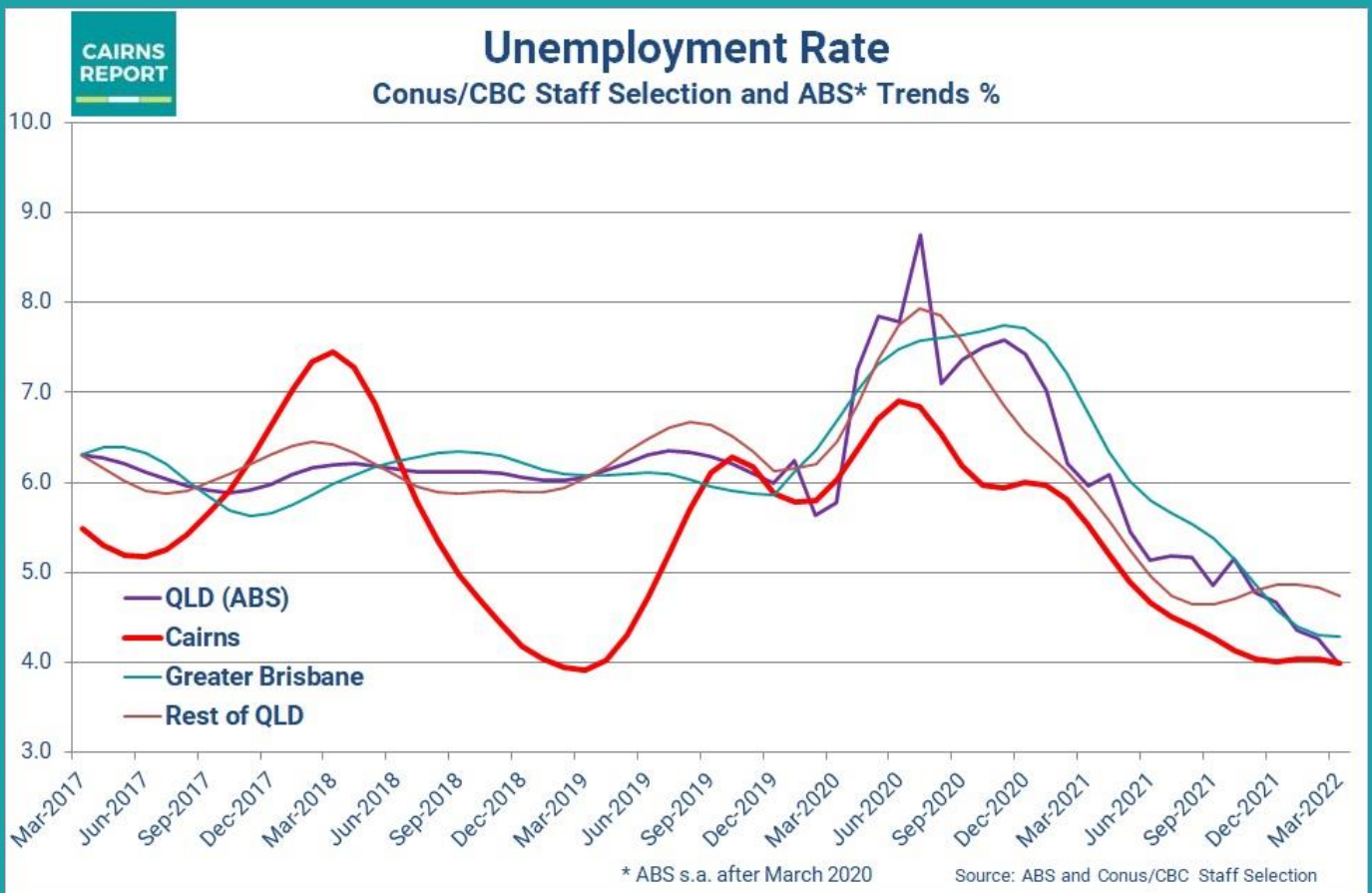
The unemployment rate at three geographic levels - local, state and national - currently sit at 4.0%.

At a Queensland level, this is a 159-month low. We noted last month that Participation in Cairns was still a little below its pre-pandemic highs and suggested that a further increase, even in the face of employment increases, could make it difficult to get the unemployment rate below 4.0%.

## UNEMPLOYMENT RATE



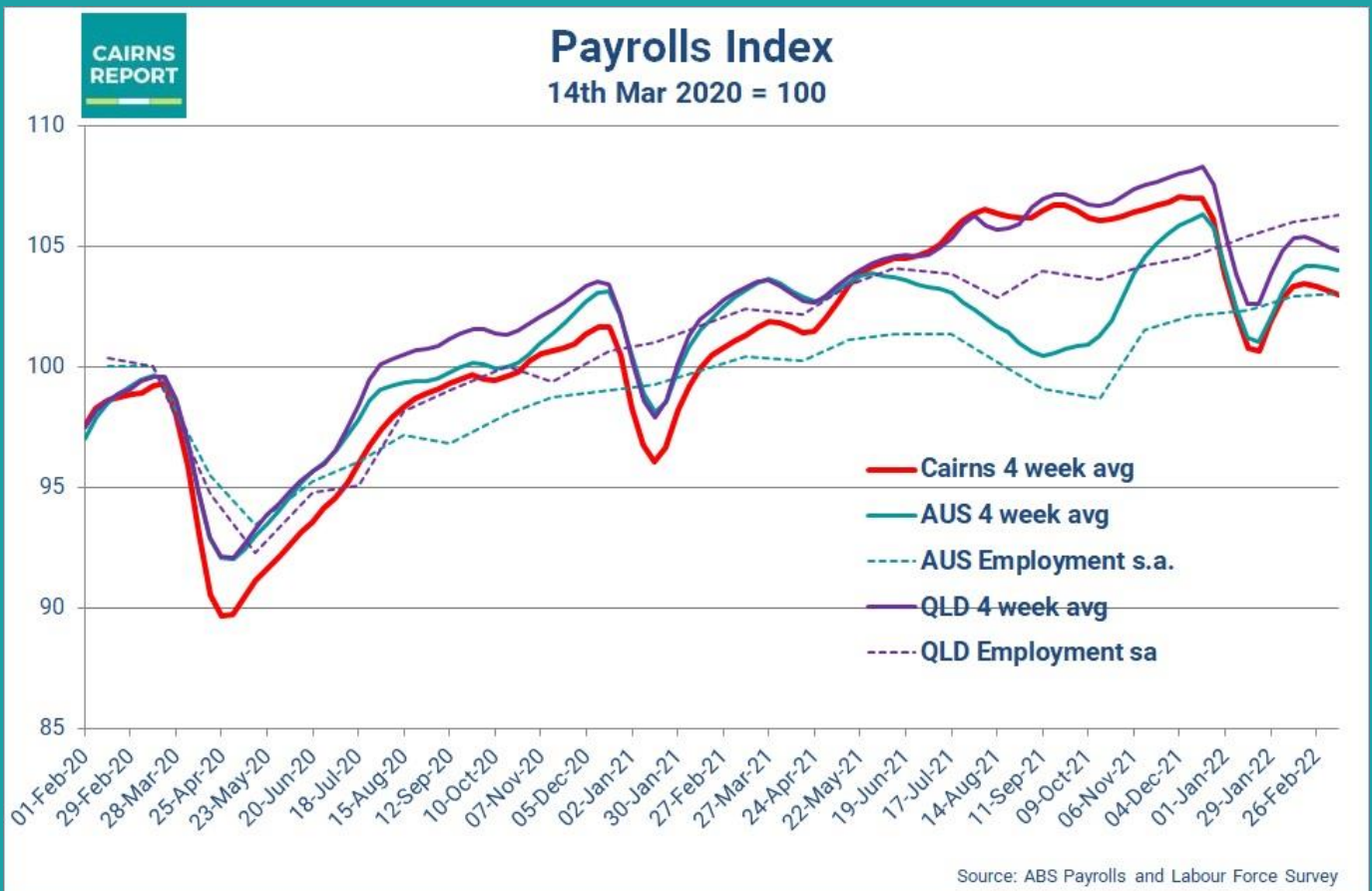
This month we have seen that projection precisely play-out. The Participation Rate in Cairns lifted to an almost-12 year high and as a result the unemployment rate remains at 4.0%.



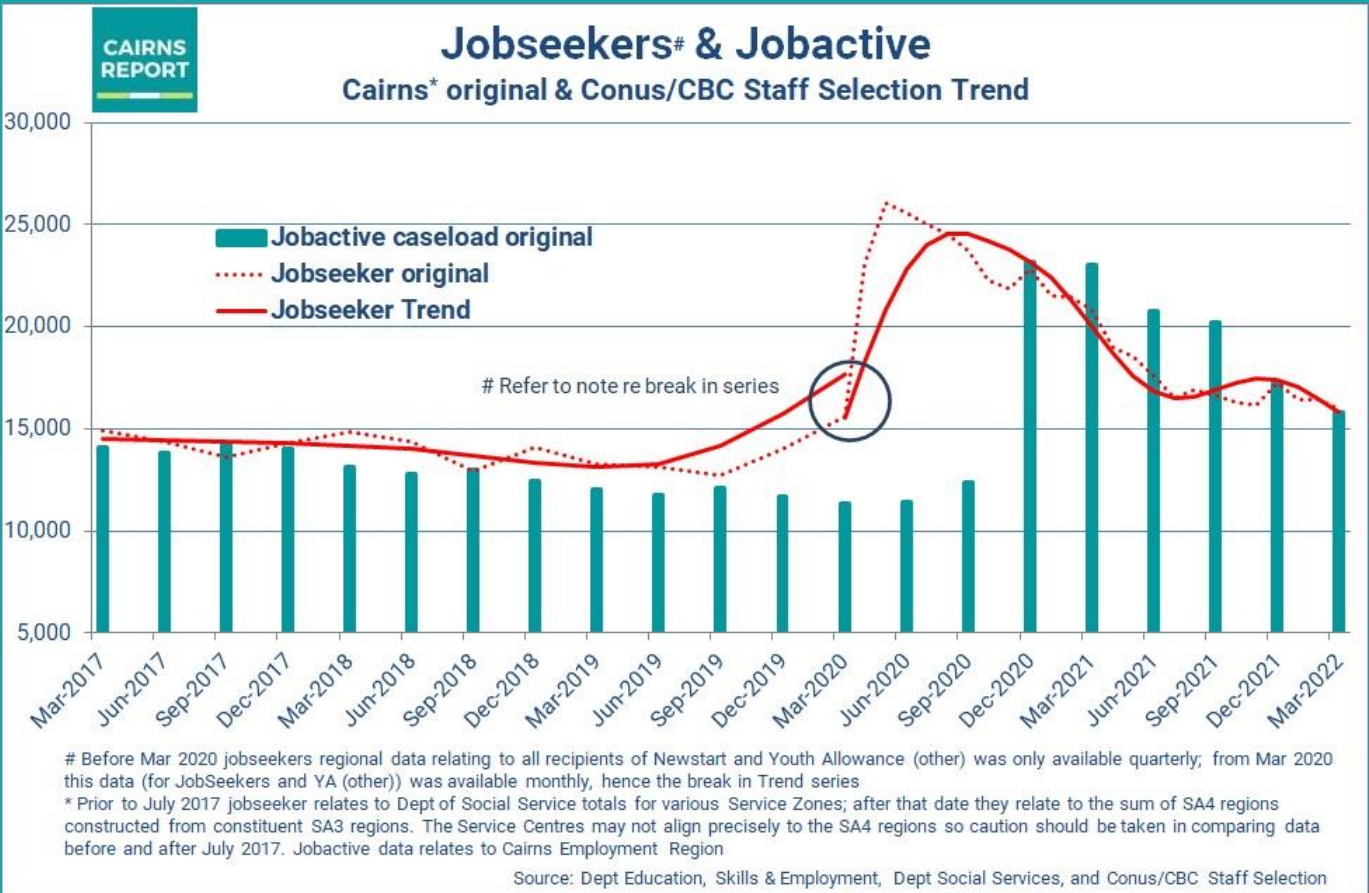
The most recent data (to the middle of March) from the ATO and ABS show that at the national and State levels Payrolls have continued to improve but remain well below the levels seen prior to the Christmas and New Year holiday period.

The fact that this data-set is

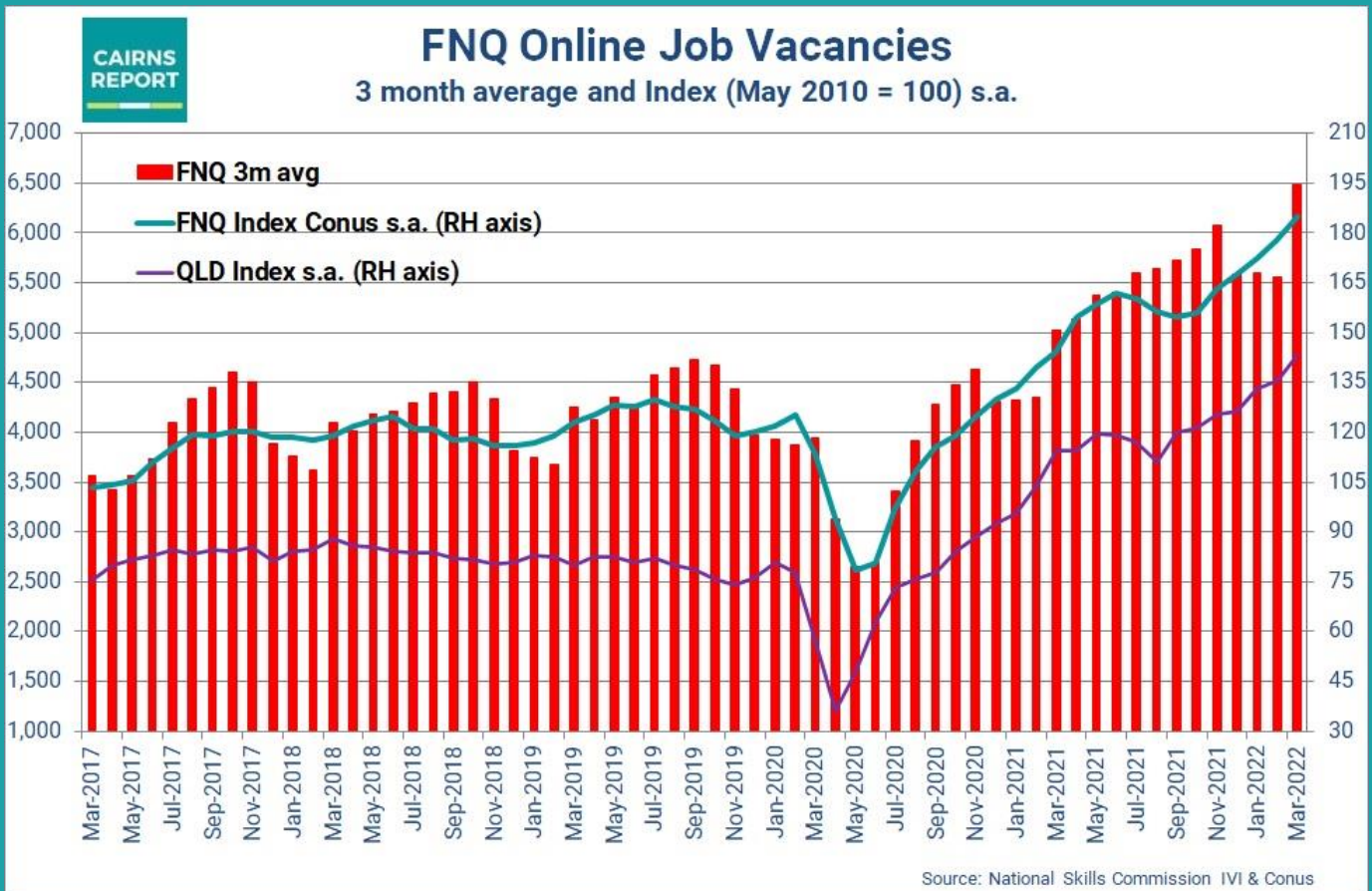
not seasonally adjusted makes it hard to draw many conclusions from this, particularly at a time when the seasonally adjusted labour force data continue to show such a strong upward movement.



The JobSeeker numbers in Cairns have once again declined to their lowest level since the pandemic struck, although they continue to be about 2,000 above where they sat prior to COVID.



The Online Vacancy data shows just how strong the labour market outlook in Cairns remains with seasonally adjusted jobs vacancies reaching 10-year highs in March.





**Trend residential building approvals in Cairns have settled at about 100 per month since about mid-last year.**

This is a significant improvement from the level of 60-70 per month seen in the two years prior to the pandemic. Government incentives for first-home buyers and the population shift into regional Queensland are contributing factors. Soon, we are likely to see interest rates move higher (from historical lows) and this may act to moderate some of these positive factors.

The delay between approvals going through Council and

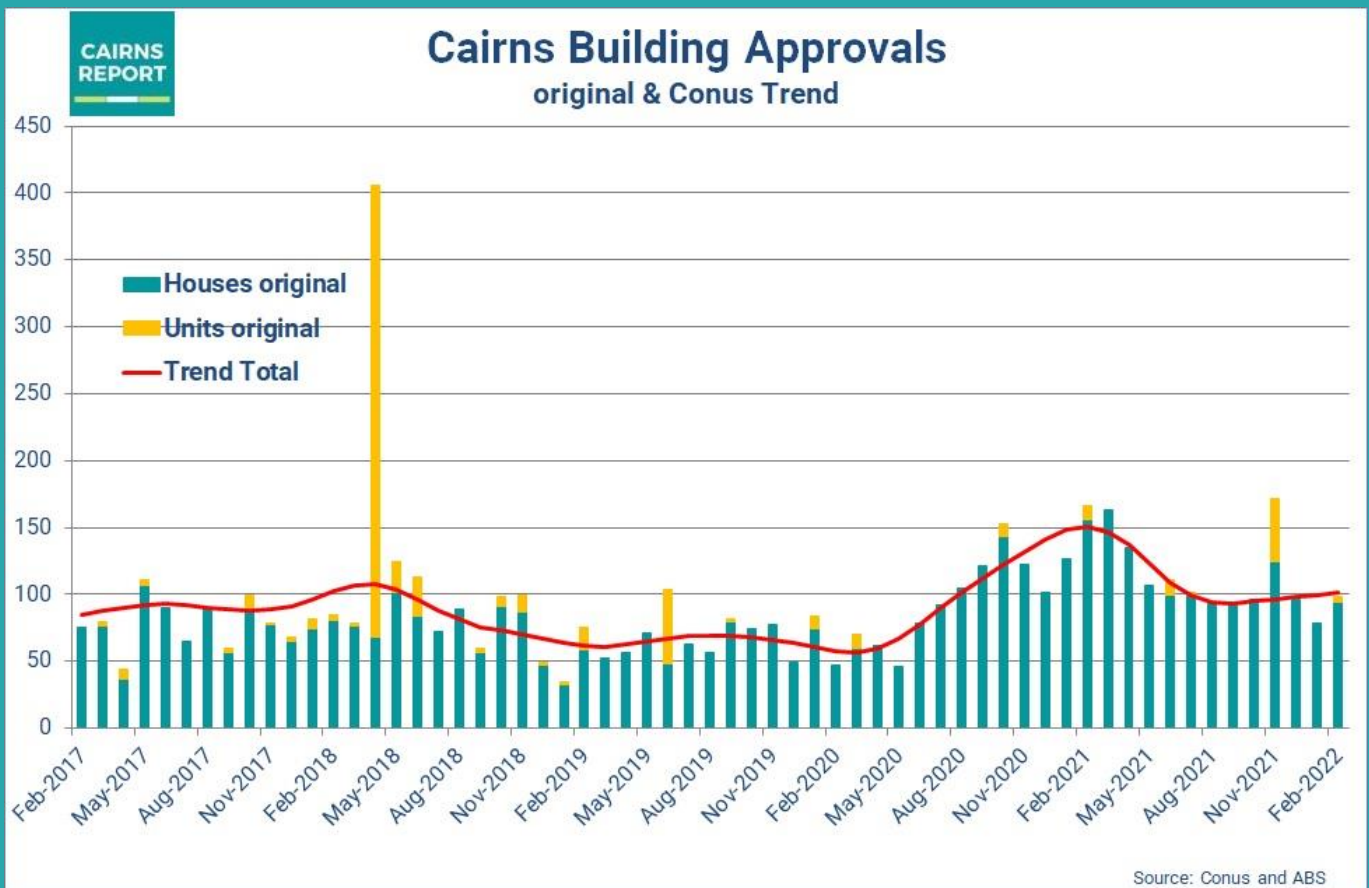
## HOUSES

▼ -33%

Building approvals change from a year ago

Latest trend approvals = 102

construction work starting on the ground (delays which are only getting longer as supply constraints are felt across the sector) suggests the level of approvals will remain supportive for the sector throughout the rest of 2022. The impact on future approvals caused by the anticipated move up in interest rates is unlikely to be felt in the construction market until 2023.

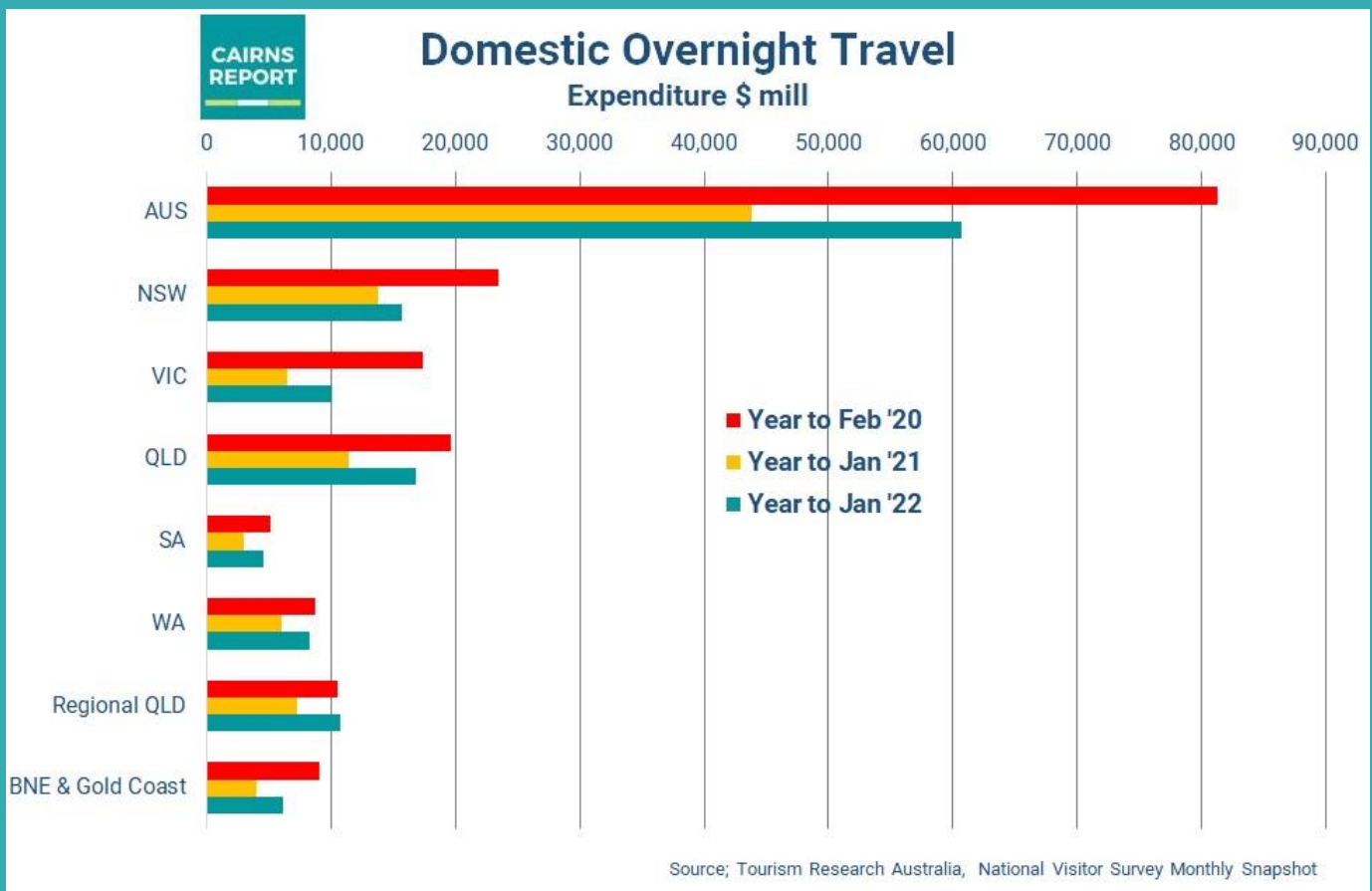




The most recent data that we have for domestic tourism (to the end of 2021) shows that expenditure in the Far North was up 77% from that of 2020.

Indeed, total domestic expenditure in 2021, at slightly more than \$3 billion, was a record high and 3% higher than the previous annual record from March 2020. The most recent data available to

January this year shows that domestic tourism expenditure across regional Queensland was up 7% from the same period last year and is 10% higher than the same month in 2020.



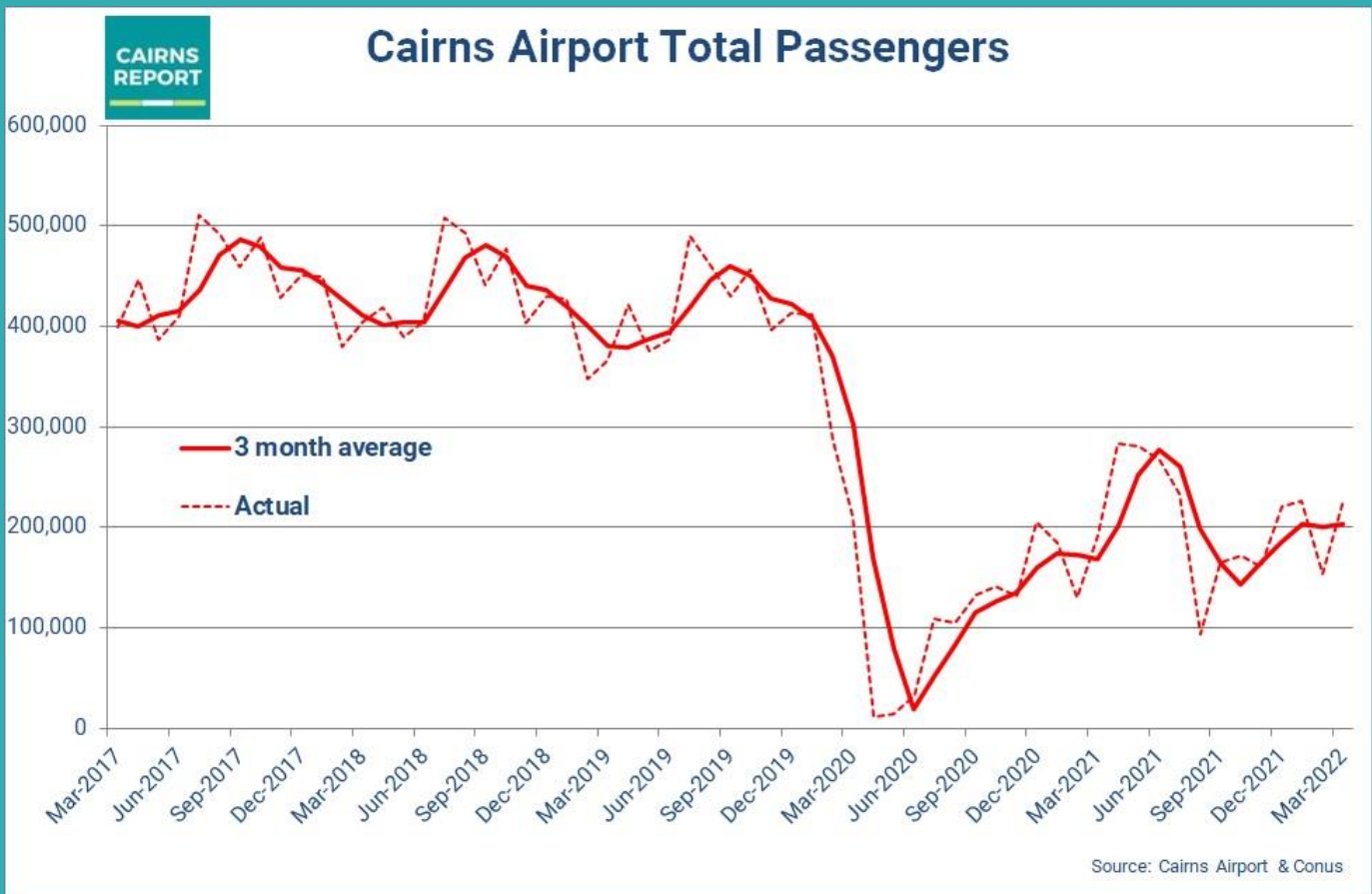
Passenger data from Cairns Airport shows some improvement in the first few months of the year but is likely to move ahead even more impressively when we get the final numbers for April, which include the busy Easter period. There are certainly positive signs and plenty of anecdotal evidence that the city is experiencing strong visitation

and time will tell whether the increases in international tourism marketing announced earlier this year and the emergence of new international routes into Cairns are reflected in tourism data over coming months.

**PASSENGERS**

**365,031** ▼ **227,860**

MARCH '19                      MARCH '22

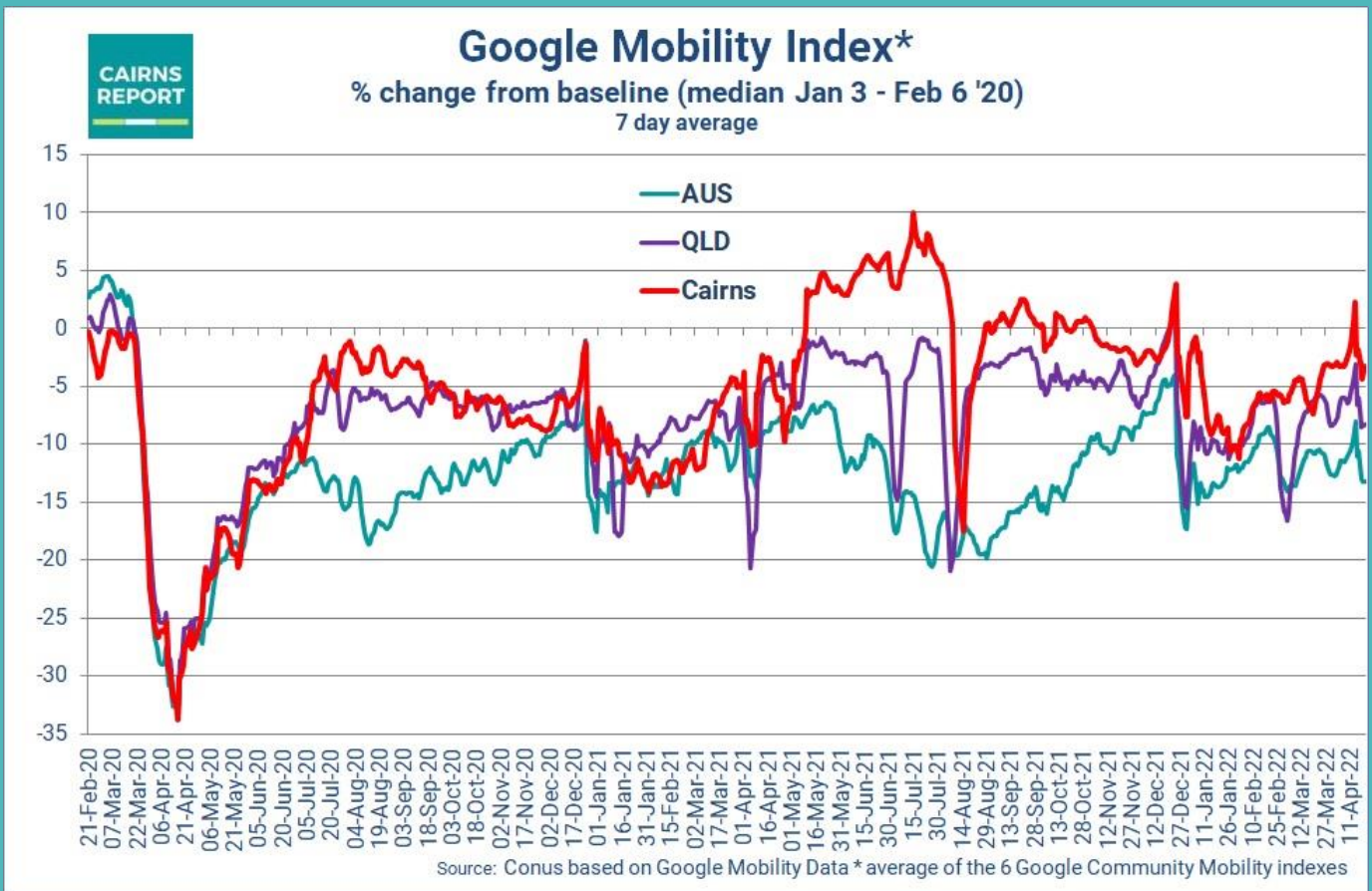


The Google Mobility data to April 20th shows the continued improvement in Cairns as well as the pre-Easter spike as many people shopped in advance of the long weekend and travelled to holiday.

In coming weeks, the negative effect on this data set from so many being away from work over the long Easter weekend will unwind and the anecdotal evidence we mentioned earlier is likely to see the Cairns numbers show further improvements.

**MOBILITY INDEX EXPLAINED**

Google mobility data tracks people's phones (those who have location history enabled) and records locations by various classifications such as residential, work, transport, and shops. That data is aggregated and then compared to an index point which was the median level through January 2020. Google Mobility Index reports are created with aggregated, anonymised sets of data from users who have turned on the Location History setting, which is off by default. The Index was created by Google to provide insights into what has changed in response to policies aimed at combating COVID-19.







The vacancy rate in Cairns remains stuck at the record low level of 0.6%.

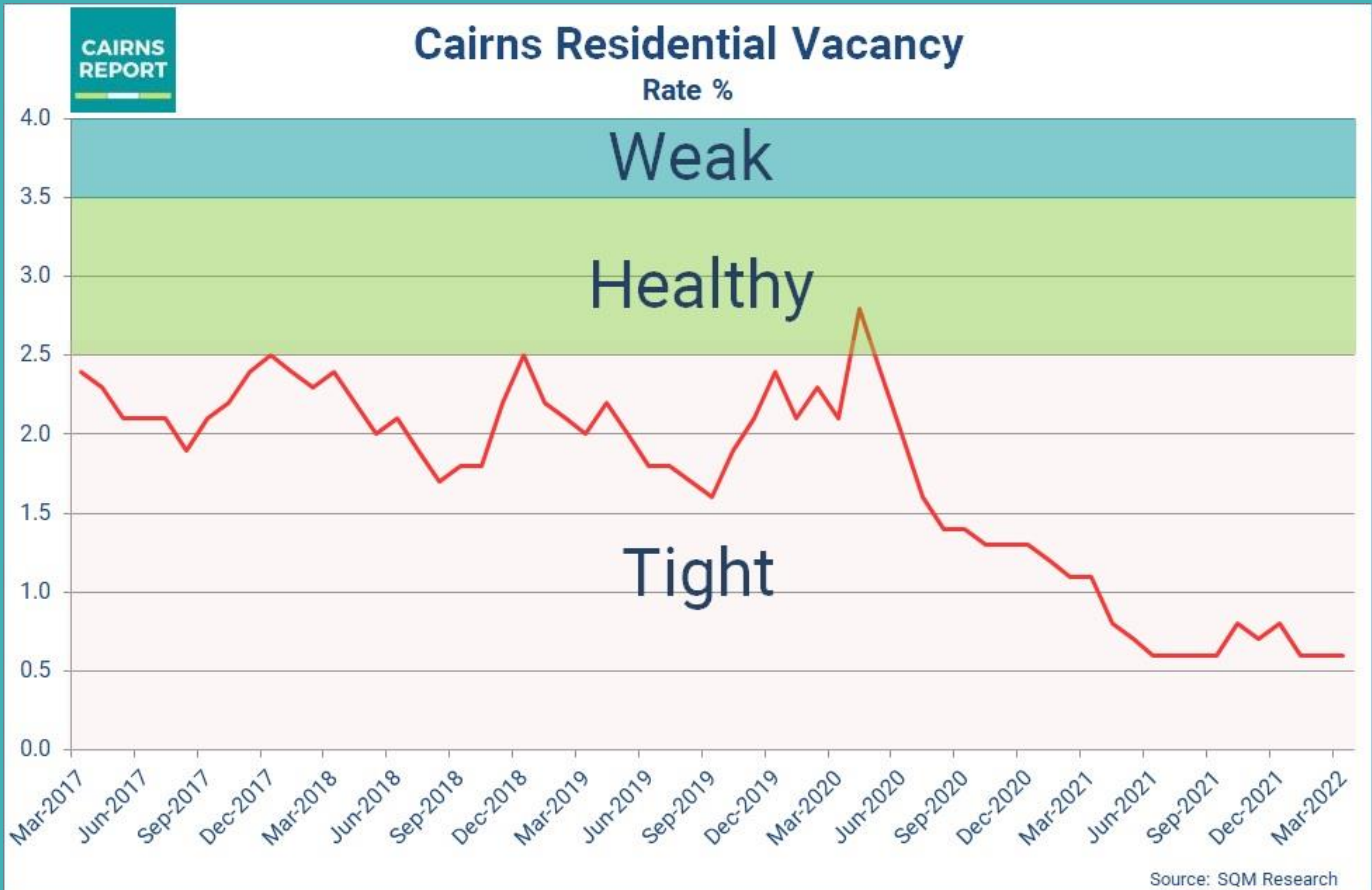
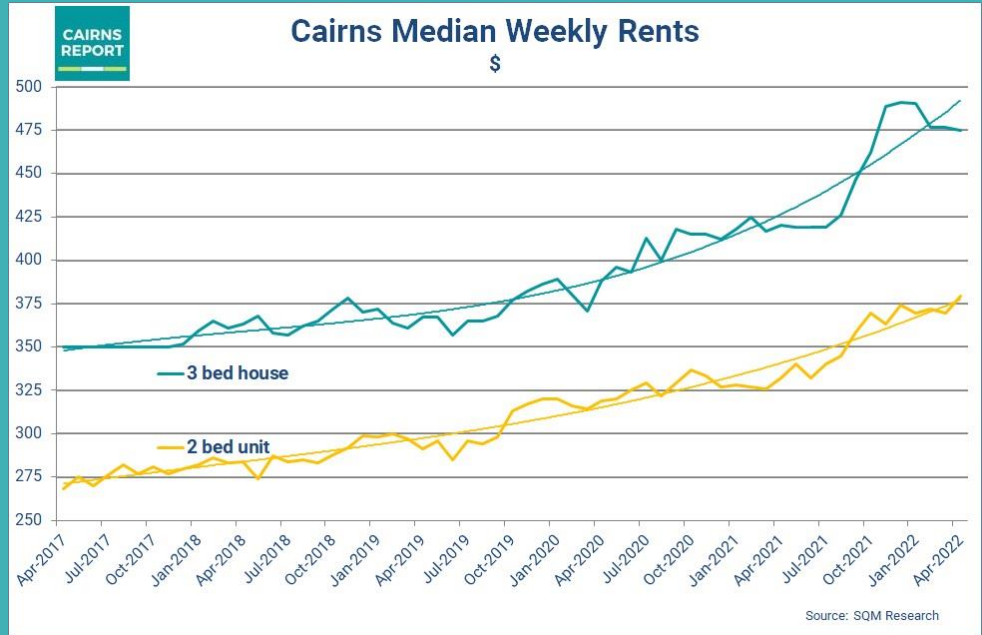
While the rapid rise in rental rates, particularly for houses, appears to have eased somewhat in recent weeks both houses and units remain well above their levels of a year ago.

## MEDIAN RENTALS

**\$379**  
UNITS  
+14% y/y

**\$475**  
HOUSES  
+13% y/y

Source: SQM Research





Feedback from local clients and key stakeholders is that the FNQ domestic tourism market is making a strong comeback and the outlook for the second half of 2022 is positive. Generally the main challenges for local businesses across all industries at the moment are a shortage of skilled labour, supply chain issues resulting in delays in receiving most types of products and managing an increase in overhead costs. The recent interest rate rise has not generated an immediate or obvious impact on the overall confidence in the local economy however we are closely monitoring the outcome of the upcoming Federal election, almost guaranteed further interest rate rises in the coming months and the ATO continuing to increase its enforcement and collection activities in the second half of 2022.



**Matt Mullen**  
*Grant Thornton*



By the time you're reading this edition of *The Cairns Report*, the Federal Election campaign will be entering its final days and we'll soon know which promises and projects will be delivered for our region. More infrastructure and more jobs to come no matter who forms government on May 21.

Thankfully, it also means a break from political distractions for at least a year or two with local and state governments not due for battle until 2024. This Federal campaign got me thinking about a key ingredient missing from our city, and that's a clear narrative and vision for our future – could the electioneering hiatus provide breathing space for Cairns Regional Council to drive an agenda that looks beyond election cycles?

I recall sitting in a room with about 50 other people at the Convention Centre to help formulate the "Cairns 2050 Shared Vision" that council developed a few years ago. It's timely for council to release a status report on that important (and expensive) piece of city planning.



**Gavin King**  
*The Cairns Report*

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