

CUMMINGS ECONOMICS

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Statistical Note FEBRUARY 2023 ECONOMIC TRENDS CAIRNS REGION

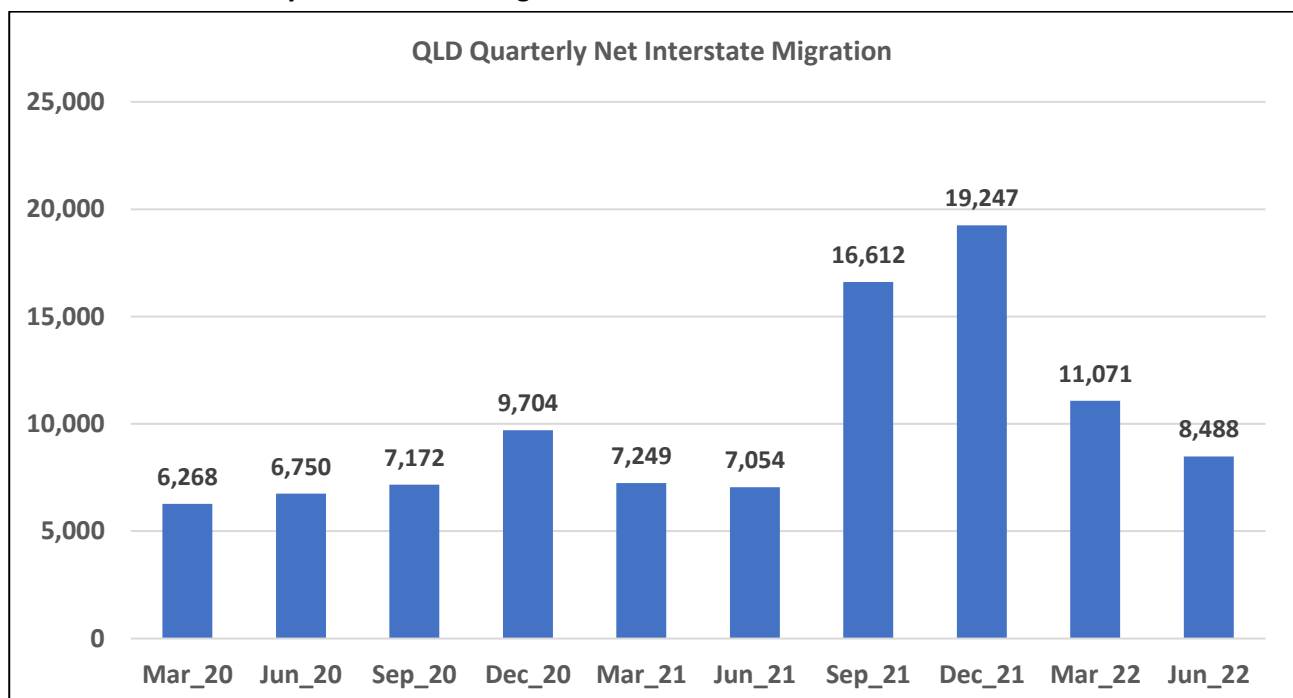
POST-COVID REBOUND EASING

The indications are that the flush of activity that took place post-COVID is easing as the spike in inter-State migration into Queensland eases and as Reserve Bank moves to curb inflationary pressures start biting.

INTERSTATE MIGRATION

Easing of COVID restrictions saw a massive jump in interstate migration into Queensland in the second half of 2021. Although population growth figures for 2021-22 will not be available for the Cairns region until April, it is evident that the region shared strongly in this bounce back with a sharp rise in population growth during the period that has been reflected in a shortage of accommodation. However, later figures indicate that the flush in interstate migration into Queensland has eased back towards pre-COVID levels.

Chart 1 – QLD Quarterly Net Interstate Migration



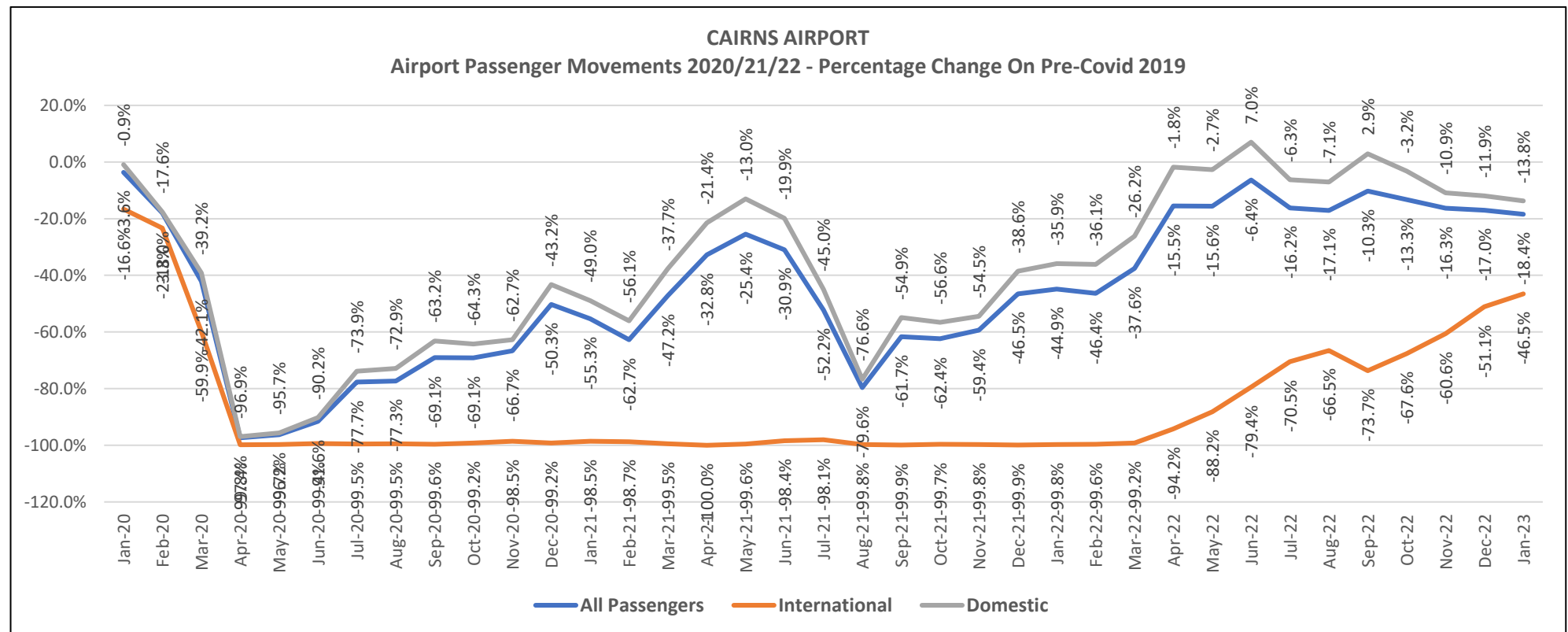
Source: Cummings Economics from Australian Bureau of Statistics data.

AIRPORT RECOVERY PLATEAUS

The following chart compares airport passenger flows with those recorded pre-COVID in 2019.

The figures indicate that passenger numbers plateaued during 2022 and have shifted down marginally to be 18% lower in January 2023 than in January 2019. This is despite continuing recovery of passengers on international flights. This is indicating that the strong rise in domestic tourism in the early post-COVID period may be easing. Clearly, international visitor numbers are proving to be slow in returning to pre-COVID levels

Chart 2 – Airport Passenger Movements 2020/21/22 - Percentage Change on pre-Covid 2019 – Cairns Airport



Source: Cummings Economics from Cairns Airport.

LABOUR MARKET

The numbers on unemployment benefits in the Cairns region is indicated by numbers on JobSeeker and Youth Allowance payments that continue to drift downwards to below pre-COVID levels (despite a small seasonal rise in December).

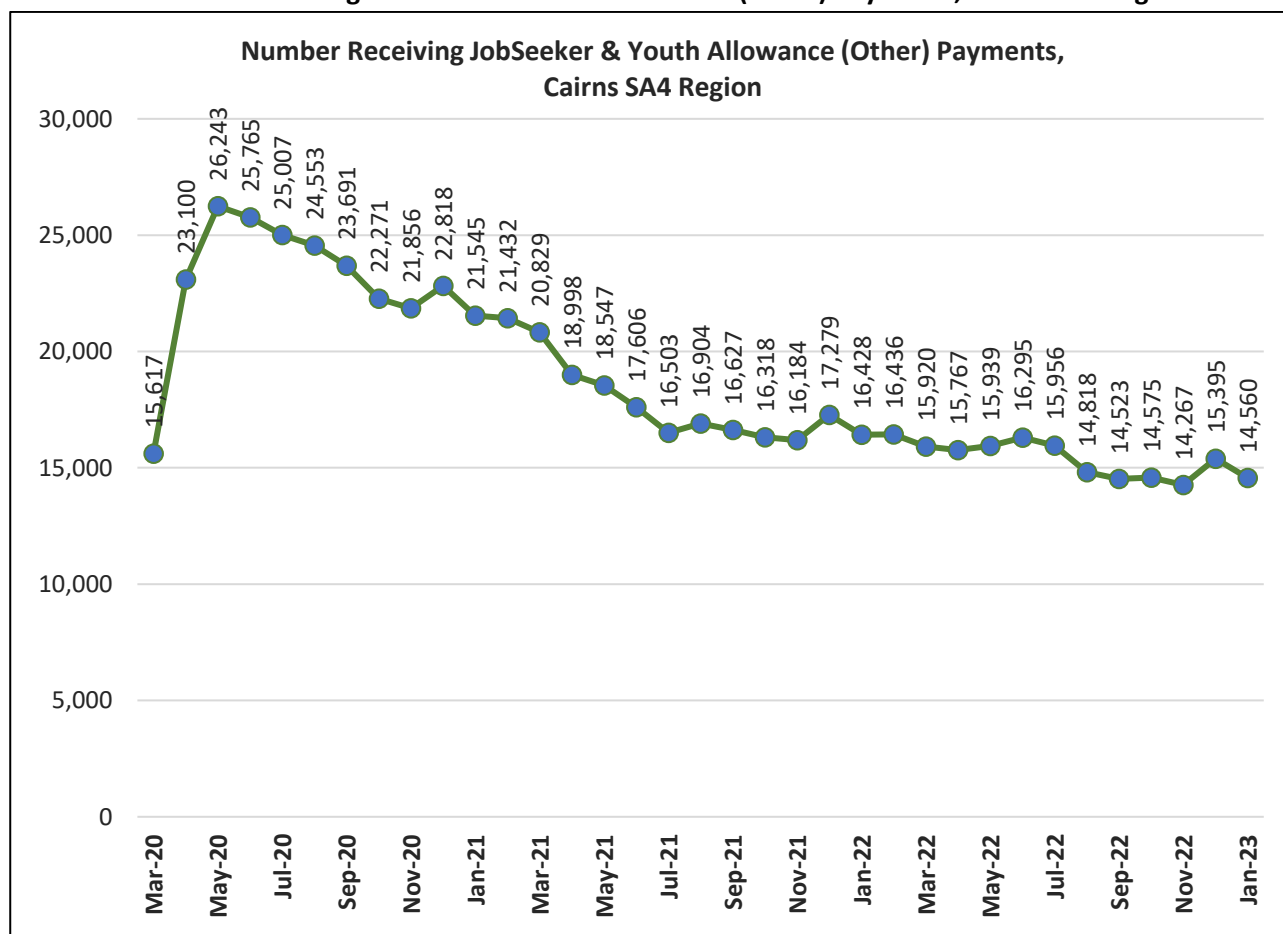
Table 1 – Numbers Receiving JobSeeker & Youth Allowance (Other)

Period	Cairns ⁽¹⁾	Cairns SA4 Region ⁽²⁾	Period	Cairns ⁽¹⁾	Cairns SA4 Region ⁽²⁾	Period	Cairns ⁽¹⁾	Cairns SA4 Region ⁽²⁾
Mar 2020	9,256	15,617	Mar 2021	12,824	20,829	Mar 2022	9,449	15,920
Apr 2020	14,433	23,100	Apr 2021	11,526	18,998	Apr 2022	9,291	15,767
May 2020	16,181	26,243	May 2021	11,258	18,547	May 2022	9,372	15,939
Jun 2020	15,871	25,765	Jun 2021	10,588	17,606	Jun 2022	9,532	16,295
Jul 2020	15,476	25,007	Jul 2021	9,851	16,503	Jul 2022	9,351	15,956
Aug 2020	15,234	24,553	Aug 2021	9,092	16,904	Aug 2022	8,607	14,818
Sep 2020	14,651	23,691	Sep 2021	9,930	16,627	Sep 2022	8,400	14,523
Oct 2020	14,042	22,271	Oct 2021	9,791	16,318	Oct 2022	8,361	14,575
Nov 2020	13,661	21,856	Nov 2021	9,654	16,184	Nov 2022	8,160	14,267
Dec 2020	14,153	22,818	Dec 2021	10,285	17,278	Dec 2022	8,845	15,395
Jan 2021	13,380	21,545	Jan 2022	9,728	16,428	Jan 2023	8,305	14,560
Feb 2021	13,235	21,432	Feb 2022	9,702	16,436			

Source: Cummings Economics from Australian Department of Social Services.

Note ⁽¹⁾: Cairns LGA excluding Babinda. Note ⁽²⁾: Cairns, Cassowary Coast, Tablelands, Mareeba, Douglas.

Chart 3 – Numbers Receiving JobSeeker & Youth Allowance (Other) Payments, Cairns SA4 Region

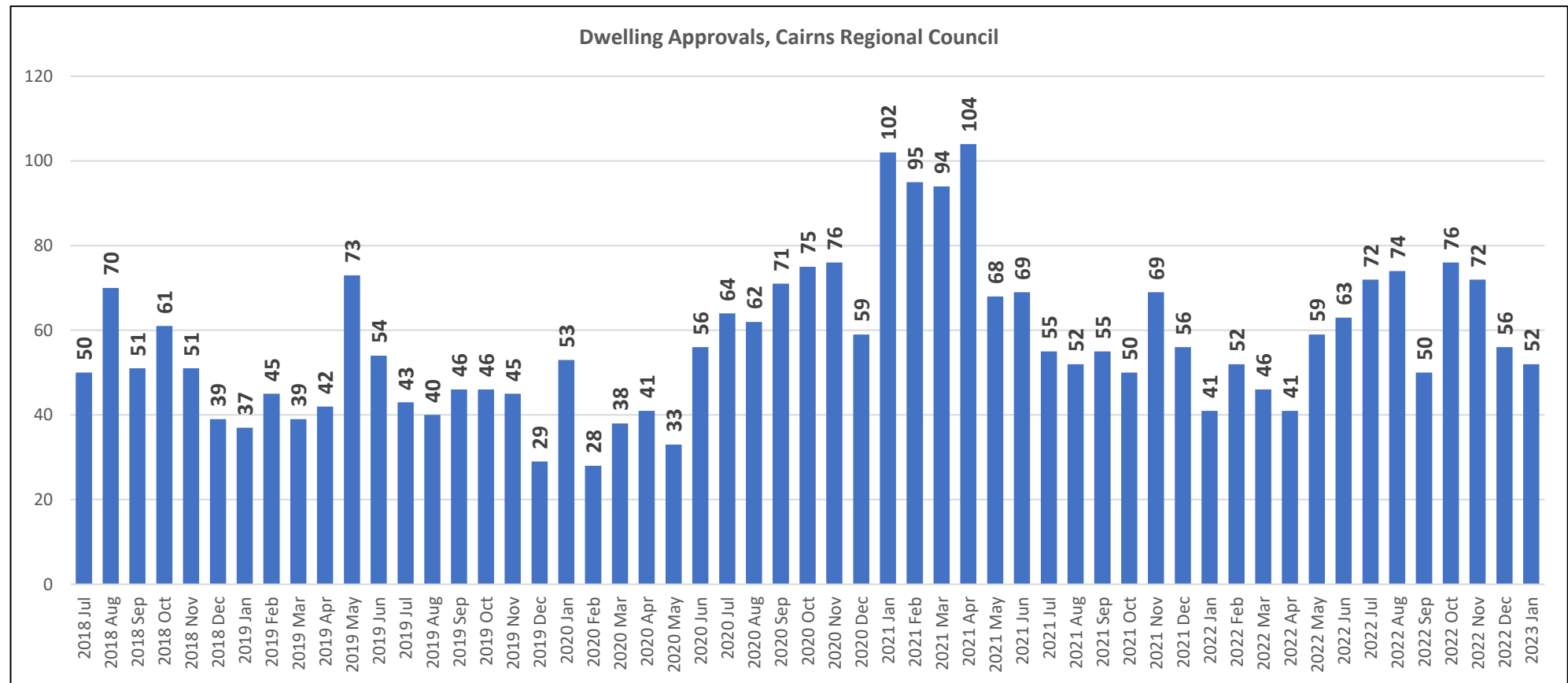


Source: Cummings Economics from Australian Department of Social Services.

CONSTRUCTION – HOUSE BUILDING APPROVALS MODERATE

A strong rise took place in single house dwelling approvals during the COVID period (2000-01) stimulated by strong Federal Government incentives to home building and low interest rates. A second sharp rise that took place with the sharp jump up in population growth in 2021-22, has however been easing back but still at levels above the pre-COVID period.

Chart 4 – Dwelling Approvals, Cairns Regional Council



Source: Cummings Economics from Cairns Regional Council.

RENTAL SHORTAGE

Information from SQM Research illustrates the extremely low rental vacancy rates that has developed.

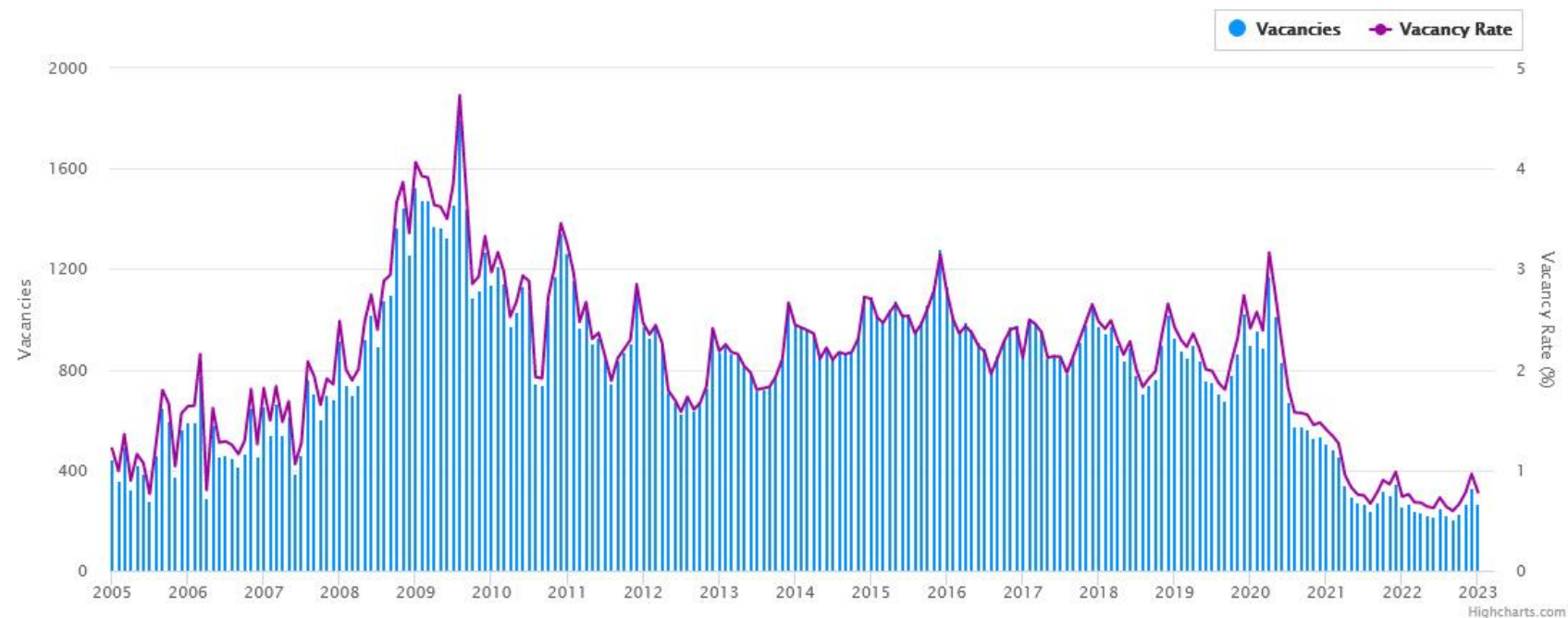
RESIDENTIAL VACANCY RATES

REGION: CAIRNS



Residential Vacancy Rates

Source: SQM Research



Source: SQM Research

https://sqmresearch.com.au/graph_vacancy.php?region=qld-Cairns&type=r&t=1

<https://sqmresearch.com.au/>