

19 June 2026

Attn:  
Danielle Wood and Alison Roberts  
Commissioners  
Housing Supply Regulation Inquiry  
Productivity Commission [housing.supply@pc.gov.au](mailto:housing.supply@pc.gov.au)

## **RE: Housing Supply Regulation Inquiry – Torres Strait Regional Authority (TSRA) Submission**

The Torres Strait Regional Authority (TSRA) welcomes the opportunity to provide input into the Productivity Commission's inquiry into housing supply regulation.

TSRA understands that the inquiry is assessing how regulatory systems affect housing supply across jurisdictions, with a focus on approval processes, land availability, and housing-enabling infrastructure. This submission provides a perspective on how these systems operate in a very remote regional context and highlights the need for regulatory reform to consider the realities of remote Aboriginal and Torres Strait Islander communities.

TSRA remains committed to working in partnership with all levels of government, industry, and communities to support improved housing outcomes across the Torres Strait region and Northern Peninsula area (NPA).

### Regional Context

The Torres Strait is Australia's northernmost region, sharing an international border and encompassing a network of dispersed island communities, as well as Bamaga and Seisia in the Northern Peninsula Area of northern Queensland. The region has a predominantly Aboriginal and Torres Strait Islander population.

Geographic isolation, small and fragmented housing markets, complex land tenure arrangements, and significantly higher construction and infrastructure costs create a housing system that is fundamentally different from mainland Australia.

The region is experiencing persistent and acute housing shortages. This is driven by limited development-ready land, complex tenure and leasing processes, high construction and freight costs, constrained infrastructure capacity, and a highly limited private housing market. These conditions result in overcrowding, extended social housing waitlists and very low levels of home ownership.

While housing pressures are increasing across Australia, regulatory settings that function effectively in larger and more established markets can act as constraints in this environment. Current frameworks do not consistently account for the structural conditions of very remote Indigenous regions, such as the Torres Strait.

More broadly, these housing challenges reflect systemic disadvantages. Housing adequacy in the Torres Strait sits within the bottom 10% nationally, and development outcomes are constrained by infrastructure gaps and limited economic opportunity.<sup>1</sup>

### Closing the Gap

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<sup>1</sup> Torres Strait Regional Authority (TSRA), *Human Development and Infrastructure Gap Analysis*, prepared by Geografia Pty Ltd, 2024.

Housing supply regulatory reform must be considered within the framework of Closing the Gap, particularly Target 9, which focuses on reducing overcrowding (9a) and ensuring equitable access to essential services (9b). Progress against these targets is not currently on track.

In the Torres Strait, persistent overcrowding and infrastructure constraints highlight systemic barriers to achieving equitable housing outcomes.

The high cost of building in remote locations, high rental stress, and low income after housing costs have significant implications for the state of housing in the Torres Strait. These factors correlate strongly to people's ability to meet basic needs after housing costs, save a deposit, or adequately maintain a home.

Regulatory reform should support increased housing supply in remote regions while improving access to essential services. Strengthening these settings will be critical to progressing Target 9 and delivering equitable, long-term housing outcomes for Aboriginal and Torres Strait Islander peoples.

#### Interconnected Regulatory Constraints

The Inquiry's focus on land use and housing-enabling infrastructure is well founded. In the Torres Strait, these issues must be acknowledged as highly interconnected.

Constraints relating to land tenure, infrastructure capacity, and market development reinforce one another. Reform in isolation- whether through planning systems, approvals or finance- will not translate into increased housing supply without coordinated change across the system. Infrastructure access and service availability are key drivers of both housing outcomes and broader development indicators.

Regional planning and engagement processes have consistently identified that housing delivery is dependent on aligned reform across land tenure, infrastructure and financing systems, with scale only achievable where these elements are coordinated. A coordinated, place-based approach to regulatory reform is therefore required.

#### Land Availability and Use

The availability of land for housing is a significant determinant of supply in the Torres Strait and is intrinsically linked to land tenure arrangements.

The key constraint is not conventional zoning or density controls, but the complexity of land tenure arrangements. These limit subdivision, delay leasing processes and reducing development feasibility and private sector participation. As a result, land release remains a binding constraint on housing supply.

Unlocking supply requires a more flexible and modernised approach to tenure and land release to remove structural barriers to housing development and ownership. This includes enabling clearer and more efficient pathways to secure land interests, improving coordination across jurisdictions to identify development-ready sites, and working in partnership with Traditional Owners to ensure land release aligns with community priorities.

#### Home Ownership

TSRA's Home Ownership Program demonstrates sustained demand for home ownership in the Torres Strait. The program provides concessional loans and financial literacy support and has delivered over 120 loans since 1994.

Through the Indigenous Home Ownership Program, TSRA supports eligible applicants to purchase established homes, construct new dwellings, acquire land, or undertake essential improvements to existing housing. The program is targeted toward low-income, first home buyers, with eligibility guided by a points-based system reflecting family size and housing need.

However, the scale of the program is constrained by supply-side limitations. The availability of suitable housing stock is extremely limited, with few opportunities for purchase or private development. This reflects a structural constraint in remote housing markets, where limited supply restricts otherwise viable support pathways to home ownership.

Current home ownership outcomes are concentrated in locations where existing housing stock and infrastructure capacity are available, such as Thursday Island, Horn Island and Prince of Wales Island, further illustrating the link between supply, infrastructure and ownership pathways. Despite opportunities for home ownership, a significant proportion of households rely on social housing.

Improving ownership outcomes will therefore depend on regulatory settings that increase the availability of land and enable new housing development in remote regions.

#### Housing-Enabling Infrastructure

Housing-enabling infrastructure is a critical constraint on supply in the Torres Strait.

Essential services- including water, sewerage, power, roads and telecommunications - are often capacity constrained, costly to deliver, or require significant upgrades before new housing can proceed. These limitations restrict both new development and the effective use of existing land and housing assets.

TSRA's administration of the Major Infrastructure Programme (MIP) demonstrates the value of coordinated Commonwealth-State co-contribution models in addressing these constraints. Now in its seventh iteration, with \$82.4 million committed over five years from 2025-26, the program supports major environmental health infrastructure, including water, wastewater, housing subdivision development and essential service extensions that underpin housing supply across the region. Sustained investment through MIP has improved baseline infrastructure, including access to reliable water and sanitation services.

However, ongoing commitment is required. Infrastructure systems in the Torres Strait rely on continuous investment, renewal and maintenance to sustain existing housing and enable future development. Misalignment between infrastructure funding, planning processes, and housing delivery continues to constrain supply outcomes.

Strengthening frameworks that support coordinated planning, staged investment and long-term infrastructure funding will be critical to enabling new housing supply and maintaining the infrastructure required to support it.

#### Conclusion

The Torres Strait highlights the limitations of applying standardised housing regulatory frameworks in very remote contexts. Housing supply constraints in the region are structural and interconnected, spanning land tenure, infrastructure and market conditions. Addressing these challenges requires a coordinated, place-based approach to reform that aligns land use, infrastructure investment and housing supply.

Improving access to development-ready land, better aligning infrastructure planning with housing demand, and enabling pathways to home ownership will be critical to increasing supply.

A whole-of-government approach is required to ensure that housing supply regulation reform supports Closing the Gap outcomes and enables sustainable, long-term housing solutions for Aboriginal and Torres Strait Islander peoples.

Yours sincerely,

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Charlie Kaddy  
Chief Executive Officer

### ***About TSRA***

The Torres Strait Regional Authority (TSRA) is the lead Australian Government agency for Indigenous affairs in the Torres Strait region. Established under the Aboriginal and Torres Strait Islander Act 2005, TSRA is a statutory authority operating under the direction of a democratically elected Board.

TSRA is responsible for advancing Indigenous affairs and regional development across the Torres Strait and Northern Peninsula Area. The Torres Strait Regional Authority (TSRA) works to close the gap by advancing economic empowerment, strengthening infrastructure, preserving culture, and enhancing the wellbeing of Torres Strait Islander and Aboriginal communities.