



**DUNGOG
SHIRE**
COUNCIL

FAIR FUNDING 4 DUNGOG

fairfunding4dungog.com.au

**NSW GOVERNMENT
ADVOCACY PRIORITIES
2026-2030**

An aerial photograph of a river flowing through a lush, green landscape. A large, multi-lane concrete bridge with a steel truss structure spans the river. The riverbanks are lined with dense trees and vegetation. In the foreground, there is a large, cleared area of land, possibly a construction site or a cleared field, with some trees and a small structure visible. The sky is clear and blue.

Dungog Shire is
ready to support
the future growth
and resilience of the
Hunter region.

EXECUTIVE SUMMARY

Dungog Shire plays a critical role in the future of the Hunter region by supporting regional water security, freight movement, agriculture, tourism and future housing growth, while protecting significant environmental assets and rural landscapes.

Under the Hunter Regional Plan 2041, Dungog Shire is expected to accommodate substantial population and housing growth, including 2,400 additional homes. However, Council faces significant infrastructure demands with one of the smallest rural rate bases in NSW.

Dungog Shire Council is:

- the only NSW Local Government Area without a State Road
- supporting infrastructure and environmental assets that benefit the broader Hunter region
- expected to maintain over 755km of roads
- unfairly disadvantaged from NSW and Federal Government funding models.

Council, with the help of the community, has already taken significant steps to plan for our long-term future, but government funding inequities and a lack of importance placed on regional communities like Dungog is inhibiting and preventing implementation of these plans to deliver growth for the future.

This document outlines our two key advocacy priorities, and the critical support needed from the NSW Government to enable sustainable growth, regional resilience, and an attractive and liveable shire for our community.

SNAPSHOT



Population
10,102



Council's population
target annual
growth rate
1.9%



First Nations
Population
7.2%



Number of dwellings
4,503



Projected number
of dwellings
by 2041
6,903



Local jobs in
Dungog Shire
2,839



**Top three
industries of
employment –**

1. Agriculture
(Forestry and Fishing)
2. Construction
3. Education and Training



NSW Government
projected population
by 2041
14,374



Projected growth
in employment
by 2041
900
(+32.4%)



Labour force – a
measure of the
current economically
active population
4,558



Labour movement
52%
of Dungog's working
population travel
outside the LGA
for work



**World
Heritage-listed
Barrington Tops
National Park**

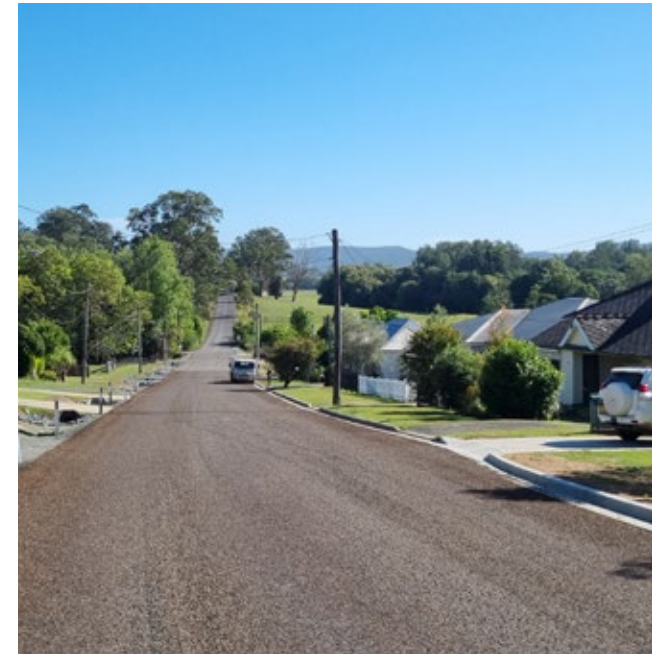
23% of Council
land is covered by
National Parks and
State Forestry

PRIORITY 1

FAIR AND SUSTAINABLE FUNDING FOR ROADS

The Issue

Dungog Shire maintains an extensive 755km road network that supports freight movement, agriculture, tourism, emergency access and critical regional water infrastructure. Despite this, current State funding arrangements significantly disadvantages Dungog Shire compared to our neighbouring councils.



Road totals by category:

State Roads:	0km
Regional Roads:	123.72km
Rural Sealed Roads:	307.57km
Urban Sealed Roads:	32.82km
Unsealed Roads:	290.75km
Total Road Network:	754.86km

PRIORITY 1

Dungog is the only **Local Government Area in NSW without a State Road** and receives significantly lower Block Grant funding allocations for comparable regional roads once those roads cross into neighbouring LGAs (please refer to photos on the next page).

The current funding model does not adequately recognise:

- the Shire's freight and agricultural transport role and access needed for B Doubles
- roads servicing State-significant assets and water catchments
- the cost burden placed on our council to maintain such an extensive road network
- increasing maintenance demands we face from population growth and natural disasters.

Without sustainable funding, our ability to maintain roads and invest in future growth infrastructure will decline.

We're asking the NSW Government to:

1. Recategorise major transport corridors

Recategorise key regional freight and passenger corridors to State and Regional Road classification. Priority corridors include:

- MR101: Tocal – Dungog Roads from Tocal (Maitland LGA) through Dungog to Stroud Hill Road (Mid Coast Council LGA)
- MR301: Clarence Town Road from Glen Oak (Port Stephens LGA) to MR101 at Wirragulla.
- MR128 to RR7764: The connection between Dungog Shire and Singleton including Gresford Road, Glenbrook Road, Allyn River Road and Bingleburra Road.

These roads are critical freight routes and major thoroughfares for people who either live in our Shire or cross the Shire from neighbouring LGA's to access the Freeway, and work in the mining industry to the south-west, defence industries in the north-east, and key growth employment regions of Maitland, Newcastle and Lake Macquarie.

2. Provide Fair Block Grant Funding

The Block Grant allocation uses a formula that favours the councils with higher volumes of traffic, ignoring the need to protect key routes for heavier vehicles linked to agriculture, freight, and water supply management.

This funding disparity limits our ability to maintain roads effectively and plan sustainably for the network's future needs.

PRIORITY 1

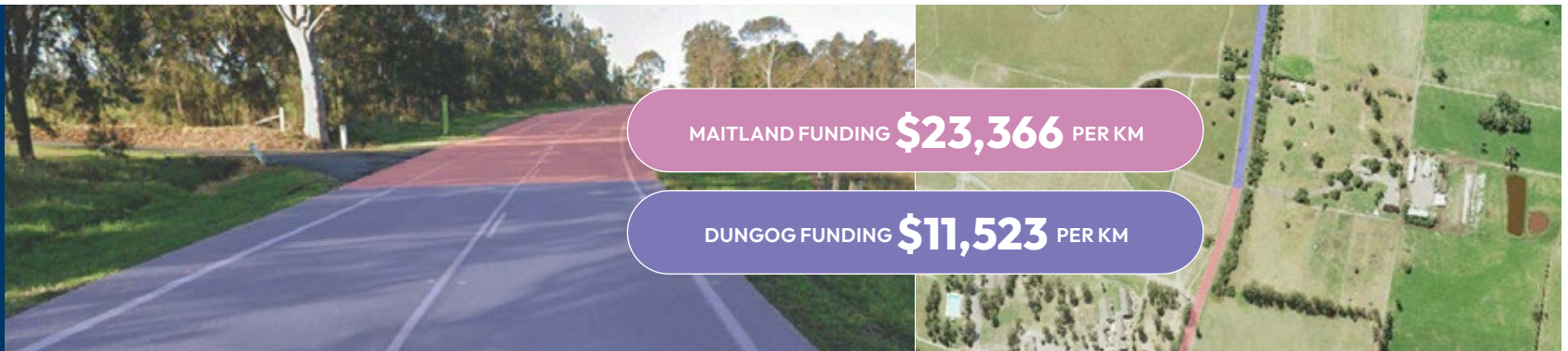
As you can see from the images below,
Port Stephens Council receives 70% more funding for MR301,
and Maitland Council receives 103% more funding for MR101.

MR301

Boundary of
Dungog Shire and
Port Stephens
Council

**MR101**

Boundary of
Dungog Shire
and Maitland
City Council



PRIORITY 1

3. Help us address our road maintenance backlog

The current grant-based approach creates uncertainty and limits our ability to undertake strategic asset management. This short-term approach has left us with legacy projects that, as each year passes, become more critical to our community, **and to people from surrounding LGA's** who rely on our roads to traverse through our shire.

The following roads are our priority roads requiring urgent State government funding:

Road Name	Type	Extents	Stages	Length (km)	Construction Estimate 2025 \$
RR7778 – Gresford Road	Regional	Dungog Road – Summer Hill Road	1	4.1km	\$7,216,000
		Summer Hill Road – 3.1km South of Fishers Hill Road	2	4.1km	\$7,216,000
		3.1km South of Fishers Hill Road – Torryburn Road	3	4.0km	\$7,040,000
		Torryburn Road – East Gresford Oval	4	4.0km	\$7,040,000
RR7764 – Bingleburra Road	Regional	700m North-East of Allyn River Road – Lewinsbrook Creek Bridge	1	4.5km	\$7,920,000
		Lewinsbrook Creek Bridge – 2.7km East of Parks Creek Road	2	4.4km	\$7,744,000
		2.7km East of Parks Creek Road – 3.7km West of Broad Creek	3	4.5km	\$7,920,000
		3.7km West of Broad Creek – Sugarloaf Road	4	4.8km	\$8,448,000

PRIORITY 1

Road Name	Type	Extents	Stages	Length (km)	Construction Estimate 2025 \$
Chichester Dam Road	Regional	Common Road – Sugarloaf Road	1	1.1km	\$1,936,000
	Rural	Sugarloaf Road – Dave Sands Memorial	2	4.5km	\$6,300,000
		Dave Sands Memorial – 1.7km North of Salisbury Road	3	4.6km	\$6,440,000
		1.7km North of Salisbury Road – Nelsons Road	4	4.7km	\$6,580,000
		Nelsons Road – Chichester Dam	5	5.1km	\$7,140,000
Limeburners Creek Road	Rural	Glen Martin Road – Gilmore Trail	1	3.4km	\$4,760,000
		Gilmore Trail – Shire's Eastern Boundary	2	4.1km	\$5,740,000



PRIORITY 1

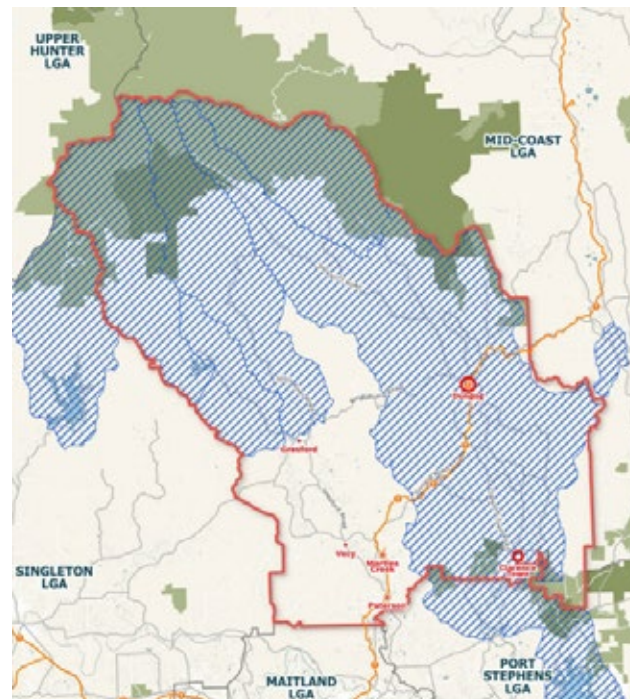
4. State Roads to State-significant assets

Dungog Shire Council should not be expected to carry the full financial burden of maintaining roads that service infrastructure and assets of State significance.

The current funding model fails to recognise the disproportionate burden placed on rural councils that support critical State assets and strategic regional outcomes.

This issue is particularly significant given Dungog's role in protecting and servicing the Williams River and Chichester catchments, which contribute the majority of the Lower Hunter's drinking water supply, which services over 600,000 Hunter residents.

The map below demonstrates how a significant proportion of Dungog Shire is influenced by, or directly supports, critical water-related assets through its river systems, catchment lands, protected areas, forests, and water storage infrastructure, in addition to providing access to National Parks and State forests.



23% of Council land is covered by National Parks and state Forestry. We need the State Government's help to maintain the roads that lead to these vital State assets.

5. Funding Equity

Dungog Shire's extensive infrastructure responsibilities, critical role in supporting the Lower Hunter's water security, and limited rate base are not adequately recognised through current Financial Assistance Grant (FAG) allocations. The principles of Horizontal Fiscal Equalisation should ensure councils with lower revenue capacity and higher service delivery costs receive fairer funding outcomes.

We need the NSW government to:

- ensure the outcomes of the review by the Local Government Grants Commission results in fairer distribution of the FAG to smaller Councils who need it
- urgently applies fair Horizontal Fiscal Equalisation principles
- better recognise councils that support regionally significant infrastructure, water security assets, and freight networks
- ensure councils with low rate bases and high infrastructure responsibilities receive an equitable share of Financial Assistance Grants.

PRIORITY 2

SUPPORTING HOUSING GROWTH THROUGH INFRASTRUCTURE INVESTMENT

The Issue

In 2026, Dungog Shire Council completed a generational Housing & Infrastructure Master Plan (HIMP) that establishes the long-term framework for housing growth, infrastructure delivery, and sustainable development.

Importantly, the HIMP identifies how Dungog Shire will deliver its Hunter Regional Plan target of delivering an additional 2400 homes by 2041. Achieving this target will require significant urgent investment in enabling and supporting infrastructure across the Shire.

Through the Housing and Infrastructure Master Plan, Dungog Shire Council delivered five key strategic planning documents that form the foundation for our long-term growth management, including:

- Local Housing Strategy
- Rural Lands Strategy
- Infrastructure Capacity and Prioritisation Plan
- Dungog Strategic Centre Structure Plan and Streetscape Master plan
- Local Strategic Planning Statement

PRIORITY 2

We're asking the NSW Government to:

Help us fund the following critical projects to improve community resilience, address infrastructure constraints, and meet our Hunter Regional Plan 2041 housing target.

Infrastructure item	Area supported	Estimated cost (2025 \$)
Clarence Town SPS1 and Sewage Treatment Plant augmentation	Clarence Town	\$4.0M
Updated Flood Studies and Flood Risk Planning	Clarence Town, Dungog and Gresford to Paterson growth areas	\$550K
DN300 water main upgrade	Dungog infill areas	\$2.0M
Water treatment plant capacity upgrade and water mains duplication	Gresford	\$3.5M
Vacy trunk water capacity upgrade	Vacy	\$10.0M
Clarence Town Field of Dreams Regional Open Space	Clarence Town and LGA wide	\$17.0M
Dungog Road Wallarobba level crossing upgrade	Dungog	\$5.0M
Hooke Street Regional Open Space and Recreation Area	Dungog and LGA wide	\$6.5M

Infrastructure item	Area supported	Estimated cost (2025 \$)
Gresford Road Paterson level crossing upgrade	Paterson and LGA wide	\$15.0M
Vacy Bridge replacement	Vacy and LGA wide	\$20.0M
Cory Street Martins Creek level crossing upgrade	Vacy and Martins Creek and LGA Wide	\$15.0M
Widening Limeburners Creek Road from Williams River to Glen Martin Road	Clarence Town and LGA Wide	\$3.5M
Electricity zone substation	Clarence Town	TBC
Extension of sewerage to Paterson	Paterson	\$35.0M
Indoor Sports and Recreation Centre	Dungog and LGA wide	\$35.0M
Arts and Cultural Centre	Dungog and LGA wide	\$20.0M



WHAT COUNCIL HAS ALREADY DONE

Council and the community have already taken significant steps to improve Dungog's financial sustainability and infrastructure capacity.

This includes:

- implementing a Special Rate Variation of 76% cumulative increase over five years
- proving we can deliver major infrastructure projects
- progressing long-term strategic planning
- consulted with the community to deliver five key strategic planning documents, including:
 - Local Housing Strategy
 - Rural Lands Strategy
 - Infrastructure Capacity and Prioritisation Plan
 - Dungog Strategic Centre Structure Plan and Streetscape Master Plan
 - Local Strategic Planning Statement
- advocating regionally with neighbouring councils and stakeholders.

CONCLUSION

Dungog Shire is ready to support the future growth and resilience of the Hunter region, but we need the State Government's help to deliver.

Council has completed the strategic planning required to guide growth and has demonstrated strong local leadership through infrastructure delivery, grant funding success and financial reform.

However, regional outcomes require sustainable investment.

Supporting Dungog means:

- protecting the Lower Hunter's water security
- enabling housing delivery
- strengthening freight and transport corridors
- improving regional resilience
- sustaining rural communities and liveability.





A strong partnership with the NSW Government and its agencies is vital to ensuring Dungog Shire can continue delivering outcomes for our local community while supporting the broader Hunter region.

