




Dungog Shire  
2022 Advocacy Strategy

# RURAL LIVING, CITY BENEFITS

A photograph of two women hiking on a dirt path in a forest. The woman in the foreground is wearing a white long-sleeved shirt, grey leggings, and glasses, and is pointing towards the left. The woman behind her is wearing a blue and white striped t-shirt, black pants, and a black hat. They are both holding walking sticks. The path is surrounded by tall grass and trees, with a large tree trunk visible on the left side of the path.

**Dungog Shire extends over an area that includes the contemporary Aboriginal lands of the Gringai, Wanaruah/Wonnarua and Worimi Peoples, represented by the Worimi, Karuah, Wanaruah/Wonnarua and Mindaribba Local Aboriginal Land Councils. Historical records refer to people residing in the area west of the Williams River and along the Hunter River as the Gringai people and those residing in the upper reaches of the Barringtons as the Geawegal/Geawal people with the Worimi people having rights and responsibilities in relation to their custodianship of coastal areas towards the east. There is broad support from local Aboriginal people and community organisations, for Dungog Shire Council's official acknowledgement, that it operates on the traditional lands of the Gringai people.**

# CALLING FOR A PARTNERSHIP WITH THE STATE GOVERNMENT



Dungog Shire is a place of natural beauty with deep agricultural foundations that leverage the talents of local workers and our proximity to the international gateways of the Port of Newcastle and the Newcastle Airport.

Residents find peace and prosperity in Dungog. The region's natural beauty of sweeping hills and valleys combined with high-quality services and diversifying economy offers residents a rural lifestyle that many can only dream about.

Our residents can leverage Dungog's built and natural assets along with those from the surrounding region with access to world-class tourism destinations, employment, and leading medical and Tertiary education institutions at its doorstep.

Dungog truly offers its residents a rural lifestyle with city benefits – this is part of why Dungog is growing.

According to the NSW Government, Dungog will grow 1.9% per annum over the next 20 years – the second highest growth rate in the Hunter, double the rate of NSW.

Delivering and maintaining fit-for-purpose infrastructure and services is a core responsibility of Dungog Shire Council. Yet, our ability to fund it is impacted by a legacy of an extensive local road network and a reliance on grant funding.

It is critical for Dungog's growth and Council's long-term financial security that this legacy is rectified. Without it, Dungog's ability to unlock its true potential will always

be hindered by the need to divert a large part of its resources to managing its roads.

We're calling on the NSW Government to partner with Council by reclassifying key roads and embarking on a unique 10 for 10 program to deliver new investment into transport, community infrastructure, and housing.

By partnering with Dungog Shire Council, Dungog can help the NSW Government meet any number of State Outcomes<sup>1</sup>, including creating stronger and cohesive regional communities and economies.

**The geographical heart of the Hunter region – where the Upper and Lower Hunter meet**

● Scone

● Muswellbrook

● Singleton

Wine Country ●





Population 2021  
**9,541**



**7.2%**  
First Nations  
Population



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



Population 2041  
**14,374**



**4,206**  
dwellings



Looks after  
**80%**  
of critical water  
supply to the  
Lower Hunter



The annual growth  
rate of  
**1.9%**  
is the **second  
highest** in the  
Hunter region  
and **double that  
of the State**



**4,558**  
labour force

**Top three industries  
of employment –**  
Beef cattle farming,  
coal mining,  
hospitals

## **Indigenous Land**

Barrington Tops  
represents an  
intersection  
between the  
Countries of the  
Worimi,  
Geawagal and  
Biripi people<sup>2</sup>

<sup>2</sup> <https://aiatsis.gov.au/explore/map-indigenous-australia>

# SUCCESSFUL PARTNERSHIPS

Successful partnerships can take time. Decisions on policy and expenditure are multi-faceted and successful partnerships aren't always guaranteed.

Dungog, however, has established itself as a place of partnerships, successfully partnering with the NSW and Australian Governments to deliver a broad range of initiatives and projects that boosted local employment opportunities, improved resilience for people and businesses, and lifted the quality of life for our people alike.



## Community Infrastructure

In partnership with the NSW and Australian Governments, Dungog has successfully delivered community infrastructure projects critical to improving the quality of life of residents and visitors.

Recent partnerships to boost social outcomes and the wellbeing of our community have delivered amenity upgrades at the Clarence Town and Gresford Sports Centres and the extension and upgrade of Dungog's library.



## Transport Infrastructure

This Strategy calls out the need to address the long-term impacts of roads on Dungog's financial sustainability. However, it wouldn't be right if we didn't acknowledge and share our appreciation for the NSW Government's partnership in tackling an extensive backlog of transport infrastructure projects that have helped unlock economic development and local employment opportunities.

Our existing partnerships with the NSW Government have delivered nearly \$65m in transport infrastructure upgrades across the Fixing Local Roads Program, Fixing Country Bridges Program, and targeted programs addressing transport infrastructure backlogs.

## Community Resilience

In April 2015, parts of Dungog were inundated with water, and four homes were swept away when Myall Creek burst its banks. Tragically, three people lost their lives in this event, and our social landscape was changed forever.

In reflection of recent flooding events bringing devastation to regional NSW, Dungog acknowledges the partnerships we achieved with the NSW Government to improve our resilience through flood planning, increasing the size of the local State Emergency Service Unit, and repairing damaged infrastructure.

# OUR COMMUNITY'S VISION FOR THE FUTURE

Dungog is a place of diverse experiences, welcoming growth and change. Our built and natural environment combines important ecological corridors with growing towns and villages in a picturesque rural setting.

Historically known for dairy, timber, and water supply, Dungog is an increasingly popular destination for tourism and premium lifestyle living.

Our vision is for Dungog to be:

**“A vibrant, united community, with a sustainable economy. An area with rural character, community safety and lifestyle are preserved”.**

– *Our Dungog Shire 2032 Community Strategic Plan 2022 -2032*

This vision aligns with key Government plans such as the Department of Planning and Environment's NSW's *Hunter Regional Plan*, the Department of Regional NSW's *Hunter Regional Economic Development Strategy*, and Transport for NSW's *Hunter Regional Transport Plan*. These important documents reinforce Dungog's future as a diversified and desirable place to live and work.

However, there are gaps. Dungog and MidCoast are the only Hunter region councils considered out of scope for the Royalties for Rejuvenation Fund<sup>3</sup>. Although mining hasn't occurred within the Dungog Local Government Area, coal mining is the second largest employer in our community<sup>4</sup>. The decline in these jobs will impact our local economy significantly.

Dungog plays a critical role in the Lower Hunter's prosperity by storing and supplying 80% of its water supply. Like ports, airports and institutions, water storage and access are critical to the Greater Cities Commission's (GCC) planning to meet its 'six cities' vision.

The GCC's Hunter and Central Coast catchment includes Central Coast and the Lower Hunter Councils – omitting Dungog as an Upper Hunter council. This omission creates an environment where Dungog's water resources are taken without support.

**Dungog risks being used for the success of others rather than supported to support others.**



According to Hunter Water’s Lower Hunter Water Security Plan (April 2022), The Williams River Catchment, located in the Dungog LGA, provides 80% of the Lower Hunter region’s water supply. Dungog also supports other water catchments, with future proposals in the Dungog LGA critical to unlocking water supply benefits and drought resilience in the Lower Hunter and Central Coast regions<sup>5</sup>.

To the best of our knowledge, Dungog’s water catchment is the only water catchment required by the six cities’ vision to be excluded from the GCC’s purview.

Dungog is a collaborative place wanting to be an enabler of the broader Hunter region’s growth. Accommodating working families, retirees and visitors, supporting the region through traffic and collecting and conveying water to support growth and change.



Figure 1 – Hunter Water area of operations and water resources. (Hunter Water, 2022. Lower Hunter Water Security Plan)



Figure 2 – Map of the proposed Lostock Dam – Glennies Creek Dam pipeline scheme and Hunter Water Connection (Hunter Water, 2022. Lower Hunter Water Security Plan)

<sup>3</sup> <https://www.nsw.gov.au/sites/default/files/2022-07/Royalties%20for%20Rejuvenation%20-%20CONSULTATION%20DRAFT%20%5Baccessible%5D.pdf>

<sup>4</sup> <https://abs.gov.au/census/find-census-data/quickstats/2021/LGA12700>

<sup>5</sup> [https://www.industry.nsw.gov.au/\\_data/assets/pdf\\_file/0019/401626/lower-hunter-water-security-plan.pdf](https://www.industry.nsw.gov.au/_data/assets/pdf_file/0019/401626/lower-hunter-water-security-plan.pdf)

# WHAT DO OUR PEOPLE NEED?

Dungog wants to **partner with the NSW Government to enable the development of the Hunter by securing Council's long-term financial sustainability.**

A financially sustainable Council will deliver:

- A sustained supply of housing to meet and exceed the Government's growth projections for Dungog
- Stewardship and shared responsibility for the Lower Hunter's critical water supply
- New opportunities for entrepreneurs to leverage land, labour, and capital to establish new business and employment opportunities in Dungog
- Enhanced quality of life for new and existing residents who can access essential services and facilities across Dungog, and
- A stable long-term partner for the State Government – a partner who can support the delivery of a range of State Outcomes.



# WHAT IS STOPPING US FROM ACHIEVING SUCCESS?

**Council's ability to achieve success is linked to its ability to resource its success. Our ability to resource investment in success (e.g. community infrastructure, improved services, land use planning) is limited by the burden of an extensive regional road network.**

Dungog's geography (sweeping hills and river systems) combined with our historical land use types creates a need to fund expenditures unable to be borne by the community alone. The Government has accepted this situation, with many grants supporting Dungog over the years. However, this grant dependency contributes to financial insecurity and a long-term challenge in financial planning. Grants for roads lead to additional costs to maintain and repair these roads over time.

Dungog Council has identified 190km of Regional Roads that should be reclassified as State Roads. These roads transport freight, agricultural equipment, and workers throughout the Hunter region and beyond.

Without their reclassification, Council is forced to wear the cost of their maintenance – which is difficult when your local climate (high volume of rain) and transport needs (heavy vehicles) increase the risk of damage to roads – including landslides.

Further exacerbating the challenge of maintaining these roads is the NSW Government's Block Grant Allocations – a program that sees State funding allocated to Councils to help maintain Regional Roads. The Block Grant Allocation uses a network

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.

The cost of managing our roads reduces Council's ability to invest in activities that can grow the Shire. We need money for strategic planning and key positions that can assess development applications. While fees contribute to resourcing these costs, Council cannot forward fund the studies and human resources needed to enable development to occur and these fees to be collected.

There is a strong appetite for growth in Dungog, with anecdotes shared by the development sector suggesting they have waiting lists of 200+ families wanting to build homes in Dungog. The Department of Planning and Environment's population projections for Dungog will see the area grow by 46% by 2041. Dungog will need to supply the development sector with 100 new lots a year – which requires appropriate land use planning to sequence their delivery alongside new infrastructure.

# WHAT HAVE WE DONE TO FIX THIS PROBLEM?

Council's efforts date back to 2018 when we collaborated with our community to co-design a seven-year Special Rate Variation that would increase Council's general income by 97.8%.

After considering our proposal, IPART approved a 5-year variation that will increase Council's general income by 76.0%.

**Our message: "Our community has leaned in, accepting the rate variation as part of Council's budget report and commitment to long-term financial sustainability."**

Council has been working hard to tackle the historic infrastructure maintenance backlog through improved project planning and successful grants.

**Our message: "Tackling the infrastructure backlog has seen our expenditure increase from around \$1m per annum to over \$40m in 2022-23."**

Council is also investing in planning to respond to the Government's population projections of 46% growth for Dungog over the next 20 years.

**Our message: "We're actively recruiting key staff to help us respond to the growing demand for rural and residential housing in Dungog."**

In preparing this strategy, Council has reviewed its rates, benchmarking them with other Councils across the Hunter, finding:

- Apart from its business rates, Dungog's rates were on par with other councils in the Hunter region
- Unlike other councils, Dungog cannot leverage key industries (e.g. mining and business) to offset residential rates
- In FY2020/21, 57% of Dungog's revenue sources came from grants and contributions – the only Council in the Hunter region with a ratio above 50%

Benchmarking has demonstrated little wriggle room for further rate changes; however, there is still a deficit linked to Council's expenditure.

In FY2020/21, roads, bridges, and footpaths accounted for 45% of Council's expenditure, which is over double the amount of any other council in the Hunter region and double the recommended amount in the Local Government Cost Index used by the Independent Pricing and Regulatory Tribunal.

**Our message: Intervention from the NSW Government is needed to address the cost of roads to the Dungog community. Doing so will contribute to Council's long-term financial sustainability and the ability to invest in other critical infrastructure, services, and facilities.**



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**We're actively recruiting key staff to help us respond to the growing demand for rural and residential housing in Dungog.**

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# WHAT ARE OUR OFFERS AND ASKS?

Dungog Council wants to partner with the NSW Government on two key initiatives:

## 1. APPROVAL OF COUNCIL'S REQUEST TO RECLASSIFY CERTAIN ROADS

## 2. PARTNER WITH US IN A "10 FOR 10" INITIATIVE TO ACHIEVE FINANCIAL SUSTAINABILITY

This partnership will deliver positive outcomes for Council and the State, with improved financial sustainability enabling Council to provide better services for the local community and support State Budget Outcomes, such as:

- Planning and Environment: Sustainable, secure and healthy water resources and services
- Enterprise, Investment and Trade: Excellence in Arts, Sport and Tourism
- Regional NSW: Stronger and cohesive regional communities and economies
- Stronger Communities: People have a safe and affordable place to live, and
- Transport: Transport systems and solutions enabling economic activity
- Customer Service: digital leadership and innovation in Government services

## APPROVAL OF COUNCIL'S REQUEST TO RECLASSIFY CERTAIN ROADS

The cost of roads in Dungog is crippling Council's ability to invest in Council services, community infrastructure, and long-term planning. These roads are critical to the freight movement and the provision and security of the Lower Hunter region's water supply.

In recognition of their importance to the State, Council is calling on the NSW Government to reclassify several local roads as regional roads and several regional roads as State roads.

While supporting Council's bottom line, this reclassification initiative will protect the future of these roads – delivering safety, resilience, and broader network improvements.

A full list of roads nominated for reclassification is included in Attachment A.

## 10 FOR 10 – PARTNERING IN PROSPERITY

Dungog is looking to partner with the NSW Government to deliver what we’re describing as a “10 for 10” initiative:

**\$10m co-contribution across three programs to help Dungog accelerate its ability to secure its long-term financially sustainable within the next ten years.**

We’re seeking this co-contribution from the NSW Government’s Restart NSW Fund, which supports the funding and delivery of high-priority infrastructure projects that improve the State’s economic growth and productivity.

Table 1 – Dungog and NSW Government “10 for 10” proposal

Program	NSW Contribution	Council Contribution	Total
Road Infrastructure Program	\$7 million	\$7 million	\$14 million
Community Infrastructure Program	\$2 million	\$2 million	\$4 million
Planning Program	\$1 million	\$1 million	\$2 million
<b>Totals</b>	<b>\$10 million</b>	<b>\$10 million</b>	<b>\$20 million</b>

### Road Infrastructure Program

Council’s existing road infrastructure backlog is estimated to be \$23 million. A co-contribution program delivering \$14 million in improvements and road upgrades would reduce this backlog by 60%.

Support for the reclassification of roads will contribute to Council’s ability to fund its co-contribution.

### Community Infrastructure Program

Council’s existing community infrastructure backlog is estimated to be \$5 million. A co-contribution program delivering \$4 million in improvements will reduce this backlog by 80%.

Again, the reclassification of roads will contribute to Council’s ability to fund its co-contributions. Furthermore, the growth unlocked by the Planning Program will help deliver new developer contributions to help tackle the remaining backlog.

### Planning Program

The Council’s road expenditure has impacted its ability to undertake the planning required to support its growth. A \$1 million co-contribution will help Council invest in strategic planning, and the staff needed to project manage their development.

# ATTACHMENT A

## List of roads subject to a request for reclassification

Road name/s	Current classification	Requested reclassification
MR101 (inc. Church Street, Tocal Road, Maitland Road, Gresford Road, Dungog Road, Clarence Town Road, and Stroud Hill Road) Full length – 76.36km	Regional Road	State Road
MR128 RR7764 (Queen Street, Gresford Road, Glendonbrook Road, Durham Road, Park Street, Allyn Rover Road, Bingleburra Road, Sugarloaf Road, Chichester Dam Road, Hooke Street) Full length – 69.5km	Regional Road	State Road
MR301 (inc. Seaham Road, Clarence Town Road, Queen Street, Rifle Street and Clarence Town Road) Full length – 42.5km	Regional Road	State Road
Salisbury Road, from Chichester Dam Road to Barrington Tops National Park Full length – 30km	Local Road	Regional Road
Chichester Dam Road (from Sugarloaf Road, Dungog to Chichester Dam) Full length – 19.3km	Local Road	Regional Road
Limeburners Creek Road LR233 (inc. Duke Street, Durham Street and Limeburners Creek Road) Full length – 13.7km	Local Road	Regional Road









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