



DRAFT DUNGOG SHIRE LOCAL HOUSING STRATEGY

Dungog Shire Council 2025



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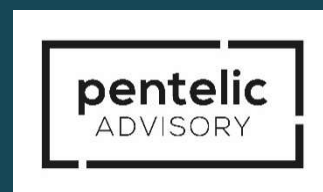
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Acknowledgement of Country

Dungog Shire Council acknowledges the Traditional Owners and Cultural Custodians of Country in the Dungog Shire, including the Gringai, Geawegal / Gaewal, Wanaruah / Wonnarua, and Worimi peoples.

We pay our respect to Elders past, present and emerging.

Contents

Message from the Mayor	3
Message from the General Manager.....	4
Plan on a page	5
Introduction	8
Where the Strategy applies.....	12
Establishing a Settlement Hierarchy	14
What type of houses are we planning for?.....	16
Strategic Drivers of Change	17
What we heard from the community.....	30
Housing Vision and Values.....	33
Strategic Outcomes	35
Housing Delivery Framework: Part A.....	36
Outcome 1: Plan for the Right Housing in the Right Locations	37
Housing Policy Framework: Part B	48
Outcome 2: Genuine Housing Choice for Diverse Communities	49
Outcome 3: Improving Housing Affordability	86
Outcome 4: Apply an Infrastructure First Approach to Housing Delivery.....	88
Outcome 5: Promoting Connected and Accessible Neighbourhoods	91
Outcome 6: Creating Great Places and Quality Housing	97
Implementations, Monitoring and Review	103
Addendum Process for Additional Housing Opportunity Sites	104
Appendix 1: Strategic Context	107
Appendix 2: Population Profile	110
Appendix 3: Housing Profile	113
Appendix 4: Typologies.....	115
Appendix 5: Vacant Land Analysis	117
Appendix 6: Yield Methodology	123
Appendix 8: Acronyms	133
Appendix 9: Definitions	134
Appendix 10: Constraints Analysis.....	135

Message from the Mayor

Housing is central to the wellbeing of our community. In Dungog Shire, we are fortunate to live in places that still reflect a rural way of life, connected by community spirit, heritage, and landscape. But as our Shire grows, we must ensure that housing remains accessible, sustainable, affordable and suited to the needs of our residents.

This draft Local Housing Strategy sets out a clear and practical vision for how and where housing growth should occur. It recognises that most new homes will be directed to our towns and villages - Dungog, Clarence Town, Paterson, Vacy, and Gresford/East Gresford - where services, infrastructure, and local jobs can best support new residents.

Our focus is not just on delivering more homes, but on creating the right mix of housing: smaller lots close to centres, adaptable homes for people wishing to age in place, and well-designed dwellings that maintain the character and charm of our rural communities.

I would like to thank our residents who contributed to this work. Together, we are shaping a future where housing growth strengthens our towns and villages, supports our residents across all life stages, and preserves what makes Dungog Shire unique.

Digby Rayward

Mayor, Dungog Shire Council



Message from the General Manager

As Dungog Shire grows, we have a great opportunity to shape housing that meets the needs of our residents today and for generations to come.

The draft Local Housing Strategy sets out a clear vision for how and where housing will grow across Dungog Shire to 2041. It aims to deliver more diverse and affordable homes while respecting our unique character, landscapes, and infrastructure capacity.

In Dungog and Clarence Town, future housing opportunities will build on existing water and sewer networks, with coordinated planning alongside Hunter Water and the NSW Government to support sustainable, well-serviced growth.

Our smaller villages - Vacy, Gresford, East Gresford, and Paterson - will continue to offer rural lifestyle living that reflects their distinctive character and setting. Paterson also holds potential for more compact rural lots, offering a balance between village charm and regional accessibility.

The draft Strategy promotes adaptable, well-designed homes for every stage of life, from young families to older residents wishing to age in place and aligns closely with our draft Rural Lands Strategy and draft Infrastructure Capacity and Prioritisation Plan.

Together, these plans ensure that as Dungog Shire grows, we do so in a coordinated, sustainable, and community-focused way, supporting thriving towns, strong villages, and a great quality of life for all.

Gareth Curtis

General Manager, Dungog Shire Council



Plan on a page

What is a Local Housing Strategy

This draft Local Housing Strategy sets the direction for how and where housing will grow across the Shire to 2041 and beyond. It provides a clear framework to deliver diverse, affordable, and sustainable housing that meets the needs of a changing community, while protecting the rural character and environmental values that make Dungog Shire unique.

Why we have a Local Housing Strategy

Housing in Dungog Shire is currently dominated by detached homes on large lots, with limited rental supply and few options for smaller households, older residents, or key workers. Rising housing costs and a tightening rental market highlight the need for a broader mix of homes.

This draft Strategy responds by setting housing targets to 2041, identifying appropriate land for development, and aligning housing growth with infrastructure and servicing. It ensures that new homes are delivered in the right places, at the right densities, and in a way that supports liveability, affordability, and long-term resilience.

Our big ideas

We are aiming big in this draft Strategy, driven by the following big ideas:

Grow beyond the targets

We are planning for more homes than the minimum required, ensuring Dungog Shire is prepared for the future. By creating capacity for a larger population, we can strengthen local businesses, sustain our clubs and community groups, and generate the financial base needed to invest in essential infrastructure. This is about building resilience and prosperity, not just meeting targets.

Homes with the right infrastructure

Housing growth will be matched with roads, water, transport, schools and open space, so new development supports liveable, connected communities.

Simplify and speed up planning

Clearer, faster planning pathways to get the right homes built in the right places.

More housing choice for locals

From family homes to downsizer options and affordable rentals to provide genuine diversity to suit the needs of our residents.

Protect our rural character

New development will maintain the rural character that makes Dungog Shire such a special place to call home.

Rural but not remote

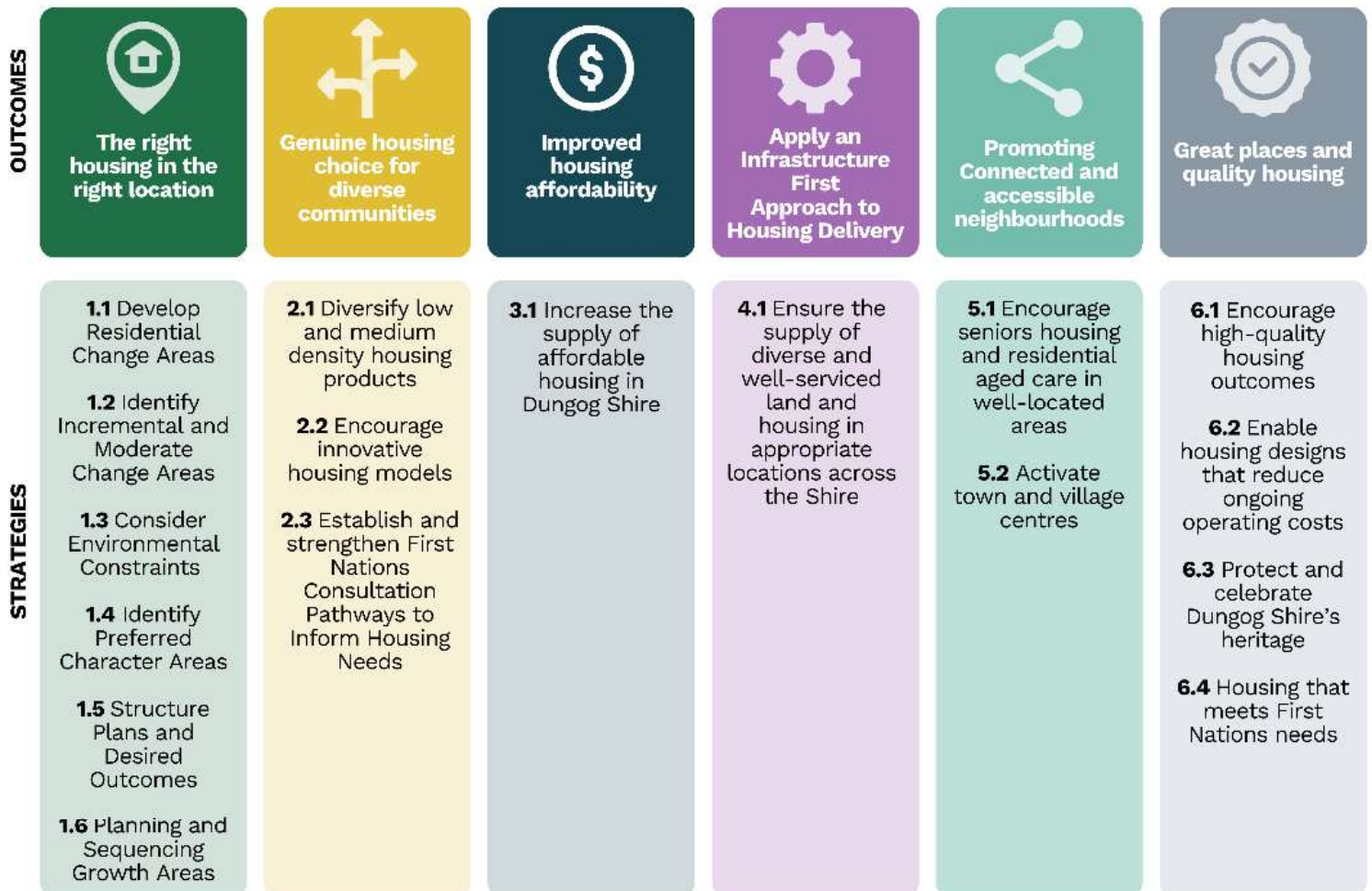
We are strengthening Dungog Shire's role as a well-connected rural place with access to services, jobs, and lifestyle opportunities.

Locals in the driver's seat

The Dungog community will shape the future through genuine engagement at every step.

Outcomes and strategies

The outcomes and strategies in this section are grouped into six key themes for the future of housing in Dungog Shire:



Indicative Growth Locations

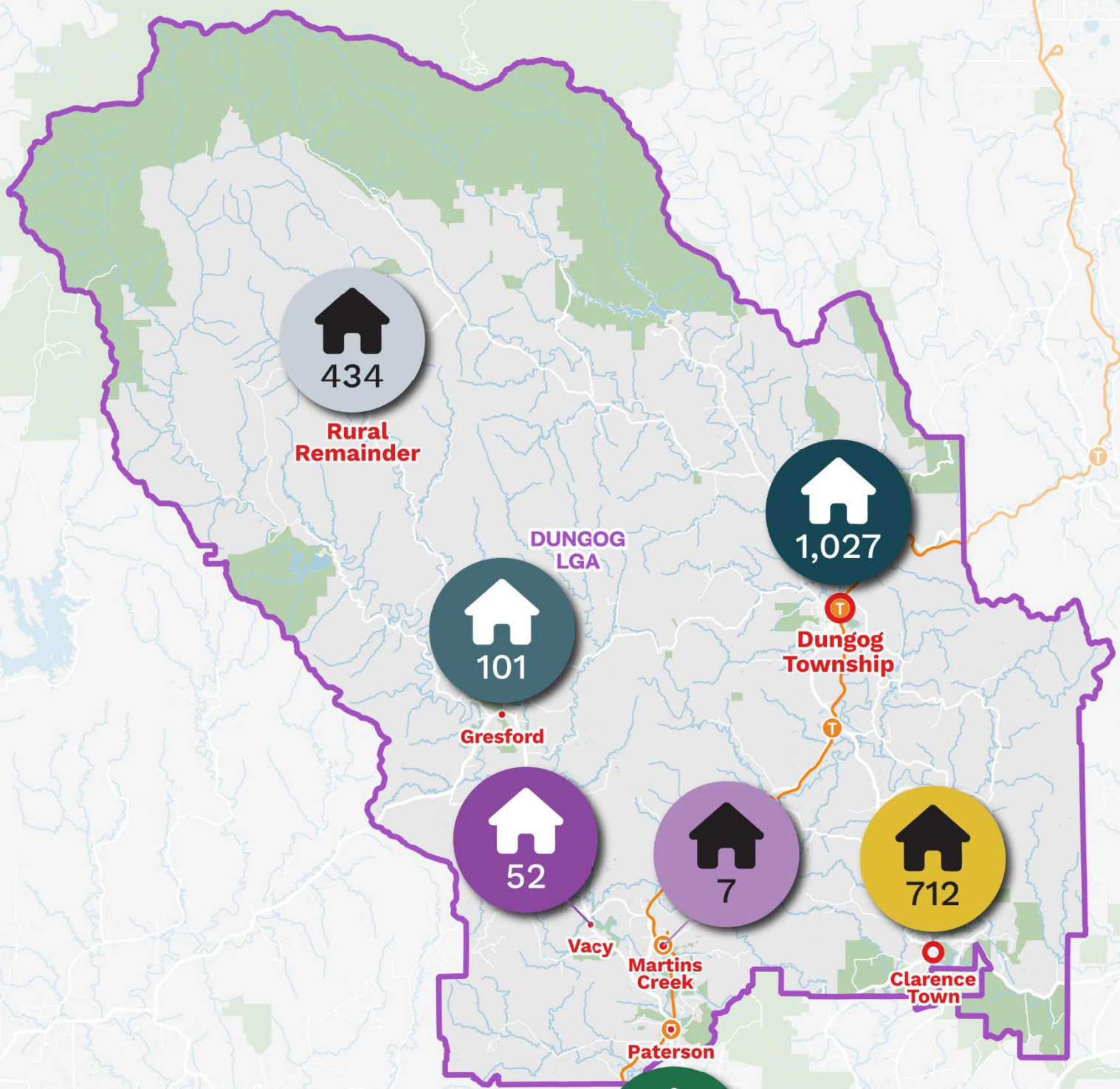


Figure 1 Indicative Growth Locations

0 8 16 24 32 km

Introduction

A Draft Housing Strategy for Dungog Shire

The draft Local Housing Strategy (**Strategy**) is being delivered as part of the Housing and Infrastructure Master Plan (**Master Plan**) and will guide future planning and management of the delivery of housing in the Dungog Shire Local Government Area (**LGA**).

This draft Strategy is a long-term plan to guide how housing will grow and be managed across Dungog Shire to 2041 and beyond. It is about making sure that future housing is sustainable, diverse, and affordable, while meeting the real needs of our community and aligning with broader state and regional planning goals.

Dungog Shire is in a strong position. We are not only planning to meet, but exceed, the dwelling targets set by the Hunter Regional Plan 2041. That means we are ready for growth with the capacity, land, and planning framework in place to deliver more homes in the right places. The challenge now is to ensure this growth is well managed and delivers high quality development that benefits our towns and villages.

Growth is essential for the vitality of our community. More residents bring more energy to our towns and villages, supporting schools, sporting clubs, community groups, and local events. A growing population means more volunteers, more participation, and stronger connections, all of which are vital to the fabric of local life.

A larger population also supports the economic sustainability of the Shire. Growth creates new opportunities for local businesses, attracts new services, and helps maintain the health of our town centres. With more people living locally, we can support the shops, cafes, and services that make our towns vibrant and welcoming.

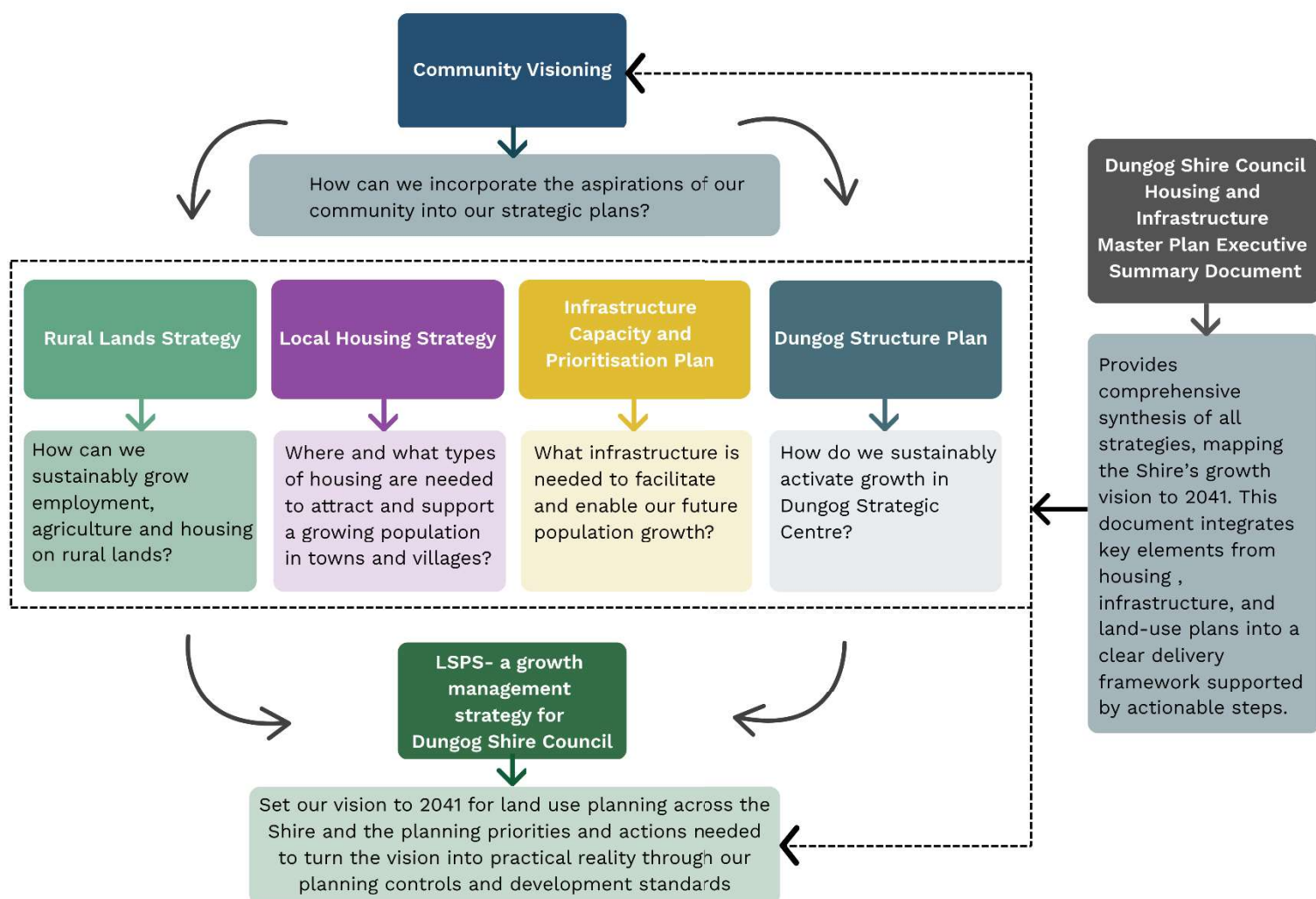
Population growth also strengthens the case for investment in infrastructure. More residents mean a stronger revenue base for Council and government, which helps deliver the essential services, roads, water, and community facilities our towns need to thrive.

Dungog Shire is well placed compared to neighbouring LGAs because we have ample available land and zoning capacity to accommodate future housing. This land availability is a key advantage that allows us to grow in a way that protects the character of our towns and landscapes, while still delivering the housing that people need.

This draft Strategy is backed by solid evidence and aligns with key policies such as the *Hunter Regional Plan 2041*, *Housing 2041*, and the *Local Strategic Planning Statement*. It also takes inspiration from what's worked well in other comparable regional areas, especially where land use, infrastructure, and housing have been successfully planned together.

With this draft Strategy, we are creating a clear planning framework that ensures new housing is of high quality, well located, and contributes positively to our communities. However, the delivery of housing is contingent on the delivery of supporting and enabling infrastructure by State and Local Government. The message is clear: we are ready, we have the capacity, and now is the time to get moving.

The relationship between this draft Strategy and other draft strategies being prepared to support the Master Plan is illustrated below.



Key objectives of this draft Strategy include:





Where the Strategy applies

The draft Local Housing Strategy covers all public and private land zoned under the *Dungog Local Environmental Plan 2014 (LEP)* incorporating the following zones:

Table 1 Overview of Zones and Objective

Zone	Objective
R1 General Residential	The zone allows for moderate density and diverse housing types, including multi-dwelling housing, terraces, and manor homes. It supports housing options for downsizers and first-home buyers and applies to enable flexible development. For areas needing specific densities or housing types, tailored zones like low or medium density residential may be more suitable.
R2 Low Density Residential	The zone is a new Land Use Zone for Dungog Shire. The zone is generally intended to provide for traditional suburban living, with detached houses as the predominant form of housing. It allows for limited small-scale housing diversity, such as dual occupancies, while maintaining a low-density character. This type of zoning is often applied to established residential neighbourhoods or new greenfield areas where a detached housing form is preferred. This zone is not currently in the LEP. Introducing the R2 Low Density Residential zone in Dungog Shire will help guide growth in a way that reinforces low density residential character, while ensuring that housing choice and diversity are provided in appropriate locations.
R3 Medium Density Residential	The zone is a new Land Use Zone for Dungog Shire. The zone supports diverse housing types and higher densities in areas with access to services, employment, and community facilities. It allows residential flat buildings and other medium-density developments (such as town houses) while generally prohibiting single houses to meet density targets. Building heights may exceed those in low and general residential zones, enabling larger developments without impacting existing homes. This zone responds to market demands for smaller dwellings, supports tourist accommodation, and promotes town centre viability by encouraging walking, cycling, and reduced car dependency. This zone is not currently in the LEP.

Zone	Objective
R5 Large Lot Residential	This zone provides for very low-density residential housing in a rural setting, often adjacent to towns and villages. Lot sizes can be varied within the zone depending on the servicing availability and other factors such as topography, native vegetation characteristics and surrounding agricultural land uses.
E1 Local Centre	While not primarily designated for housing, the E1 zone supports shop-top housing and small-scale residential development integrated with retail and business premises. This can provide convenient housing close to shops, services, and public transport, helping to activate town centres and support local businesses. Housing delivery in this zone is generally limited in scale but contributes to diversity and town centre vitality.
MU1 Mixed Use	While a broad mix of housing is permissible in the MU1 zone, the zone also enables a broad mix of commercial, retail, and community uses. It is intended to support higher-density residential development, such as shop top housing, where there is access to transport and services. Housing in this zone promotes active main streets, reduces car dependency, and encourages more people to live close to jobs and amenities.

Establishing a Settlement Hierarchy

This draft Local Housing Strategy establishes a settlement hierarchy to guide where and how future growth should occur across Dungog Shire. It recognises that different towns, villages, and rural areas serve distinct roles within the broader settlement pattern and that planning for housing must respond to these differences.

Having a clear settlement hierarchy is about understanding the different roles and functions of towns, villages, and rural areas within Dungog Shire. It ensures growth happens in the right places. In places where it can be supported by services, infrastructure, and transport, while protecting the rural and environmental qualities that make the Shire unique.

By identifying which centres are best suited for housing, employment, and community facilities, State and Local Government can plan more effectively for schools, health services, roads, public transport, and open space.

This approach also helps smaller communities retain their character, while ensuring larger centres have the capacity to grow and act as service hubs for surrounding areas. In short, a well-defined settlement hierarchy creates a balanced pattern of growth that works for both residents and visitors.



Strategic Centre Dungog Township

Dungog Township is identified in the Hunter Regional Plan 2041 as a Strategic Centre. It is the civic heart of the Shire, offering a wide range of services including retail, health, education, recreation, and cultural facilities. It plays a key role in supporting the broader region and is the main focus for future growth and infrastructure upgrades.



Town Centre Clarence Town

Clarence Town is the Shire's designated town centre. It provides essential infrastructure and day-to-day services for the local community, offering local shopping, education, and small business services. The town can support a modest level of growth while maintaining its rural character and role as a service centre for surrounding rural areas.



Villages

Paterson, Gresford,
Vacy and Martins Creek

These villages are smaller in scale but remain strong in community life. Each has its own character and role, offering a quieter rural lifestyle and varying levels of local services, community facilities, small-scale employment, and housing. Together they act as local service centres for surrounding rural areas and attract visitors for events, local produce, and rural experiences.



What type of houses are we planning for?

In Dungog Shire, people need different kinds of homes at different stages of their lives. Some families want the space of a traditional house with a garden, while others are looking for something smaller and easier to manage, or closer to the town centre. To provide this choice, we have set out the main housing types being planned for across the Shire.

These range from dwelling houses, dual occupancies and secondary dwellings, through to townhouses, apartments above shops, seniors housing and large lot residential living on the edges of towns and villages.

The aim is to make sure there are suitable homes for all households, while keeping the character and identity of our towns and villages.



Strategic Drivers of Change

Housing in Dungog Shire is shaped by more than just how many people live here. A mix of regional influences, local changes and policy directions are all coming together to drive demand and shape the kind of housing we will need into the future.

Some of these drivers are about our role in the wider Hunter and the expectations set in state policy. Others are about the way our community is changing, from an ageing population to smaller households and new lifestyle patterns. Local factors like infrastructure capacity, the health of our economy and the resilience of our towns also play a big part.

By understanding these strategic drivers, we can see clearly why planning for housing is so important. They show us not only where pressure is coming from, but also where opportunities lie to deliver housing that works for our community, fits within our environment and meets our regional responsibilities.



Driver 1: A hinterland to Australia's 7th largest city

One of the main drivers for preparing this draft Strategy is Dungog Shire's place in the Hunter. We may not be one of the major growth centres, but we sit in a strategic location between the Upper Hunter and Greater Newcastle. This means we are part of the wider housing, transport and jobs story of the Hunter. Regional migration, new infrastructure connections and spillover growth from surrounding LGAs all influence how housing demand plays out here.

At the same time, our community has been clear about what it values. The *Local Strategic Planning Statement* sets out a vision for keeping towns and villages vibrant, supporting rural industries, and protecting the environment. This draft Strategy is the tool that brings those values into the housing space. It helps us decide how to grow in a way that contributes to regional needs while staying true to Dungog Shire's identity.



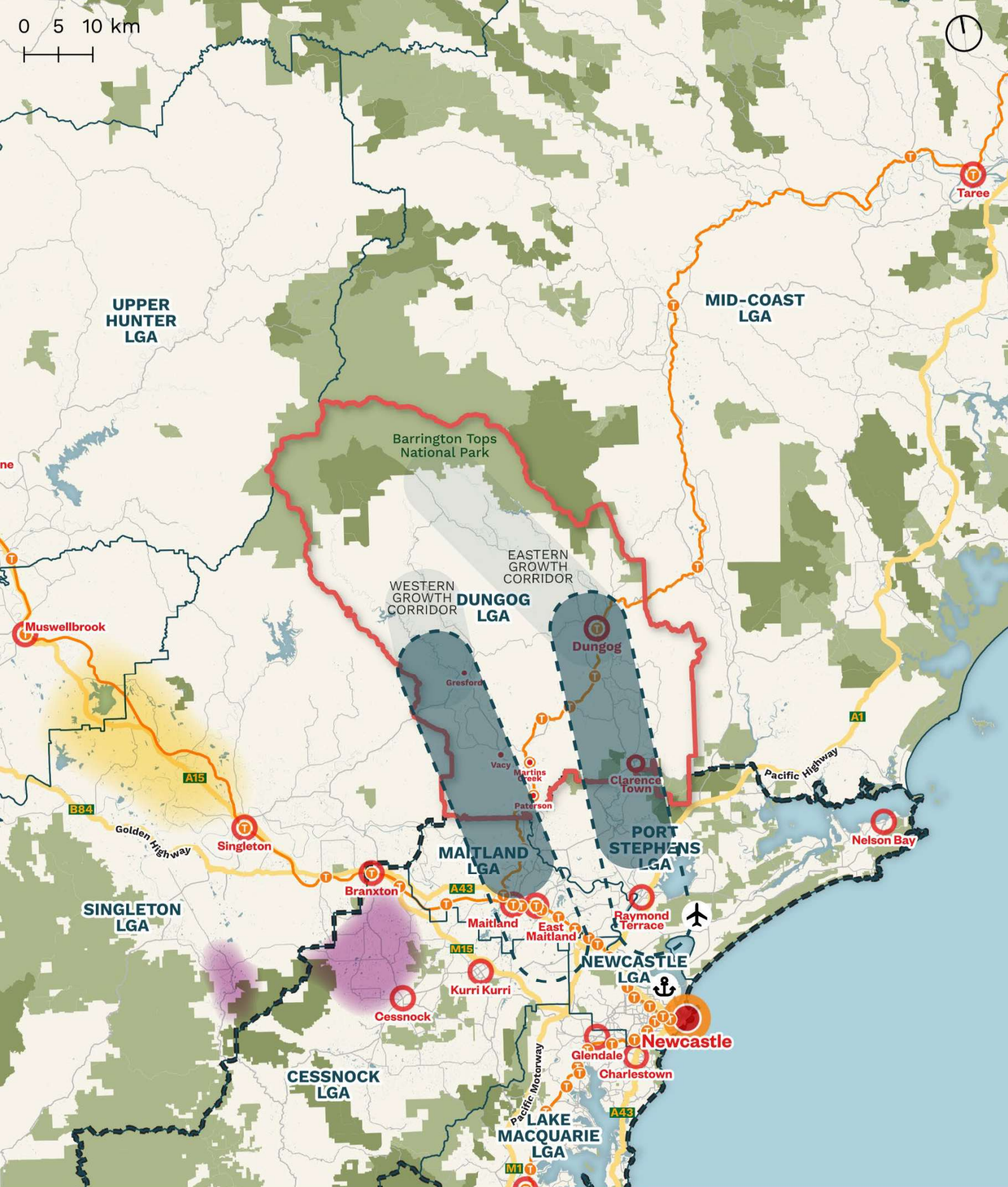


Figure 2 Regional Context

Legend

- | | | | | |
|-------------------|-------------------|--------------------------|-----------------------------|-----------|
| Greater Newcastle | Metropolitan City | Train Station | Water | Vineyards |
| Dungog LGA | Strategic Centre | Train Line | National Parks and Reserves | |
| Surrounding LGAs | Centre | Highways and motorways | State Forests | |
| Newcastle Airport | Village | Housing Growth Corridors | Mining | |
| Newcastle Port | | | | |

Driver 2: Regional Policy Directions

State and regional policy is a strong driver for local action. The Hunter Regional Plan 2041 sets a clear target for Dungog Shire, being at least 2,400 additional homes by 2041. It also requires that new housing is aligned with infrastructure delivery, protects environmental and agricultural land, and contributes to a balanced regional settlement pattern.

This draft Strategy is how we show that we can meet these directions locally. It ensures Dungog Shire contributes to regional housing needs, while also safeguarding the things that matter most to our community. In this way, this LHS is both a requirement and an opportunity. It positions us to shape growth on our own terms, rather than leaving it to outside forces.



Image Source: Visit NSW



Driver 3: Economic Shifts and Employment Patterns

Housing demand in Dungog Shire is also closely tied to the local economy. Dungog Shire is home to a small but diverse regional economy that plays an important role in supporting its local communities and nearby areas. While it accounts for around 2% of the Upper Hunter's total economic output, the Shire punches above its weight in a few key areas, particularly in agriculture and tourism, which both contribute to the region's broader export economy.

Construction has now become the Shire's largest economic sector, having grown strongly over the past decade. This shift underscores the importance of housing delivery not only as a planning task but as a key driver of local economic activity.

By treating housing delivery as an economic strategy, Council can directly support local jobs, apprenticeships and small businesses that support the building and trade sector. Planning for housing therefore also sustains the Shire's workforce, which has become a central pillar of the local economy.

Core industries such as Agriculture, Forestry and Fishing, and Education and Training continue to underpin local employment, alongside the construction industry which now employs more people than any other sector. These are now being complemented by emerging growth in sectors like Health Care and Social Assistance, which are becoming increasingly important as the population grows and diversifies. Together, this mix provides a balanced economic foundation that links population growth, housing delivery, and local employment in a sustainable way.

To lock in these benefits, the Strategy will plan for capacity above the minimum housing target. By providing market headroom, this approach supports local construction activity, smooths the delivery pipeline, and avoids boom-bust cycle that drive up costs. Sequencing rezonings and infrastructure delivery will help maintain a steady flow of projects, keeping builders, apprentices and suppliers in consistent work.

At the same time, Dungog Shire functions as an important commuter base within the broader Hunter region. Many residents travel outside the LGA for employment, particularly to centres such as Singleton, Raymond Terrace, Maitland and Newcastle. This interrelationship with surrounding employment hubs is a defining characteristic of Dungog Shire's housing market and settlement pattern. The Shire's attractive rural character and lifestyle amenities make it an appealing residential location for workers employed in neighbouring LGAs.

Recognising this role is critical to understanding the Shire's future housing demand. The Shire currently serves, and can continue to serve, as a residential base for employees working in adjoining local government areas. Accordingly, towns and villages closer to key employment destinations, such as Paterson (for Maitland), Vacy and Gresford (for Singleton), and Clarence Town (for Newcastle and Raymond Terrace), are well positioned to accommodate this commuter function. These locations offer convenient access to regional employment nodes via established road and rail networks, while still providing the rural lifestyle that attracts new residents.

Expanding housing supply in these well-connected areas will not only meet residential demand but also reinforce Dungog's contribution to the Hunter's wider construction economy. Every new home built supports local contractors, suppliers and trades, multiplying economic benefits across the Shire.

This dynamic should inform the spatial distribution of future housing and identification of suitable growth within the Shire. Strengthening the liveability and connectivity of these settlements through transport improvements, land servicing, and enhanced local services, will help support the Shire's ongoing role in the regional housing market and its contribution to the wider Hunter economy.

To sustain this role, the Strategy will prioritise:



Planning capacity above baseline targets to support jobs and apprenticeships.



Sequencing rezonings and infrastructure to maintain a steady project pipeline.



Streamlining small and medium housing approvals to keep local builders active.



Partnering with training providers and industry to build local skills and employment pathways.

The global and national economy is shifting rapidly, and these changes are already being felt at the local level. Australia's population is ageing, and migration continues to play a key role in supporting the workforce. At the same time, Australians are becoming more educated and affluent, which is reshaping the way people live, work, and spend. Technology continues to evolve at a fast pace, transforming how we produce, sell, and deliver goods and services across almost every sector.

In this context, it is important to recognise construction and housing delivery as integral to the Shire's economic resilience. Broader demographic and technological changes will continue to influence employment patterns, but the strength of the Shire's construction and housing sectors will remain a cornerstone of its long-term prosperity.

Driver 4: Changing Demographics and Household Needs

Population change is another big driver. While growth is steady rather than rapid, the structure of our community is shifting.

At the last census (2021), the most common household type in Dungog Shire was couples without children (33.4%), followed by couples with children (30.9%). Between 2011 and 2021, the greatest growth in household types was couples with children, followed by couples without children and single person households. We are also seeing an increase in the number of older residents.

Even without a population surge, this means more homes are needed, and those homes need to look different from the traditional three- or four-bedroom house on a large block.

Lifestyle migration is also influencing demand. People are choosing Dungog Shire for space, affordability and the flexibility of working from home. This is reshaping what types of housing are in demand, being from accessible dwellings for retirees, to smaller homes and rentals for young families and workers. This draft Strategy responds to these shifts by planning for greater housing diversity.

Failing to provide enough homes to match demand can create significant problems. Limited supply drives up prices and rents, making it harder for young people, families, and key workers to afford to live locally. It can also push residents to neighbouring areas, weakening the customer base for our businesses, schools, and community organisations.

Under-supply reduces Council's and the State Government's ability to justify and attract investment in infrastructure, leaving roads, services, and facilities under strain. Ensuring a steady pipeline of new and diverse housing is therefore essential not only for affordability, but also for the social and economic sustainability of Dungog Shire.

Driver 5: Housing Profile

Currently, most homes in Dungog Shire are low-density, detached houses that are owner-occupied, which reflects the rural setting and strong community ties.

Over the last 10 years to 2021, an additional 450 dwellings have been constructed in Dungog Shire. This consisted almost exclusively of detached houses. Approximately, 85% of housing in Dungog Shire consists of homes with either three bedrooms or four bedrooms or more.

While this type of housing may be suitable for families with children, with a changing demographic across the Shire more diverse housing types are needed. This is particularly the case for older residents looking to downsize, younger people entering the housing market, young families and essential workers. The future housing profile will need to introduce a more balanced mix of housing, including smaller homes, duplexes, and accessible dwellings, while still respecting the area's rural character and community values.



Driver 6: Housing Demand

Housing demand in Dungog Shire reflects long-term population shifts and changing economic conditions. The area has seen youth outmigration over many years, as young people leave for education and work opportunities in larger cities. At the same time, Dungog Shire has attracted older tree changers seeking a quieter rural lifestyle, as well as more recently, younger families from the Hunter and Greater Newcastle looking for affordability and space.

Economic trends such as droughts, mining fluctuations, and technological change in agriculture have shaped employment and housing activity. Older rural residents are increasingly moving into town for access to services, while families from outside the Shire are choosing Dungog for its lifestyle and lower housing costs.

Recent insights show a diverse mix of new residents, but the housing supply is not keeping up. The rental market is tight, with a vacancy rate of just 0.7 percent and only 13.5 percent of housing available for private rent. Since 2020, median rents have increased by 45 percent.

There is a clear need for more affordable and smaller homes, especially close to town centres. Villas, townhouses, and single-level dwellings would better suit the growing number of couple-only and lone-person households, who are expected to make up over 60 percent of future growth. Currently, medium-density homes make up less than 2 percent of the housing stock.

Looking ahead, Dungog Shire is expected to grow steadily, with the Hunter Regional Plan 2041 identifying the need for at least 2,400 additional homes by 2041. This signals a shift for the Shire, which has traditionally seen modest growth. As more people are drawn to the area for its lifestyle appeal, affordability, and regional connections, planning for a broader mix of housing will become increasingly important.

Failing to provide enough homes to match demand can create significant problems. Limited supply drives up prices and rents, making it harder for young people, families, and key workers to afford to live locally. It can also push residents to neighbouring areas, weakening the customer base for our businesses, schools, and community organisations. Under-supply reduces Council's and the State Government's ability to justify and attract investment in infrastructure, leaving roads, services, and facilities under strain. Ensuring a steady pipeline of new and diverse housing is therefore essential not only for affordability, but also for the social and economic sustainability of Dungog Shire.

Driver 7: Supply Challenges and Delivery Capacity

Housing supply in Dungog Shire has been modest over the past decade, with around 360 new dwellings delivered between 2011 and 2021. Most of this growth has occurred through small-scale rural subdivisions on the edges of Clarence Town, Vacy, and Dungog. Unlike metropolitan areas that see high rates of knock-down rebuilds, Dungog has very little redevelopment, with less than six per cent of approvals between 2019-20 and 2024-25 relating to rebuilds.

The housing that is being delivered is largely uniform. Detached, single-storey dwellings on large rural or village lots dominate the market, with more than 96 per cent of the housing stock falling into this category. Medium-density housing such as villas or townhouses makes up less than two per cent of supply, and there are no high-density developments proposed or approved. This narrow mix leaves few options for smaller, more affordable or rental dwellings.

Delivery capacity is another major challenge. Much of the development is led by small landowners or “opportunistic” builders who subdivide land into a handful of lots, often with minimal servicing.

This results in a piecemeal supply pipeline, with very little involvement from larger developers who could deliver more diverse or master-planned housing projects.

Feasibility constraints also play a role. High infrastructure servicing costs, particularly for water and sewer, and rising construction costs (averaging around \$620,000 per dwelling in 2022–23) make it difficult to deliver affordable or medium-density homes. Many approvals remain unbuilt because local builders cannot scale up, and because the economics of development are less attractive than in neighbouring growth centres like Maitland.

These supply constraints have significant implications for the community. With a development pipeline that is small in scale, highly homogenous, and slow to convert approvals into completions, there is limited capacity to meet future demand. This underscores the importance of the draft Strategy in creating the conditions for more diverse housing types, improving feasibility, and aligning growth with infrastructure to deliver the homes the Shire needs.

Driver 8: Infrastructure and Servicing Realities

Infrastructure and servicing capacity will determine where most housing can be delivered. This is a critical driver for Dungog Shire. Our towns and villages have varying levels of water, sewer and road infrastructure, and some areas face major constraints without significant investment. This makes it essential to target growth in locations that can be serviced efficiently.

Environmental risks add another layer. Flooding, bushfire and steep topography limit where housing should go. These constraints push us to think strategically about land release and infrastructure investment, rather than letting growth happen in an ad hoc way. This draft Strategy sets a framework for aligning housing growth with infrastructure priorities and environmental management.

Driver 9: Community Resilience and Liveability

A further driver is the need to build resilience and maintain liveability in the face of environmental and social pressures. Flooding, bushfires, and climate change all pose risks to existing and future homes. At the same time, people want neighbourhoods that are safe, connected and easy to live in.

Planning housing growth through this draft Strategy gives us the chance to address these challenges head-on. By guiding development into safe, well-serviced areas, we not only manage risks but also improve liveability, ensuring that new housing contributes positively to the community and sustains Dungog Shire as a great place to live.

A further level of complexity arises from the need to protect water quality within the Drinking Water Catchment, which covers approximately 56% of the Shire. Development within this area is subject to additional planning and environmental controls to ensure water quality is maintained. These requirements can increase the cost and complexity of the development assessment process and must be carefully considered when identifying suitable areas for housing growth.

To future-proof and accommodate the projected growth of our community, Council needs to continue its adoption of an infrastructure-first approach that paves the way for the projected houses and associated employment and community developments.

Key growth areas require prioritised infrastructure delivery to transform available land into thriving communities.



Implications for The Draft Local Housing Strategy

- Planning for at least 2,400 additional homes, by 2041 in line with the Hunter Regional Plan, while protecting rural and village character.
- Planning for 2,416 additional homes, which is more than the target in the Hunter Regional Plan while protecting rural and village character.
- Provide a greater mix of housing types beyond detached dwellings to meet the needs of an ageing population, smaller households, and key workers.
- Address affordability pressures by enabling smaller, more efficient, and rental housing close to centres and services.
- Support local economic resilience by ensuring housing supply meets the needs of workers in key industries such as agriculture, health, education, and tourism.
- Overcome supply and delivery barriers by targeting growth to well-serviced land and aligning new housing with infrastructure capacity.
- Build resilience by directing housing away from flood, bushfire, and steep land constraints, ensuring safe and sustainable growth.
- Manage growth in a way that supports the Shire's heritage values, rural landscapes, and community identity.

What we heard from the community

An extensive consultation process with the Dungog Shire community has been completed to ensure this draft Strategy is informed by community aspirations and priorities. This process has involved engaging with the community early in the planning stages to seek input to shape the housing vision, key directions, and housing preferences.

Across all engagement methods, we spoke to more than 150 residents directly with a further 200+ responses received through online mediums (including the community

survey). Full detail on the engagement process and findings is available in the Early Engagement Outcomes Report.

There were many other individual points of feedback that have helped to inform the development of the draft Strategy and will be referenced by Council where relevant to future stages of work (e.g. more detailed stages relating to the implementation of the draft Strategy through the LEP, DCP and Contributions Plan).

From these early engagement activities, we heard the following from the community:

Table 2 Summary of community feedback themes and key points from early engagement activities

Theme	Key Points
Ageing in Place	- Many residents anticipate needing to downsize to more manageable homes, particularly single-storey dwellings or retirement living options. - There is a clear desire for smaller, accessible homes, duplexes, granny flats, and ageing-in-place solutions. - There is a preference for the provision of seniors living opportunities close to the existing towns and villages so that residents can retire in the communities they know and love.
Right homes in the right locations	- Support for gentle density close to the existing towns and villages. Community feedback highlighted the importance of strategically directing growth to appropriate locations while preserving the rural character of the Shire. Residents emphasised that growth should be concentrated in towns such as - Dungog and Clarence Town, where existing infrastructure, services, and community amenities can support additional population and development. - Feedback indicated a preference for focusing new housing, commercial, and community facilities in existing towns and villages to maintain the viability of local businesses, enhance connectivity, and minimise pressure on surrounding rural lands. - There is a desire to avoid excessive subdivision of farmland, or where land is not accessible or connected to the towns and villages. Models of urban expansion seen in the United Kingdom were referenced consistently by residents. - A belief that housing should be limited in the North of Gresford and Dungog due to limited infrastructure. Residents noted that housing should be concentrated where existing infrastructure is available.

Theme	Key Points
	Consider aligning long-term growth (2041 and beyond) with the existing, under-utilised railway stations between Paterson and Dungog.
Diverse and affordable housing for all stages of life	- Desire for medium-density options, retirement living, and housing that is affordable for families and young people. Participants highlighted that current housing provision is limited in both flexibility and affordability, restricting opportunities for young families, single parents, and older residents seeking to age in place. - Unaffordability is a dominant theme, particularly for young families, single parents, and essential workers (e.g. paramedics, hospitality). It was noted that there are currently limited affordable housing and a tight rental housing market. - Preference for housing choices that encourage children and younger generations to stay in the area. - Households increasingly span 3+ generations, indicating a need for dual occupancy, granny flats, and flexible housing models. - There was noted a desire for new forms of housing, including co-living and community title, be considered. Residents expressed interest in moving away from a one-size-fits-all model and instead supported a more diverse mix of housing options.
Enabling the right housing through clearer planning	- Some residents expressed frustration with the perceived slow and rigid development approval processes, overly strict zoning, and Council inefficiencies for relatively straightforward alterations to properties. - Some residents noted a desire to examine the C3 zone within towns and villages to enable more housing and commercial activity. - Generally, residents supported a strong role for Council in guiding housing outcomes to ensure they align with community expectations.
Enabling infrastructure	- Infrastructure is seen by the community as an enabler of the right kinds of housing. - The community would generally like to see infrastructure come first and growth be contingent on improvements to the local road network, public transport, and social infrastructure. - Connecting future housing to the existing towns and villages through walking, cycling and public transport is seen as essential for maintaining community cohesion.

Activities undertaken during the early engagement phase are summarised below.



2 market pop-ups and distribution of **150 project flyers** around the Shire.



Community visioning survey receiving **179** responses.



Online notification and social media campaign.



99 attendees across **2 x online** information sessions and **5 x in-person** information sessions held in Dungog, Clarence Town, Vacy, Paterson and Gresford.



79 attendees across **5 x in-person** community focus groups held in Dungog, Clarence Town, Vacy, Paterson and Gresford.



A youth planning forum with **33 participants** (students and teachers) across **6 schools**, accompanied by the distribution of lesson plans and worksheets as part of the local school curriculum.



30 attendees across **2 x structure plan workshops** including walking tours of Dungog Strategic Centre.

Housing Vision and Values

Dungog Shire is cherished for its breathtaking rural landscapes, lively townships, and strong sense of community. It's a place where people value connection, being connections to nature, to their neighbours, and to the unique identity of the area. As the Shire evolves, it faces both new opportunities and real challenges.

Housing pressure is increasing. It is driven by population growth, changing demographics, and shifting lifestyle preferences. At the same time, there is a strong desire to maintain the rural character, affordability, and liveability that make Dungog Shire such a special place to call home.

This draft Local Housing Strategy provides a clear and thoughtful roadmap for how to manage growth in a way that supports local needs and priorities. It outlines how Dungog Shire can deliver more homes while keeping the qualities that matter most, such as community spirit, environmental beauty, and a relaxed, rural way of life.

Looking ahead to 2041, the vision for housing in Dungog Shire is to enable and support the locality's population and economic growth and resilience, while meeting the diverse needs of both current and future residents. Housing will be delivered in locations that strengthen the Shire's communities and support local businesses, services, and employment opportunities.

The aim is to provide a comprehensive mix of dwellings across type, size, and tenure to ensure there are quality, affordable, and energy-efficient homes for people at every stage of life. Housing in Dungog will be accessible, adaptable, and responsive to changing population needs, thereby supporting social inclusion, economic development, and the long-term sustainability of Dungog Shire.

The aim is to support a community that's inclusive, connected, and adaptable, where residents can put down roots, grow, and thrive. To make this vision a reality, a consistent and strategic approach is essential. This vision will be driven by five key values – **Diversity, Quality, Accessibility, Sustainability, Affordability** and **Safety**.

In short, this draft Strategy is about shaping Dungog Shire's housing future with intention. This draft Strategy outlines a framework for meeting the needs of today while preparing for the challenges of the future and doing it in a way that keeps the Shire's heart and identity intact.



DIVERSITY

Offer a range of housing types and sizes for singles, families, older people, people with disabilities, and key workers, so everyone has genuine choice on where and how they live.



SUSTAINABILITY

Encourage energy-efficient homes that are climate-resilient and environmentally sensitive.



QUALITY

Focus on well-designed, safe, and attractive homes that fit with Dungog's rural character and heritage.



AFFORDABILITY

Increase access to housing that is affordable, helping retain a diverse and thriving local community.



ACCESSIBILITY

Build homes that suit all ages and abilities, close to transport and services, and support ageing in place.



SAFETY

Building resilience and reducing exposure to natural hazards, such as flooding and bushfire.

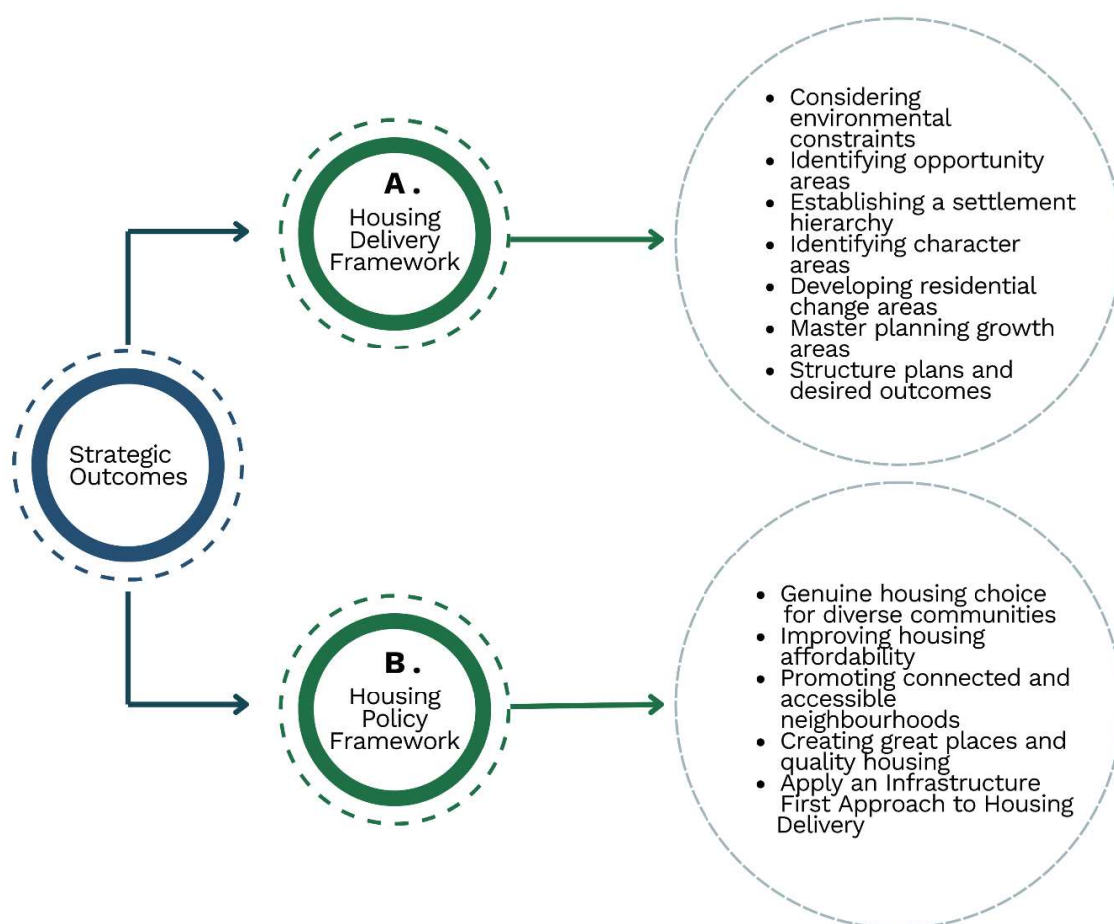
Strategic Outcomes

How to Read the Strategic Outcomes Section?

The strategic outcomes for this draft Local Housing Strategy focuses on directing new housing to suitable locations to support a growing economy and population base, ensuring growth is well-supported by infrastructure, and respects local character and landscape values.

To deliver on these housing outcomes, this draft Strategy is divided in two parts. The first part, the Housing Deliver Framework, outlines the key considerations in identifying where housing should be delivered. The second part, the Housing Policy Framework, identifies the policies and strategies that will guide the type of housing to be delivered.

The draft Local Housing Strategy is designed to move from vision and values to practical results. Actions are written as simple statements of what must happen to achieve each strategic outcome, and each begins with a verb that shows the Shire's role. Support is used where our influence is limited and our task is to enable, convene, and remove barriers. Promote is used where our influence is moderate and we can steer, incentivise, and coordinate delivery. Ensure is used where our influence is strong and we can commit resources, set rules, and complete specific tasks. This structure makes it clear who does what, and how success will be measured.



Housing Delivery Framework: Part A



Outcome 1: Plan for the Right Housing in the Right Locations

This draft Strategy commits to delivering homes where they are most needed, in a manner that respects local character, landscape values, and having regard to the availability of infrastructure. It sets a framework to ensure that residential growth is directed to appropriate areas, supports diverse community needs, and is delivered in a coordinated, sensible and sustainable way.

Delivering the right housing in the right locations is central to creating connected, well-serviced neighbourhoods, supporting the vitality of local centres, and making efficient use of infrastructure, while preserving the rural character that defines Dungog Shire.

Densities are carefully calibrated to reflect the Shire's unique setting, with more diverse, consolidated and smaller housing focused on established town centres and areas with existing infrastructure.

These locations are best placed to support more walkable, vibrant communities with easy access to services, public spaces, and transport. Meanwhile, lower-density development will continue to provide opportunities for people seeking a rural lifestyle, while embracing the Shire's open landscapes and rural atmosphere.

By thoughtfully managing how and where residential density is increased, Council can ensure that housing growth strengthens the social and economic fabric of towns and villages, without compromising the qualities that residents value most about their communities.

Strategy 1.1: Develop Residential Change Areas

This draft Strategy introduces a clear framework for guiding where and how housing change should occur across the Shire. Rather than applying a one-size-fits-all approach, it outlines three levels of change to reflect the different roles and future character of each town, village, and rural areas.

This structure provides a strategic foundation for future reviews of residential zones, planning controls, and development standards, ensuring they align with the Shire's unique local context.

The approach draws inspiration from the *Hunter Regional Plan 2041*, which recognises the diversity of communities across the region and adopted a more fine-grained method for planning urban, suburban, and rural areas. Similarly, this draft Strategy moves away from blanket growth models and instead applies change areas in a way that respects local character and planning priorities.

Change areas have generally been applied at either the street-block level, or in some instances lot by lot. This helps create more cohesive outcomes and avoids piecemeal development.

Where possible, change areas will be aligned on both sides of a street to support coordinated planning and a consistent built form. Importantly, this framework is not about identifying specific sites for redevelopment, rather - it is about setting a broader direction for how different areas may evolve over time.

Structure plans will provide more fine-grain guidance to inform future planning controls and help manage growth at the local scale. Council has adopted a detailed structure plan for Clarence Town and a structure plan has been drafted for Dungog Strategic Centre. High level structure plans have been drafted for Paterson, Vacy, Gresford and East Gresford as part of this draft Strategy.

While not every property in a change area will experience immediate or direct redevelopment, these areas will collectively contribute to meeting future housing needs in a way that's managed, strategic, and in keeping with Dungog's character.

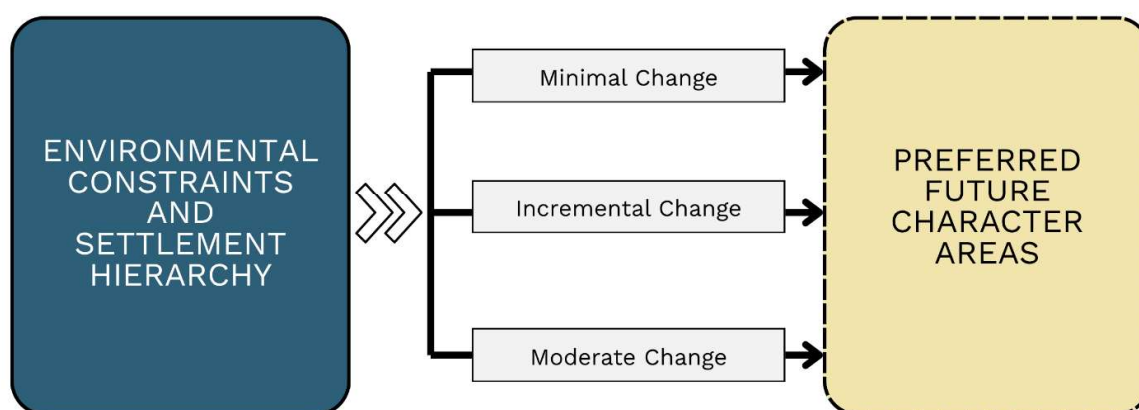
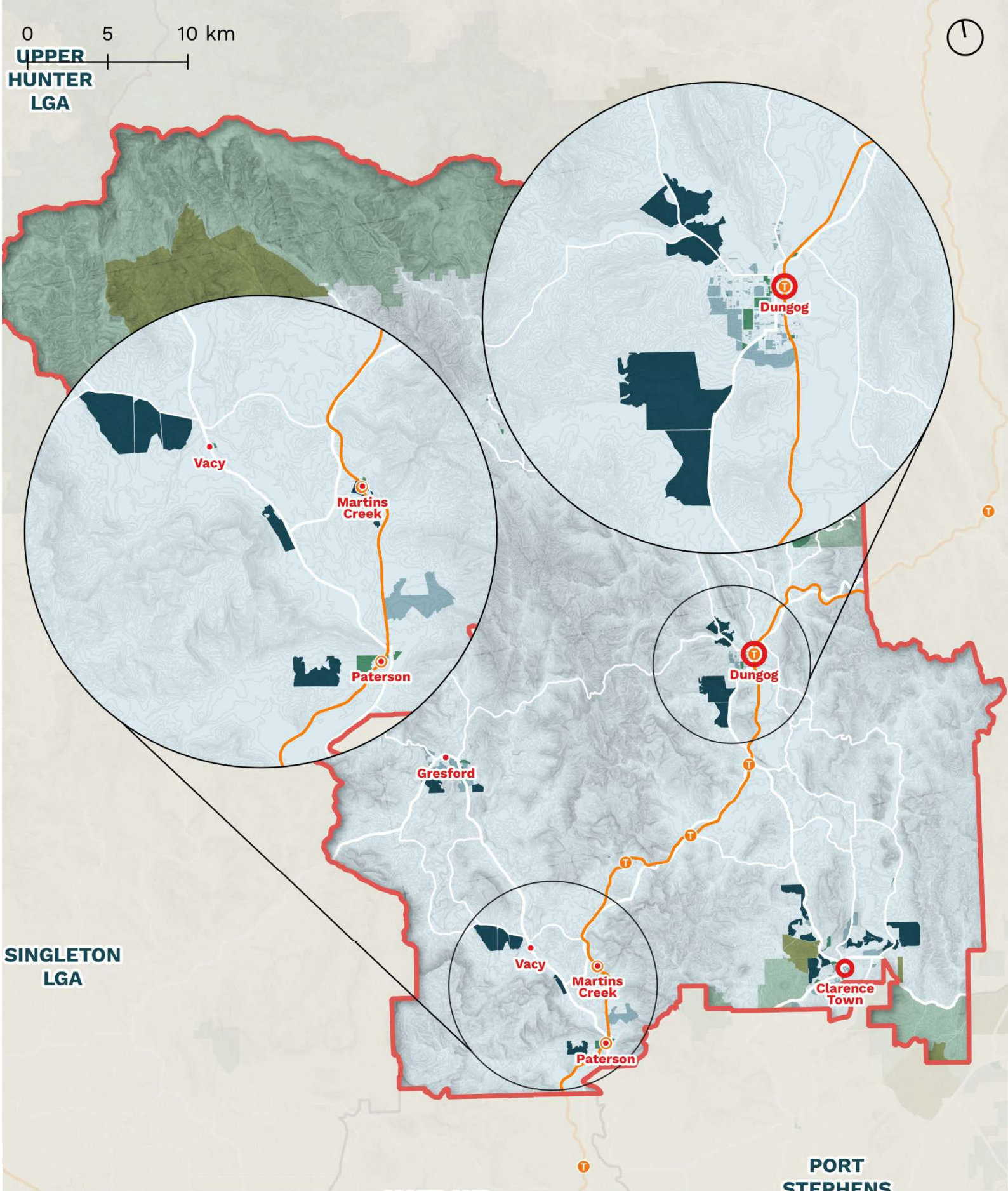


Figure 3 Residential Change Area Approach

Table 3 Overview of Change Area Categories

Change Area	Explanation
Minimal Change Areas	Areas that will continue to have minimal change are locations with limited capacity to support future residential development due to significant constraints. These areas represent the lowest level of intended growth, with a focus on preserving the existing scale and character of established neighbourhoods and areas. The objectives for minimal changes areas emphasise maintaining relative consistency in housing types, particularly detached homes, and ensuring new developments align with this desired neighbourhood character. Retaining existing housing that contributes positively to the area’s character is encouraged, along with preserving opportunities for larger dwellings, garden spaces and adaptable housing for varied household needs.
Incremental Change Areas	The objectives for incremental change areas emphasise gradual housing diversification and a broader mix of housing types, while respecting local character, values and constraints. Change in these areas will occur in a “salt and pepper” pattern, through new housing on vacant or underutilised lots within towns and villages (known as infill development), as well as demolition and rebuild projects within established neighbourhoods. It also includes reducing undeveloped minimum lot sizes in existing R5 zones close to towns and villages. Supported housing types in R1 and future R3 areas include detached homes, dual occupancies, townhouses and smaller lot housing, designed to align with or enhance the prevailing neighbourhood character. Future development will focus on low-rise projects that integrate with existing streetscapes. Retaining and upgrading housing that positively contributes to neighbourhood identity remains a priority, ensuring new development complements the area’s long-term vision.
Moderate Change Areas	Moderate change areas identify where new housing and communities can be achieved. These will be primarily in greenfield locations. Moderate change areas should generally display one or more of the following characteristics: • They are within or close to town centres or village main streets that do not have site constraints. • Have good access to services, open space and recreation. • Have larger lot sizes.



Legend

- | | | | |
|---------------|------------------|--------------------|-----------------------------|
| Dungog LGA | Strategic Centre | Moderate change | National Parks and Reserves |
| Train station | Town Centre | Incremental change | State Forests |
| Train Line | Village | Minimal change | Recreation Land |

Table 4 General Planning Principles for Areas of Change

Minimal Change Area	Incremental Change Area	Moderate Change Area
• Preserve existing character and identity – reinforce low-density housing patterns, generous setbacks, and landscaped garden settings, while also protecting the historic core, main streets, and heritage character that define the area's identity. • Maintain predominant character – ensure new development reinforces the established built form, scale and style, respecting the historic main streets, traditional lot patterns, and the prevailing character of surrounding neighbourhoods. • Retain established housing – encourage keeping dwellings that positively contribute to neighbourhood character, including those within Heritage Conservation Area (HCAs) and main street settings, with sympathetic alterations preferred to maintain the integrity and continuity of the built environment. • Protect garden and landscape settings – maintain larger lots, private open space, and established vegetation to sustain the green, spacious feel where there is an existing low density, garden character. • Encourage adaptable housing – support secondary dwellings or modifications that allow residents to age in place or meet varied household needs. • Avoid infrastructure pressure – direct higher growth away from constrained areas*, ensuring local amenity and services are not overburdened. <i>*Note: constraints areas are areas identified with fixed constraints and conditional constraints in Strategy 1.1.</i>	• Encourage gradual change – support a steady, measured introduction of new housing types that respect local character and values. • Diversify housing choice – allow a mix of low to medium-density options such as detached homes, dual occupancies, townhouses, and smaller lot housing. • Prioritise low-rise built form – focus on small-scale projects like extensions, renovations, dual occupancies, and boutique developments that fit within the existing scale. • Encourage medium density housing – encourage medium density infill housing developments in areas with established infrastructure and services that maximises land use and reduces sprawl. • Retain valued dwellings – encourage the conservation of existing homes that contribute positively to neighbourhood identity. • Enhance neighbourhood character – ensure new developments are well-designed, complement local streetscapes, and strengthen the preferred future character. • Respond to local constraints – manage growth in a way that aligns with infrastructure capacity and environmental considerations.	• Support new housing and communities – focus moderate change in greenfield locations that can deliver well-planned new neighbourhoods. • Leverage proximity to centres – prioritise areas within or close to town centres and village main streets that are free from significant constraints. • Ensure access to services and amenities – direct growth to locations with good connections to shops, schools, open space, recreation, and community facilities. • Utilise larger lot sizes – encourage subdivision and redevelopment where larger blocks can accommodate new housing types without compromising amenity. • Encourage a mix of housing types – support a range of housing forms to create diverse, inclusive communities. • Promote quality design and liveability – ensure new development is well-landscaped and enhances neighbourhood character. • Plan for infrastructure capacity – align growth with available infrastructure and plan upgrades where needed to support sustainable communities.

Strategy 1.2: Identify Incremental and Moderate Change Areas

In identifying incremental and moderate change areas for housing, the first step was to rule out land with fixed environmental constraints, as established in the previous section of this draft Strategy. By excluding these areas, growth is directed only to land that is safe, suitable, and compatible with protecting Dungog Shire's environment and farming economy.

From there, well-located areas were identified, generally within one to two kilometres of established centres, where existing services, infrastructure, and community facilities can best support additional housing.

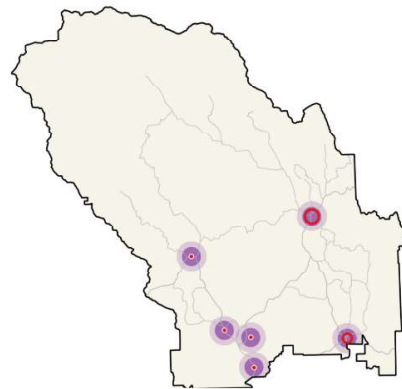
Within this framework, denser housing types are focused in and around the higher-order centres of Dungog Strategic Centre and Clarence Town, which are best placed to accommodate change.

In other locations, growth will take the form of sensible, lower-scale development that transitions to surrounding uses and maintains the Shire's rural character. This ensures housing targets are met in a way that respects community values, enhances liveability, and protects the qualities that make Dungog unique.

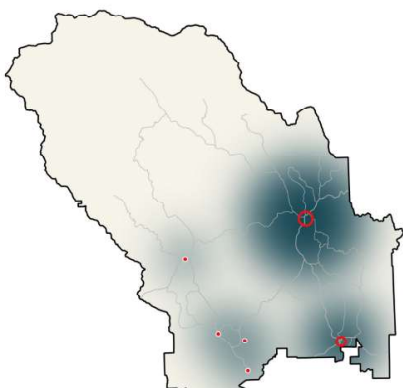
1 Avoiding areas of fixed environmental constraints



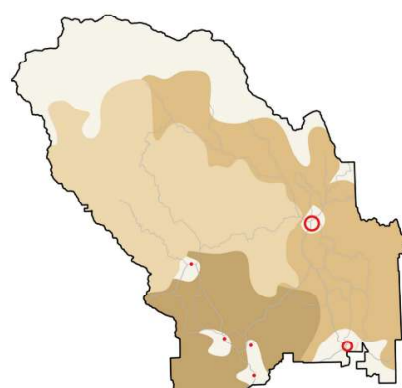
2 Well-located areas generally within 1-2km of centres



3 Denser development types near the higher order centres such as Dungog Strategic Centre and Clarence Town.



4 Sensible development that transitions to sensitive uses and maintains Dungog Shire's rural character



Strategy 1.3: Consider Environmental Constraints

To support Dungog Shire's steady population growth, several future growth areas have been identified across the Shire. Many of these areas sit within or on the edges of existing villages and towns, where they can take advantage of existing infrastructure, services, and community networks.

They have been chosen carefully, avoiding land with major environmental constraints like flooding, biodiversity corridors, or drinking water catchments. This means future development can be more sustainable and better integrated with the surrounding landscape and character of each township.

When looking at where growth can occur, it is important to understand the different types of constraints that affect the land. When identifying growth areas and potential development opportunities, constraints have been grouped into two categories, including fixed constraints and conditional constraints.

Fixed Constraints are those that generally rule out development altogether, because the risks or impacts are just too high. Conditional Constraints, on the other hand, do not necessarily stop development, but they do mean extra work may be needed, such as more detailed studies, careful design, infrastructure upgrades, or additional investment.

Table 5 Overview of Fixed and Conditional Constraints

Fixed Constraints	Conditional Constraints
1% Annual Exceedance Probability (AEP) (1/100-year flood level)	Crown Land
Probable Maximum Flood (PMF) Level	Biodiversity Values
Steep Land (18%+ gradient)	Heritage
Educational Facilities	Bushfire (Category 2)*
State and National Parks	Recreation Zoning
Bushfire (Category 1)*	Existing Agricultural Use
Road Reserves	Koala Habitat
Cemeteries	Acid Sulfate Soils
High Environmental Value Land	
Biophysical Agricultural Land	

***Note:** Bushfire Category 1 means vegetation with the highest level of bushfire risk, such as dense forests, woodlands and thick shrublands. Bushfire Category 2 means vegetation with a moderate bushfire risk, such as open vegetation, scattered trees and light shrublands.

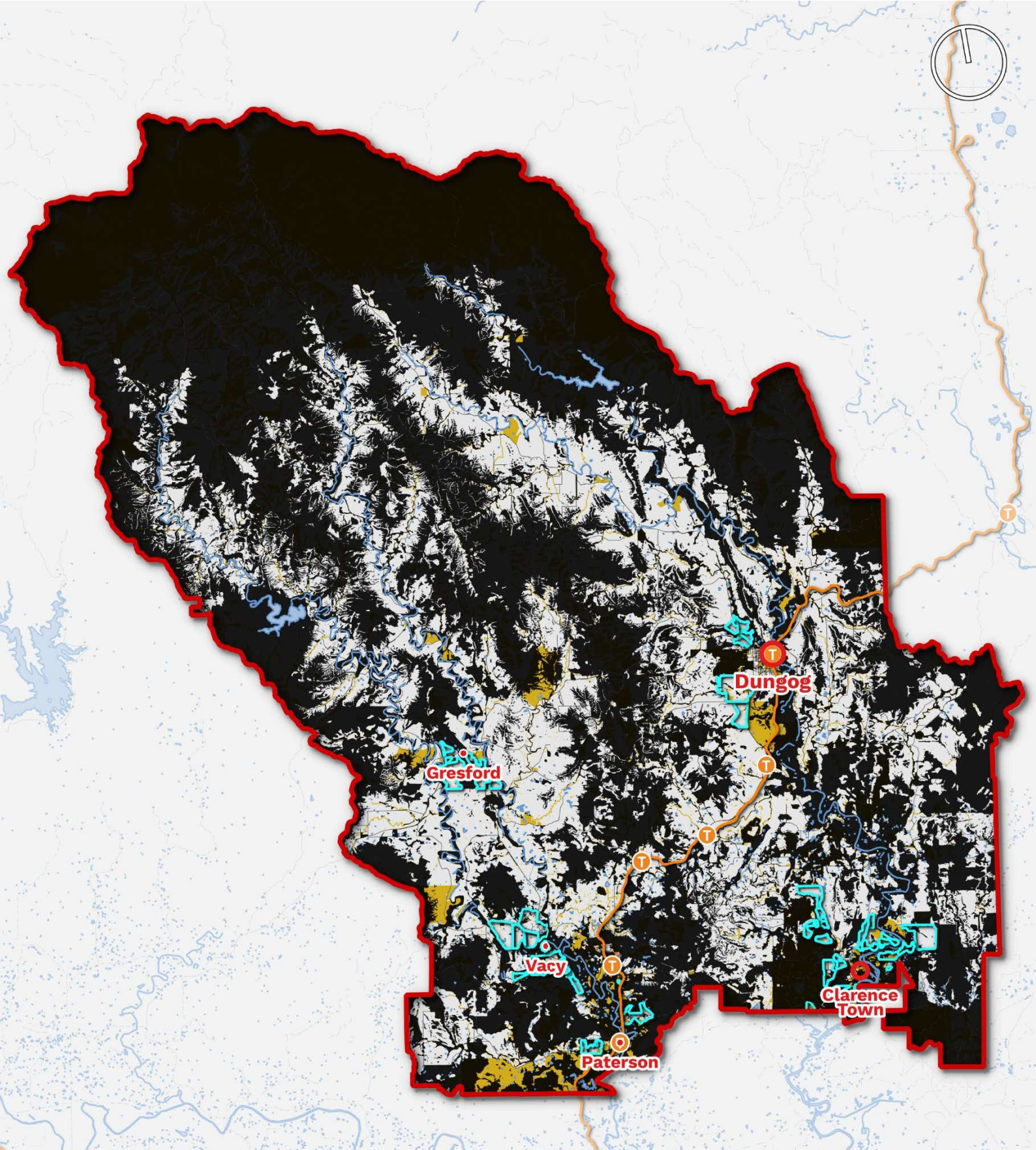


Figure 6 Fixed and Conditional Constraints

Legend

- | | |
|------------------|-------------------------|
| LGA Boundary | Change Areas |
| Strategic Centre | Water Bodies |
| Centre | Conditional Constraints |
| Village | Fixed Constraints |
| Train Stations | Unconstrained Land |
| Train Lines | |

0 7 14 km

Strategy 1.4: Identifying Preferred Character Areas

Preferred character areas are distinct areas within a local government area that exhibit unique combinations of natural, built, historical, and socio-economic features. Each preferred character area has its own identity, sense of place, and function within the broader region.

These areas are typically identified through strategic planning processes and community consultation, focusing on elements such as landscape values, settlement patterns, architectural styles, heritage, land uses, and community activities.

Each of these character areas has been treated separately to support the unique role and value they have in the community. The way these different character areas will be managed reflects their role and value.



Dungog Shire Character Areas

PREFERRED FUTURE CHARACTER AREA

Historic Town/ Village Core

- Dowling Street (Dungog)
- Grey Street (Clarence Town)
- King St/ Duke St (Paterson)
- Durham Road/ Park Street (Gresford)

Village Living

- Gresford Road (Vacy)
- Martins Creek

Traditional Residential Garden Neighbourhood

- Vacy
- Clarence Town
- Paterson
- Martins Creek
- Gresford/East Gresford

Rural Lifestyle Living (Large Lot Residential)

- Outskirts of Dungog Shire towns and villages
- Paterson
- Gresford
- East Gresford
- Martins Creek

TYPICAL CHARACTERISTICS

- Strong heritage character with intact period buildings (late 19th – early 20th c.)
- Fine grain, single and two-storey shopfronts
- Minimal setbacks, shop awnings and verandahs
- Contributes to sense of civic identity and location
- Usually within an E1 zone/RU5 village zone
- Transitional areas combining older dwellings, shop-houses, and newer homes
- Areas outside of an Heritage Conservation Area (HCA)
- Typically within RU5 zones
- Informal landscaping, intermittent footpaths, and a semi-rural feel
- Mixed residential form: single dwellings, detached dwellings, infill houses
- Informal landscape setting
- Residential garden neighbourhoods with detached dwellings and gardens
- Usually within an R1/RU5/R2 (future) zone
- Moderate densities (500 – 2,000sqm lots)
- Mature street trees in some locations
- Informal block form and semi-rural feel
- Edge-of-town areas across all settlements, R5 zones
- Large lots (2,000sqm+), often with small farms, sheds, and fenced paddocks
- Informal landscape, intermittent footpaths
- Informal block form and semi-rural feel

POTENTIAL CHANGE

- Minimal: maintain period/heritage listed buildings in the Heritage Conservation Area (HCA), adaptive reuse
- Incremental: housing infill (e.g. shop-top renewal)
- Incremental: small-scale infill (e.g. new shops, new dwellings)
- Moderate: new village zone areas around existing stations (e.g. Martins Creek)
- Minimal: retain existing residential areas
- Incremental: small-scale infill, e.g. new single, detached dwellings, dual occupancies, villas near shops and public transport
- Minimal: retain existing residential areas
- Minimal: retain semi-rural character
- Incremental: existing R5 areas where the lot size is being reduced e.g. 8,000sqm to 2,000sqm
- Moderate: new change areas flagged for rural lifestyle living.
- Limited servicing, unlikely opportunity for significant change

Dungog Shire Character Areas

PREFERRED FUTURE CHARACTER AREA

TYPICAL CHARACTERISTICS

POTENTIAL CHANGE



Rural Landscape

- Productive rural land – includes agricultural lands across the Shire
 - Traditional farm patterns: grain fields, windbreaks, silos, farmhouses
 - Unsubdivided, large blocks
 - Historic homesteads, landscape gestures and remnant vegetation
 - Undulating landscape, prominent ridgelines
 - Distant outlooks and scenic rural views
- Minimal: agricultural areas to be maintained
 - Moderate: provision for limited eco-tourism (outside of towns/villages)
 - Moderate: provision for rural residential areas (away from towns and villages)



Natural Landscape

- National Parks, State forests, river corridors, floodplains, and biodiversity corridors
 - Distinct natural landscape values
 - High scenic and ecological values
 - Includes iconic ridgelines and pockets, riparian corridors
 - Landmark features: forested ridges, mountains, escarpment backdrop
 - Limited access, but some visitor nodes or lookouts
- Minimal: conservation focus, limited access
 - Incremental: select eco-tourist development

Strategy 1.5: Structure Plans and Desired Outcomes

As part of the Housing Delivery Framework, high-level structure plans have been prepared for Paterson, Vacy, Martins Creek, and Gresford/East Gresford. These plans translate the draft Strategy into a spatial format, showing in greater detail how the preferred character and scales of change will play out across each settlement. They highlight where minimal, incremental, and moderate change is intended to occur, giving both Council and the community greater certainty about the future shape of these towns and villages.

For Dungog Strategic Centre and Clarence Town, future development will be guided by the detailed structure plans that have been developed separately. Dungog Shire has Local Area Plans that are more than 20 years old. The Structure Plans will replace these local areas plans.

The structure plans go beyond broad township mapping by providing guidance on how planning controls could be applied. This more granular approach helps ensure that the right level of growth occurs in the right locations, in line with infrastructure capacity, servicing constraints, and community values. The structure plans are intended to replace the local area plans in the DCP.

Importantly, the structure plans recognise that change will not happen uniformly across every property within a designated change area. Instead, they show how growth will occur within broader precincts, with some lots experiencing redevelopment sooner than others, depending on demand, ownership, and site-specific opportunities. This approach provides flexibility while maintaining a clear framework to guide housing diversity, character outcomes, and liveability across the shire's towns and villages. The

sequencing of change will also inform where infrastructure planning and investment should be prioritised to support growth effectively.

The draft Local Housing Strategy establishes the long-term framework to guide how Dungog Shire will grow and evolve over the next 15 years, ensuring housing supply aligns with the Shire's infrastructure capacity, environmental constraints, and local character. While Council will take a leadership role in coordinating and monitoring the implementation of the Strategy, the delivery of new housing opportunities will largely rely on proponent-led planning proposals.

Proponent-led Planning Proposals

Proponent-led planning proposals must demonstrate both strategic merit, by aligning with the directions and objectives of the Local Housing Strategy, and site-specific merit, by addressing relevant planning, environmental, servicing, and infrastructure considerations in accordance with the NSW Planning System. The assessment of strategic merit can occur proceeding Council's adoption of this draft Strategy.

Council will continue to work collaboratively with landowners, the development industry, state agencies, and the local community to ensure that future rezonings and land use changes are orderly, sustainable, and infrastructure-ready. This partnership approach seeks to achieve balanced growth that meets housing needs while maintaining the rural character, environmental values, and community identity that define Dungog Shire.

Planning proposals should consider the following matters. However, this list is not exhaustive, and proponents are encouraged to refer to the Local Environmental Plan Making Guidelines (NSW Department of Planning, Housing and Infrastructure, 2023) and associated procedures for preparing, lodging, and justifying Planning Proposals. These guidelines set out the mandatory requirements and best practice principles for the plan-making process, including consistency with strategic planning frameworks, consultation expectations, and evaluation of cumulative impacts.

Flooding

Flooding presents a major constraint across parts of Dungog Shire, particularly within low-lying land adjoining the Williams, Paterson, and Allyn River systems. The degree of flood impact varies between towns, with localised flood modelling indicating that some potential growth areas are affected by 1% AEP and Probable Maximum Flood (PMF) events. Dungog Shire Council has commissioned an updated flood study for Clarence Town to inform future land use planning, flood emergency management, and infrastructure investment decisions.

Future planning proposals must address site-specific flood behaviour, flood isolation, and self-evacuation capability, demonstrating compliance with the Flood Risk Management Manual (NSW Government, 2023) and Council's adopted flood studies.

Water Quality, Infrastructure and Services

Infrastructure capacity and servicing constraints are a key determinant of where and when growth can occur. Many areas identified for future change rely on upgrades to water, sewer, stormwater, electricity and road networks. Some sites are located within drinking water

catchments, which limit the use of on-site systems. Planning proposals must demonstrate how water, electricity and sewer servicing can be feasibly delivered in consultation with Hunter Water, DPHI, Essential Energy and Council. A coordinated approach to infrastructure delivery will be essential to ensure that development does not exceed existing service capacity.

Bushfire Risk

Bushfire risk is widespread across the Shire, particularly around forested escarpments and rural interface areas. Any proposal for greenfield or large-lot residential development must address relevant bushfire safety standards under Planning for Bushfire Protection (RFS, 2024), including adequate Asset Protection Zones (APZs) and emergency access arrangements.

Environmental Constraints

Dungog Shire's diverse landscapes contain significant areas of high environmental value, including riparian corridors, native vegetation, and threatened species habitat. These features provide important biodiversity and scenic values but can limit future development potential. Mapping of High Environmental Value (HEV) areas and threatened species will guide where development should be avoided or mitigated. Planning Proposals must include ecological assessments consistent with the Biodiversity Assessment Method (BAM) and align with the NSW Biodiversity Conservation Act 2016.

Connectivity and Accessibility

While Dungog Shire's towns and villages are well-connected to regional centres such as Maitland and Newcastle, local accessibility varies. Future development must consider opportunities to improve

flood-free evacuation routes, local road connectivity, and pedestrian and cycle linkages between town centres, residential areas, and open space networks. Access improvements will be a key consideration for landowner-led proposals in flood-prone localities.

Existing Uses and Agricultural Land

Much of the land surrounding Dungog Shire comprise of rural or agricultural use. Any proposed transition of these lands to residential or other non-agricultural uses must consider potential land use conflicts, biosecurity implications, and the importance of supporting working agricultural land. Staged conversion of agricultural land to residential use should be supported by clear evidence of demand, infrastructure feasibility, and alignment with strategic objectives.

Preferred character areas

Preferred character areas have been developed to guide the future desired outcomes for housing across Dungog Shire. They provide a clear framework for the scale, form, and character of different housing types in towns, villages, and rural areas. These preferred character areas also help determine indicative yields, giving Council and the community a realistic picture of how growth can be accommodated while maintaining local character and values.

Preferred character areas are referenced throughout the following sections to illustrate the intended scale, form, and design outcomes for different housing types. They provide a practical reference point for how growth can be managed in a way that complements local character and supports housing diversity.

Dungog Strategic Centre

The **Dungog Strategic Centre Structure Plan** sets out a long-term vision to guide the renewal and growth of Dungog's town centre as the cultural, civic and commercial heart of the Shire. The Plan envisions Dungog as a green, walkable and welcoming town, where heritage is celebrated alongside contemporary development, and where streets and public spaces are comfortable, shaded and people-focused. It provides a framework for land use, movement networks, open space, and built form that supports Dungog's designation as a Strategic Centre within the Hunter Regional Plan 2041

Housing diversity is a key focus within the Strategic Centre. The Plan identifies opportunities for infill and rezonings, including new R2 Low Density Residential and MU1 Mixed Use zoned areas, to introduce a broader range of dwellings beyond the town's predominance of detached houses. Multi-dwelling housing, seniors' living, and adaptable dwellings are encouraged close to services, while heritage-led renewal and gentle built form transitions ensure the character of Dowling Street and the historic core is protected. Together, these initiatives are expected to provide hundreds of new dwellings over the life of the Plan.

The delivery of medium density development in Dungog is contingent on market feasibility, the ability to attract suitable developers to the region, and the timely provision of essential utility infrastructure by relevant state agencies.

Clarence Town

The **Clarence Town Structure Plan** sets out a 30-year vision to guide growth throughout the township – primarily focused on land use planning and infrastructure investment. The Structure Plan positions Clarence Town as a vibrant, inclusive community that cherishes the rural character of the township, but also as a community that is ready for an aspirational housing, economic and environmental future. It was developed in partnership with the community with a goal of delivering 700 new dwellings by 2041 to align with the *Hunter Regional Plan* and the State's targets for Dungog Shire. The Clarence Town community recognised the need for more diverse housing options, particularly multi-dwelling developments and housing that was designed for seniors with varying levels of need.

Beyond housing delivery, the Structure Plan focused on improving connectivity, walkability, and accessibility to natural amenities. The Structure Plan provided land use plans within the sub-precincts, recognising each area's unique character, environment, and infrastructure. The Structure Plan recognises Clarence Town's significant environmental constraints and directs growth to the areas least constrained and most proximate to amenities and services.

A detailed Structure Plan was developed and adopted separately by Council in June 2025. The Structure Plan is supported by a range of actions related to updates to the planning framework, including the DCP and LEP, as well as broader implementation guidance which sets out a range of short, medium and long-term tasks for Council, landowners, and state agencies as well as funding mechanisms to responsibly progress the Structure Plan.

Paterson

Existing character

Paterson has a distinctive character shaped by its riverside setting and rich history. It is a small village, with its heritage reflected in the old sandstone churches, timber cottages, and main street. The Paterson River runs through the town, giving it a relaxed, scenic quality, while tree-lined streets and large garden lots create a leafy, country atmosphere.

Most homes are single-storey and set on generous blocks, contributing to the village's sense of space and openness. Interspersed among them are historic shopfronts and community buildings that draw people together. Collectively, Paterson's character blends rural charm with heritage appeal. It feels both like a close-knit local hub and a destination where visitors are drawn to enjoy its unique atmosphere.

Preferred future character

The future character of Paterson is about keeping its historic and rural charm while allowing for modest, carefully managed growth. Growth will be directed to areas just outside the village that are free from flooding, biodiversity, and other environmental constraints, providing opportunities for lifestyle residential living that add choice without changing Paterson's intimate feel.

The main street will continue to be the social heart, with small shops, cafés, and community spaces that support locals and welcome visitors. The Paterson River and surrounding green spaces will remain central to the town's identity, with improvements that make the village more walkable, connected, and inviting. This vision ensures Paterson grows in a modest, sustainable way, protecting what makes it special while providing for the community's future.

Key Considerations

A key consideration for any landowner-led planning proposals within the identified growth areas of Paterson 1 and 2 is the improvement of flood-free access routes to the village centres of Paterson and Martins Creek. This will ensure continued access to essential services and supplies during Probable Maximum Flood (PMF) events, consistent with flood risk management principles.

For Paterson 1, the creation of a right-of-way connection to Boulton Drive should be investigated to enhance accessibility and resilience.

For Paterson 2, improving connectivity between Keppies Road and Woodglenn Close should be considered to providing flood free access to Martins Creek. Given the engineering complexity, steep terrain, and significant costs identified in preliminary assessments, any future consideration of this route should be informed by a detailed feasibility and cost-benefit analysis to determine whether it represents a practicable and sustainable flood evacuation solution for the Paterson 2 area.

Table 6 Overview of Change Area Outcomes

Change Area	Desired Future Character Area	Minimum Lot Size	Zoning	Approx. Dwelling Yield	Scale of Change by 2041	Take up to 2041
Paterson 1	Rural Lifestyle Living	2,000m ²	R5 Large Lot Residential	259	39	15%
Paterson 2	Rural Lifestyle Living	2,000m ²	R5 Large Lot Residential	289	43	15%
Infill (Vacant Lots)	Existing	Existing	Existing	9	1	15%

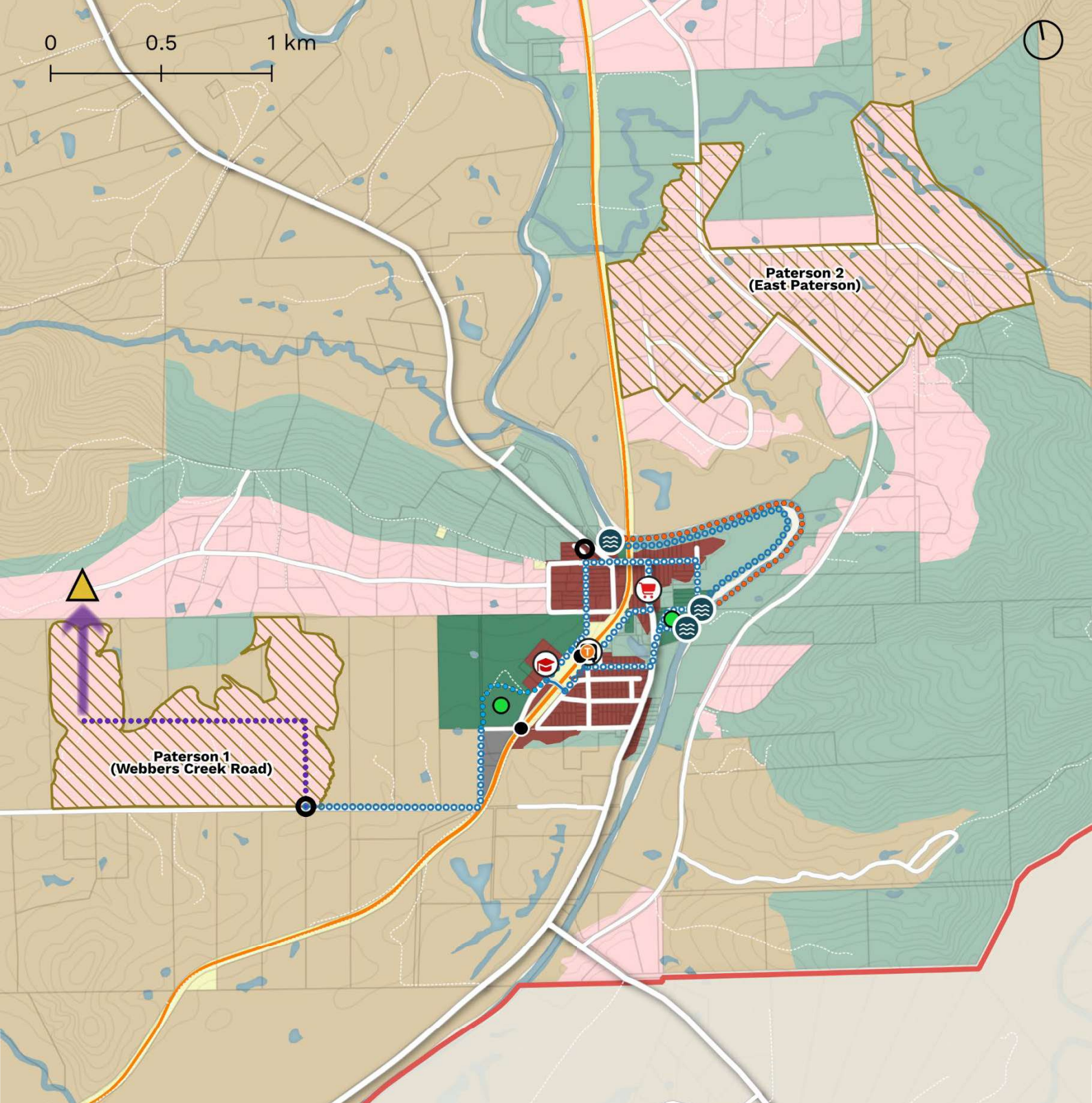
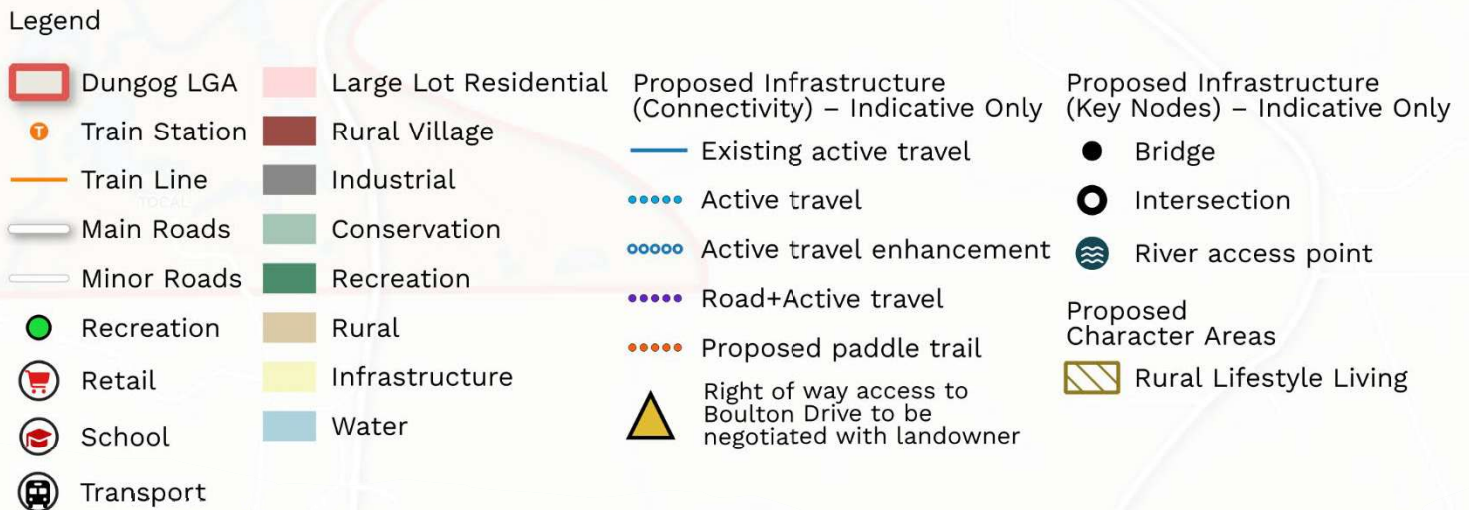


Figure 8 Paterson – Proposed Structure Plan



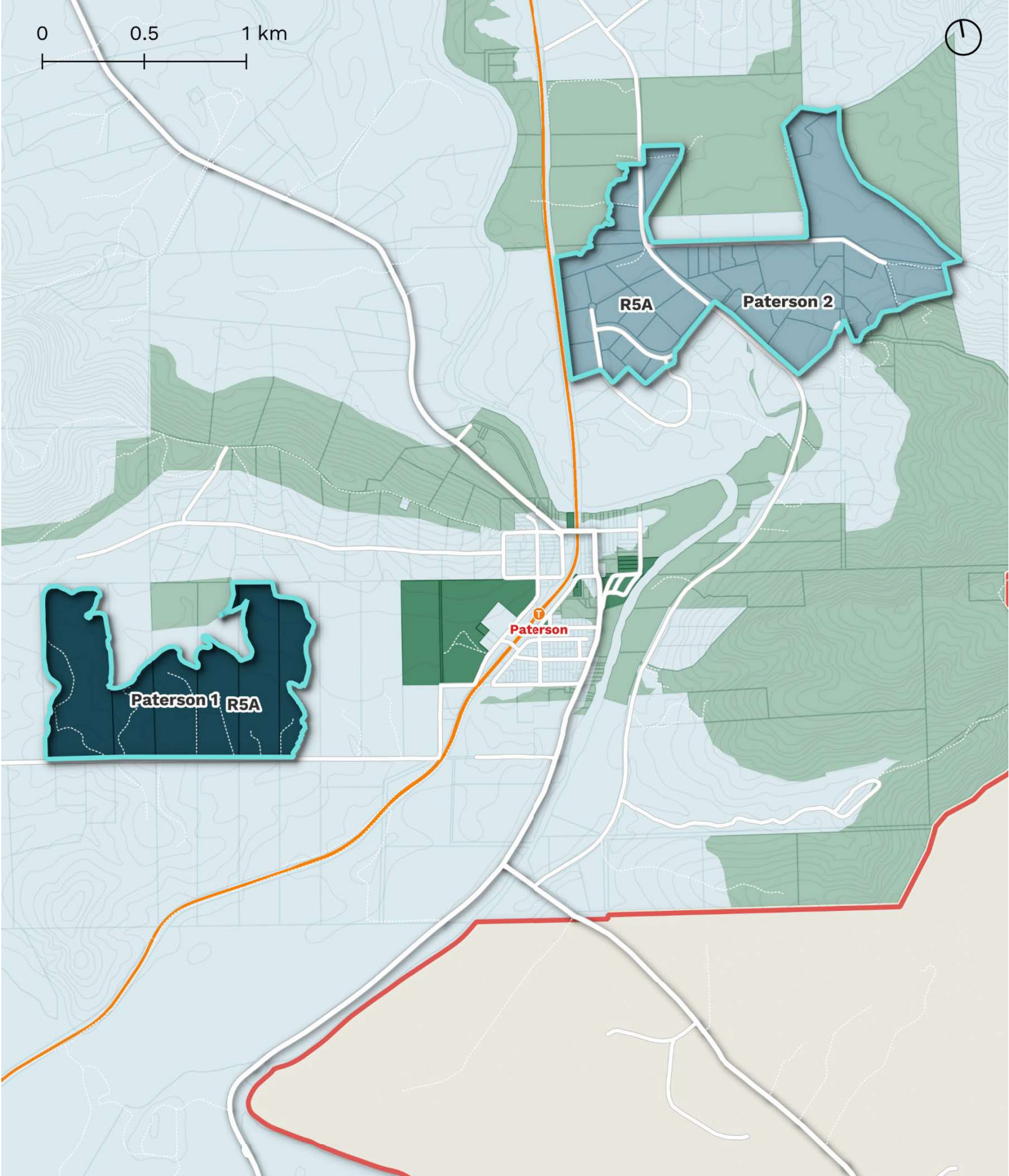


Figure 9 Paterson – Change areas

Legend

- | | | | |
|---------------|-------------|--------------------|--------------|
| Dungog LGA | Main Roads | Moderate change | Change Areas |
| Train Station | Minor Roads | Incremental change | Conservation |
| Train Line | | Minimal change | Recreation |

Vacy

Existing character

Vacy is a small rural village with a relaxed, country character shaped by its rolling farmland, bushland backdrop, and strong community feel. The village is centred around a handful of local shops, a pub, and community facilities, giving it a simple main-street focus, while the surrounding area is dotted with lifestyle properties, small farms, and larger rural holdings. Homes are typically single-storey and set on generous lots, creating a spacious and open feel that blends naturally into the landscape. Vacy's character is very much about its rural setting, slower pace of life, and the sense of connection between the village, the land, and the people who call it home.

Preferred future character

The future character of Vacy will continue to celebrate its rural charm while providing more opportunities for lifestyle living on the outskirts of the village. Modest growth will focus on large-lot residential and lifestyle blocks in areas free from flooding and environmental constraints, giving people the chance to enjoy a semi-rural lifestyle while still being close to the heart of the village.

New housing will be low-scale and designed to fit into the landscape, with generous setbacks, plenty of green space, and a focus on maintaining the open, country feel that defines Vacy.

At the same time, the village core will retain its small-scale services and community focus, ensuring Vacy remains a welcoming and connected place. The surrounding farmland and bushland will continue to shape the village's identity, while lifestyle housing on the edges will provide choice for families, retirees, and those seeking a slower pace of life. This approach allows Vacy to grow in a way that supports its community while protecting the rural character that makes it special.

Table 7 Overview of Change Area Outcomes

Change Area	Desired Future Character Area	Minimum Lot Size	Zoning	Approx. Dwelling Yield	Scale of Change by 2041	Take up to 2041
Vacy 1	Rural Lifestyle Living	6,000m ²	R5 Large Lot Residential	186	19	10%
Vacy 2	Rural Lifestyle Living	6,000m ²	R5 Large Lot Residential	90	9	10%
Vacy 3	Rural Lifestyle Living	6,000m ²	R5 Large Lot Residential	80	8	10%
Vacy 4	Rural Lifestyle Living	8,000m ²	R5 Large Lot Residential	36	4	10%
Existing R5 Areas	Rural Lifestyle Living	8,000 m ²	R5 Large Lot Residential	246	25	10%

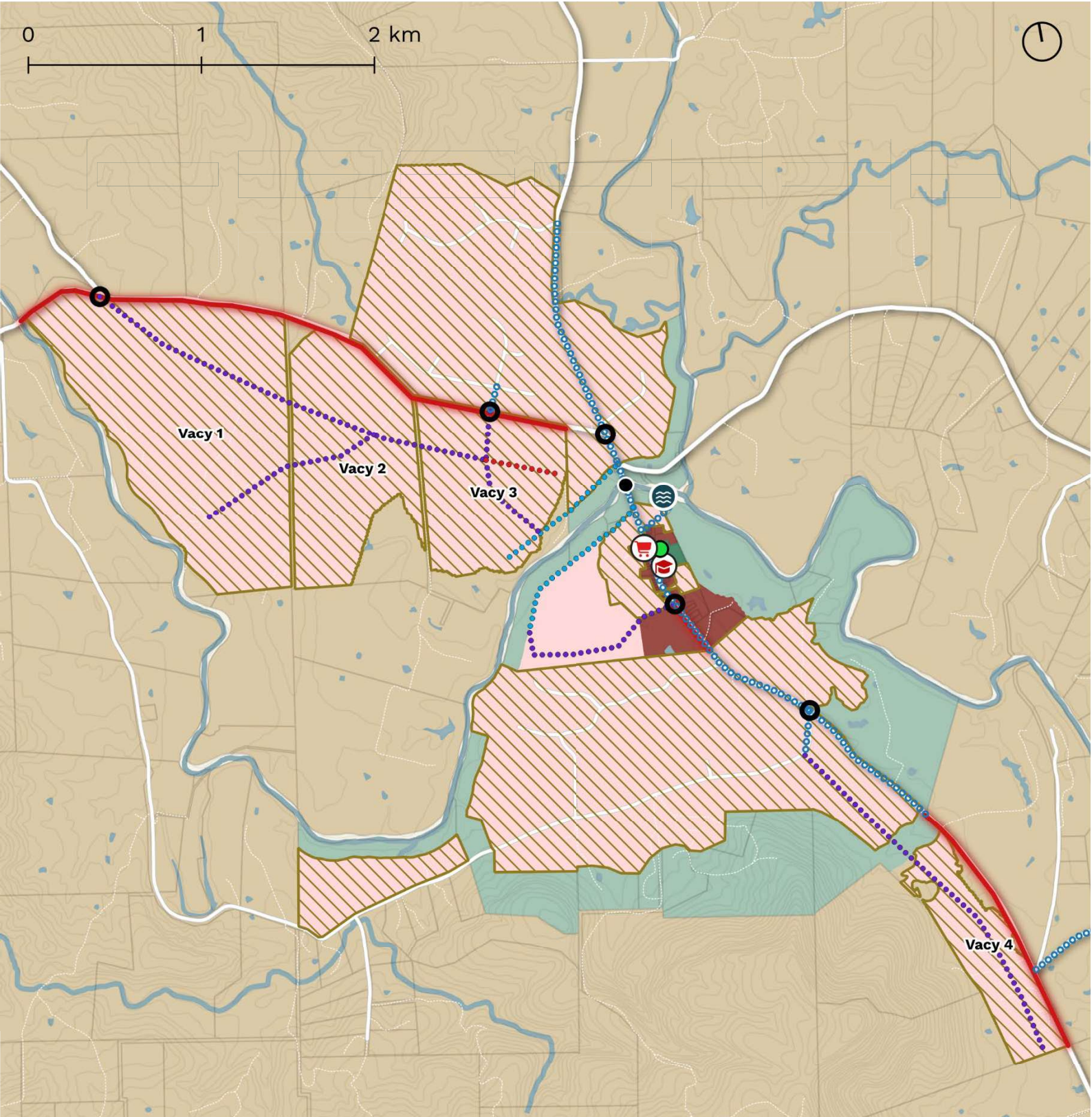


Figure 10 Vacy – Proposed Structure Plan

Legend

 Dungog LGA	 Water	Proposed Infrastructure (Connectivity) – Indicative Only		Proposed Infrastructure (Key Nodes) – Indicative Only	
 Main Roads	 Large Lot Residential	 Active travel		 Bridge Duplication (Two-way carriageway + pedestrian/cyclist access)	
 Minor Roads	 Rural Village	 Active travel enhancement		 Intersection	
 Retail	 Conservation	 Road+Active travel		 River access point	
 School	 Recreation	 Road			
	 Rural	 Minimal intersections, no additional driveways			
		Proposed Character Areas			
		 Rural Lifestyle Living			

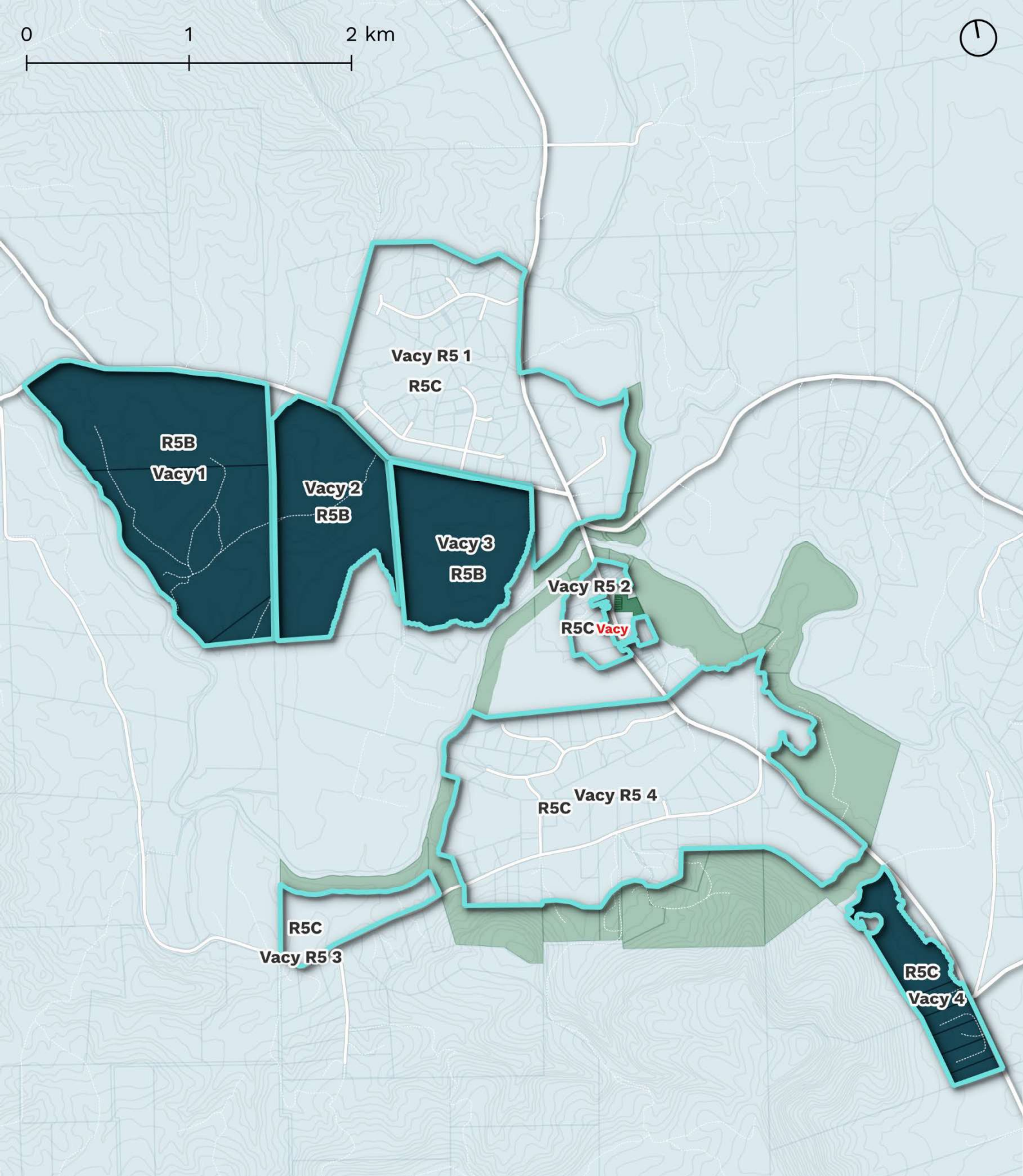


Figure 11 Vacy – Change Areas

Legend

- Main Roads
- Minor Roads
- Moderate change
- Minimal change
- Conservation
- Recreation
- Change Areas

Martins Creek

Existing character

Martins Creek is a small rural village with a quiet, close-knit character shaped by its farming surrounds and scenic backdrop. The village has a modest main street with a few community facilities and a local train station, which connects residents to larger nearby centres including Dungog. Homes are generally low-scale and set on generous lots, while the wider area is dotted with farms, lifestyle properties, and grazing land that reinforce its rural identity. Martins Creek feels open and green, with its character defined by the landscape, the railway link, and the strong sense of community among its residents.

Preferred future character

The desired future character of Martins Creek is to remain a small, peaceful rural village while providing modest opportunities for growth that meet local needs.

New housing will be carefully managed to ensure it respects the low-scale, spacious feel of the town, with village housing and lifestyle lots on the outskirts offering room to enjoy the surrounding landscape without overwhelming the village core. Development will avoid environmentally constrained land and will be designed to blend into the rural setting, keeping the open and green qualities that define Martins Creek.

At the same time, the village will continue to revolve around its train station and community facilities, which give Martins Creek its sense of connection and social heart. The aim is to support a diverse but modest community, where new residents are drawn by the semi-rural lifestyle and existing residents can stay connected to the land and each other. This vision ensures Martins Creek grows gently, enhancing its liveability while holding onto the rural charm and sense of community that make it unique.

Table 8 Overview of Change Area Outcomes

Area	Desired Future Character Area	Minimum Lot Size	Zoning	Approx. Dwelling Yield	Scale of Change by 2041	Take up to 2041
Martins Creek 1	Village Living	N/A	RU5 Village	72	7	10%
Martins Creek 2	Village Living	N/A	RU5 Village	2	<1	10%
Martins Creek 3	Rural Lifestyle Living	8,000m ²	R5 Large Lot Residential	2	<1	10%

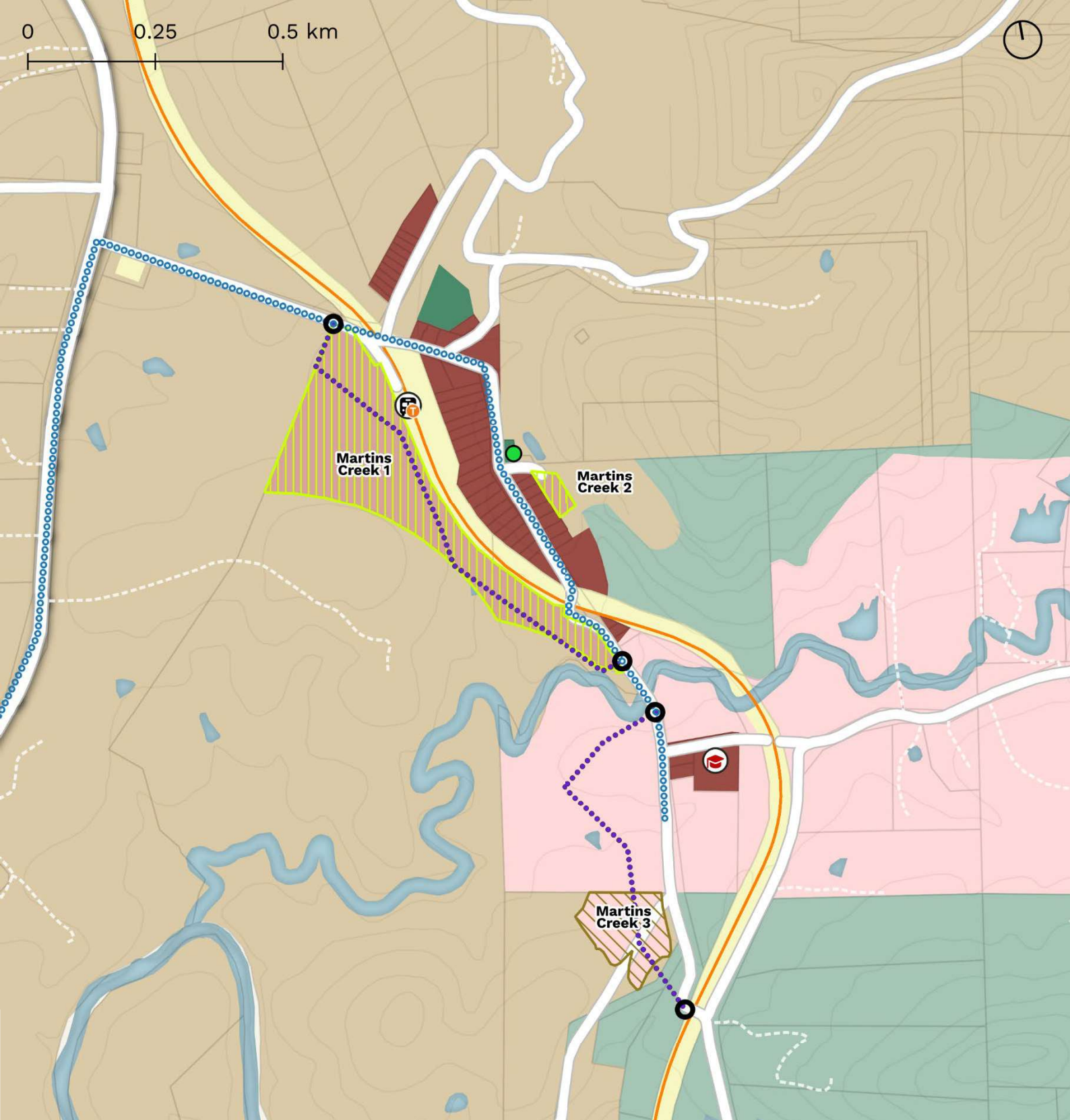


Figure 12 Martins Creek – Proposed Structure Plan

Legend

Dungog LGA	Water	Proposed Infrastructure (Connectivity) – Indicative Only	Proposed Character Areas
Train Station	Large Lot Residential	Active travel enhancement	Rural Lifestyle Living
Train Line	Rural Village	Road+Active travel	Village Living
Main Roads	Conservation	Proposed Infrastructure (Key Nodes) – Indicative Only	
Minor Roads	Recreation	Intersection	
Recreation	Rural		
School	Infrastructure		
Transport			

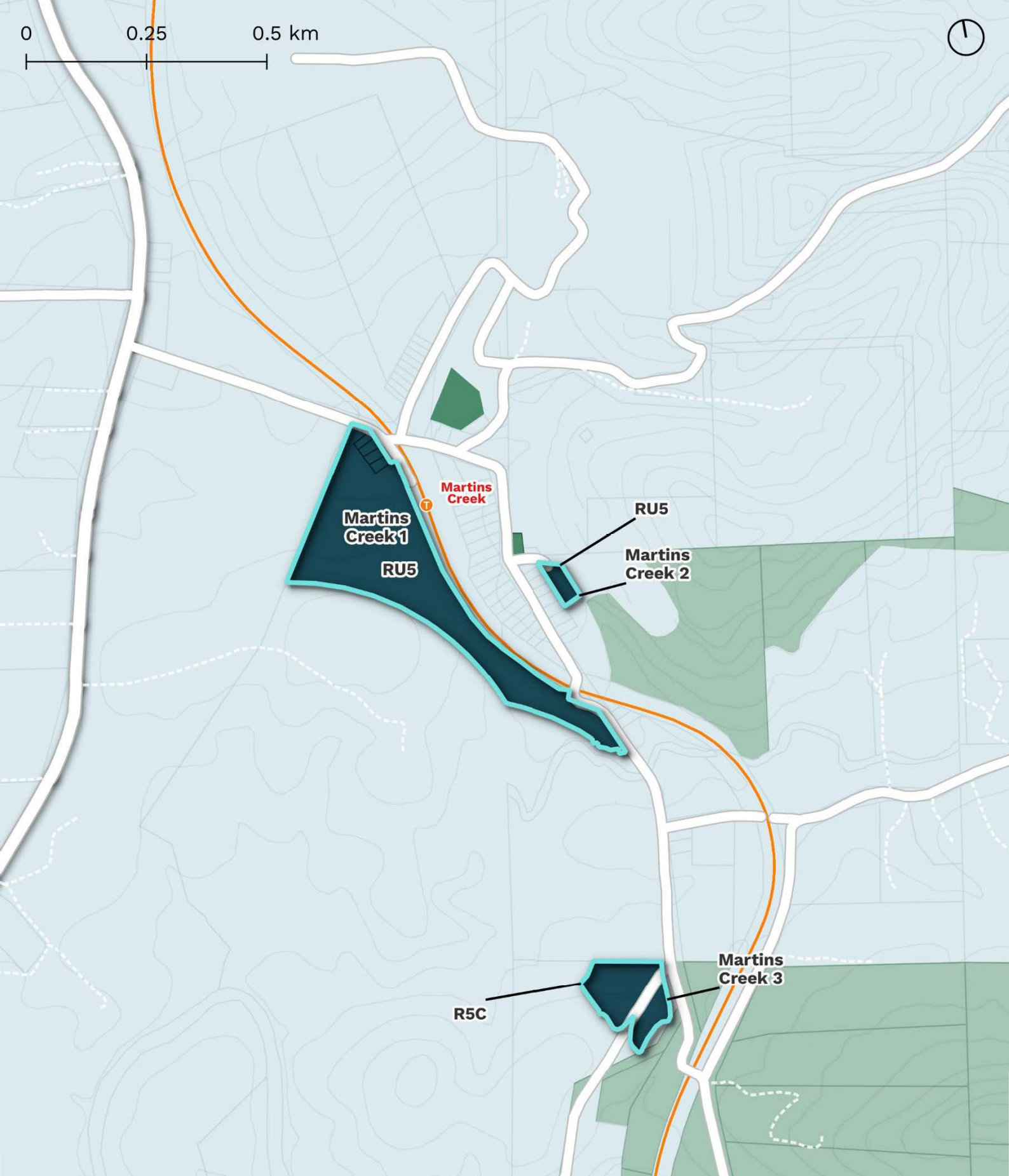


Figure 13 Martins Creek – Change areas

Legend

- | | | | |
|---------------|-------------|--------------------|--------------|
| Train Station | Main Roads | Moderate change | Conservation |
| Train Line | Minor Roads | Incremental change | Recreation |
| | | Minimal change | |
| | | Change Areas | |

Gresford and East Gresford

Existing character

Gresford/East Gresford is a picturesque rural village known for its scenic setting among rolling hills, fertile farmland, and the Allyn and Paterson Rivers. The town has a traditional country character, with a mix of historic buildings, churches, and community halls alongside modest homes set on generous blocks. Its wide, tree-lined streets and open green spaces give it a relaxed, spacious feel, while the surrounding agricultural land and grazing paddocks reinforce its role as a service hub for the farming community. Gresford's character is strongly tied to its rural heritage, community spirit, and its connection to the natural landscape.

Preferred future character

The future character of Gresford/East Gresford will focus on maintaining its strong rural charm and historic village feel, while allowing for modest lifestyle living on the outskirts of

town. Growth will be directed to areas clear of flooding, biodiversity, and other environmental constraints, where larger residential lots can offer people the chance to enjoy a semi-rural lifestyle with space, privacy, and a connection to the landscape. New housing will be designed to complement the existing scale of the village, with plenty of greenery, setbacks, and rural design elements that blend naturally into the surrounding farmland and hills.

At the same time, the heart of Gresford/East Gresford will remain defined by its heritage buildings, community facilities, and local services, which continue to serve as a hub for both residents and visitors. The rivers, farmland, and scenic landscapes will remain central to the town's identity, while the introduction of lifestyle living on the outskirts will provide more choice for families, retirees, and newcomers drawn to the village's relaxed pace and strong sense of community. This approach ensures Gresford/East Gresford grows in a way that enhances its appeal without losing the rural character that makes it unique.

Table 9 Overview of Growth Area Outcomes

Area	Desired Future Character Area	Minimum Lot Size	Zoning	Approx. Dwelling Yield	Scale of Change by 2041	Take up by 2041
Gresford 1	Rural Lifestyle Living	6,000m ²	R5 Large Lot Residential	90	9	10%
Gresford 2	Rural Lifestyle Living	2,000m ²	R5 Large Lot Residential	341	34	10%
Gresford 3	Rural Lifestyle Living	2,000m ²	R5 Large Lot Residential	78	8	10%
East Gresford 1	Rural Lifestyle Living	6,000m ²	R5 Large Lot Residential	37	4	10%
East Gresford 2	Rural Lifestyle Living	2,000m ²	R5 Large Lot Residential	462	46	10%
Infill (Vacant Lots)	Existing	Existing	Existing	20	2	10%

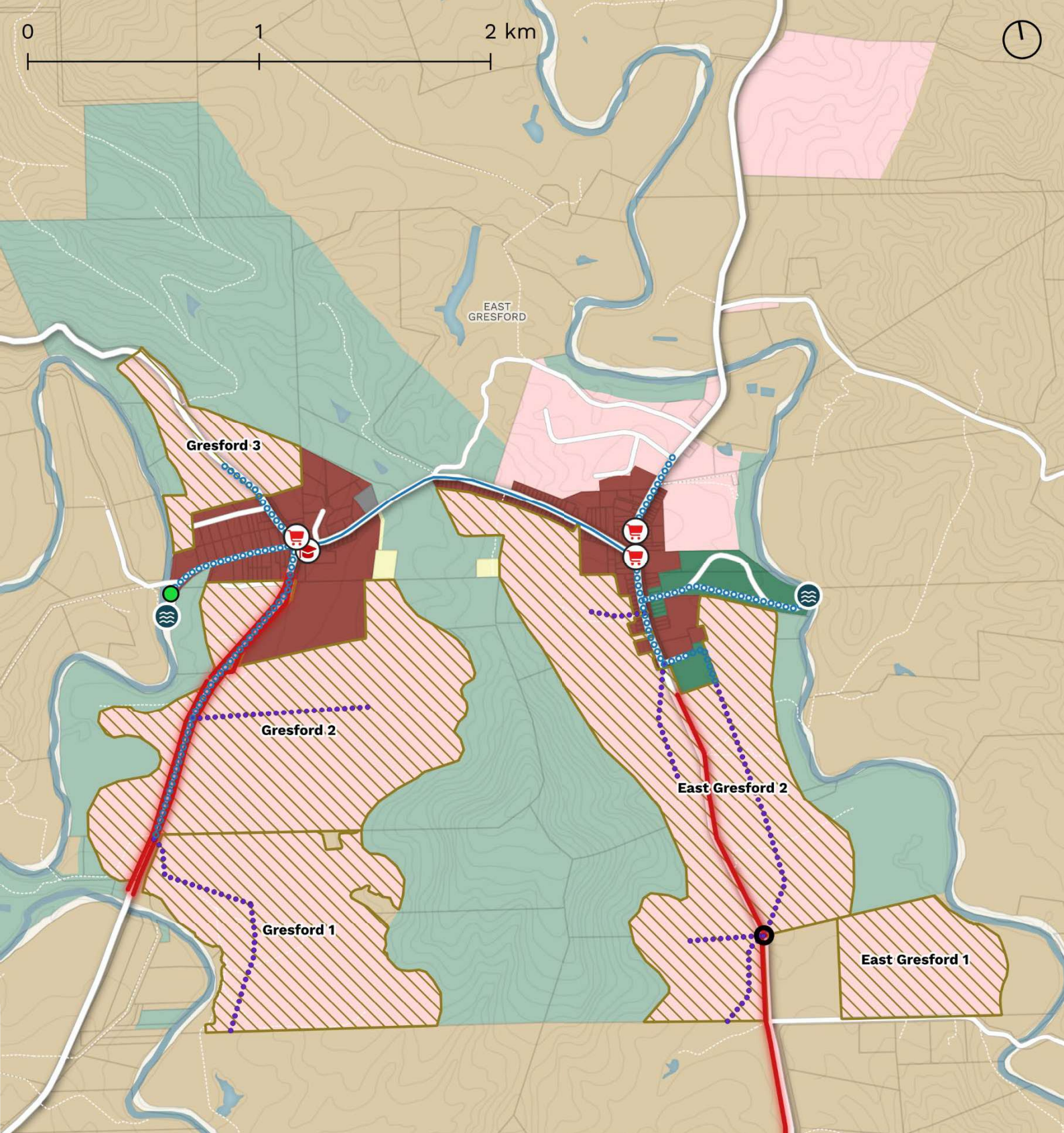


Figure 14 Gresford/East Gresford – Proposed Structure Plan

Legend

Dungog LGA	Water
Main Roads	Large Lot Residential
Minor Roads	Rural Village
Retail	Industrial
School	Conservation
	Recreation
	Rural
	Infrastructure

Proposed Infrastructure (Connectivity) – Indicative Only

Existing active travel
Active travel enhancement
Road+Active travel
Minimal intersections, no additional driveways

Proposed Character Areas

Rural Lifestyle Living

Proposed Infrastructure (Key Nodes) – Indicative Only

Intersection
Recreation
River access point

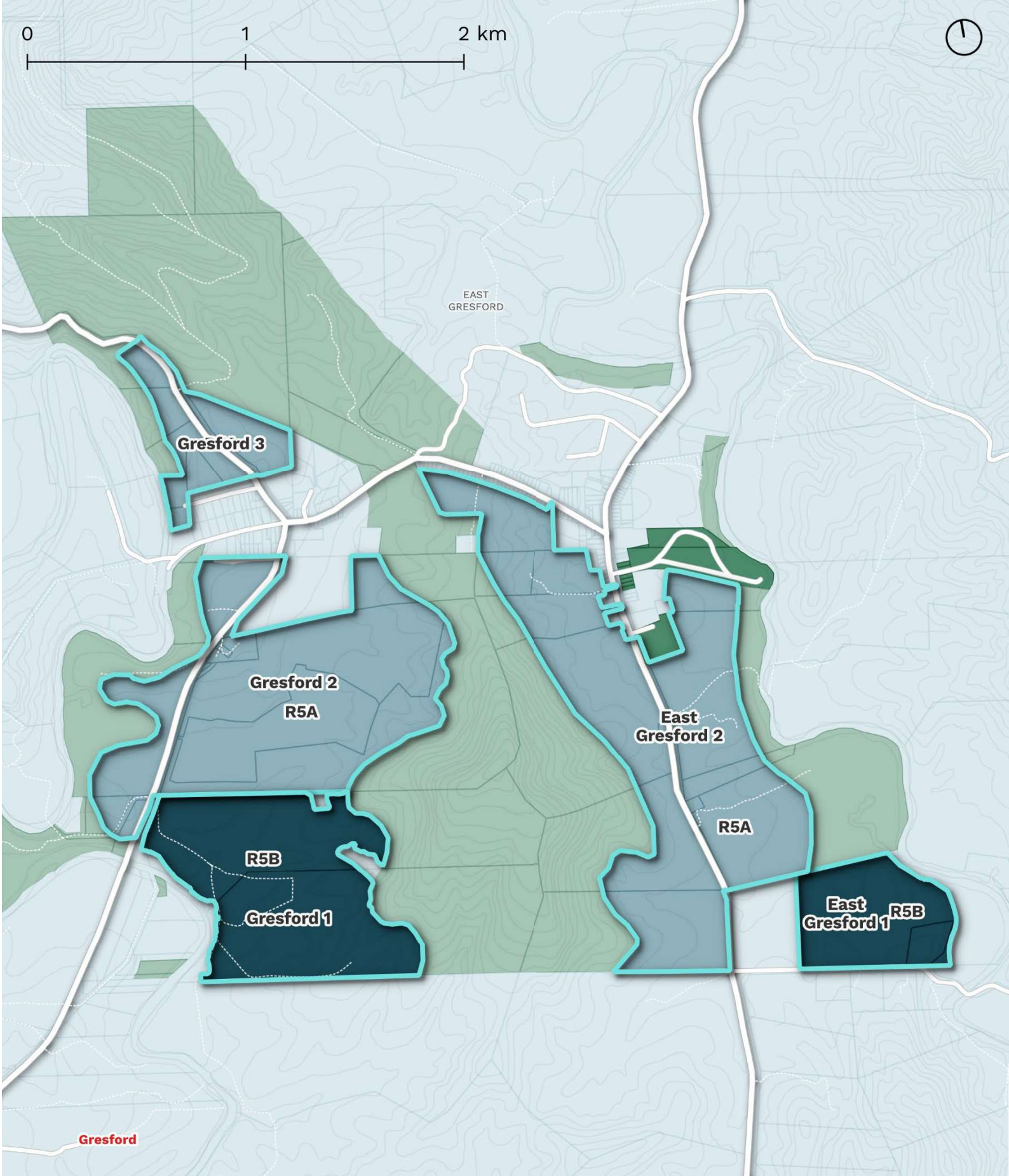


Figure 15 Gresford – Change areas

Legend

- | | | |
|--|--|--|
|  Main Roads |  Moderate change |  Conservation |
|  Minor Roads |  Incremental change |  Recreation |
| |  Minimal change | |
| |  Change Areas | |

Dungog Strategic Centre

Existing character

Dungog is a historic rural township nestled at the foothills of the Barrington Tops, defined by its strong connection to the Williams River and the surrounding rolling countryside. The town centre features a fine-grain main street with heritage shopfronts, civic buildings, and community facilities that reflect its long-established role as a regional service centre. Residential areas radiate from the township core, typically comprising traditional detached homes on generous blocks, interspersed with mature trees and expansive views to surrounding ridgelines.

Well-used parks, sporting grounds and the showground create an active network of open spaces that support local events, recreation, and community life. The town's character is shaped by its rural roots, walkable main street, and the close relationship between the built form, open space network, and dramatic natural landscape.

Preferred future character

Dungog's preferred future character retains its role as the Shire's heart while maintaining its relaxed rural atmosphere and heritage identity. In and around the town centre, modest increases in housing diversity will provide more choice for different household types, delivered in a way that respects the fine-grain main street and established streetscapes.

Greenfield areas at the township's edges will accommodate coordinated growth, with connected streets, street tree planting, open space links and clear views

to surrounding ridgelines. These new neighbourhoods will feel integrated with the existing township and maintain a spacious, green, and rural character. Overall, growth will be managed to reinforce Dungog's strong landscape setting, community focus and rural charm.

A key consideration for Bendolba is maintaining reliable flood evacuation access to the Dungog Strategic Centre. Future residents in the Bendolba growth areas will need to cross two waterways that are subject to flooding during major events: Common Creek and Sugarloaf Creek. Further investigation should identify opportunities to improve the hydraulic capacity of road crossings, such as Chichester Dam Road at Common Creek and the Sugarloaf Creek crossings near Bendolba 1 and 2, including options like additional culverts or localised road level upgrades to maintain safe access during flood events.

An important equine training field located within the Tabbil Creek locality also represents a valuable regional asset and emerging industry opportunity for Dungog Shire. Its ongoing operation and safe access should be protected and integrated within the master plan to support the growth of the local equine sector.

For Tabbil Creek, planning should also ensure reliable flood evacuation routes to Dungog. Hanleys Creek Road should be identified as an alternative evacuation path to the Cangon Creek crossing at Clarence Town Road

Table 10 Overview of Growth Area Outcomes

Area	Desired Future Character Area	Minimum Lot Size	Zoning	Approx. Dwelling Yield	Scale of Change by 2041	Take up by 2041
Bendolba 1	Rural Lifestyle Living	2,000m ²	R5 Large Lot Residential	119	36	30%
Bendolba 2	Rural Lifestyle Living	2,000m ²	R5 Large Lot Residential	149	45	30%
Bendolba 3	Traditional Residential Garden Neighbourhood	1,000m ²	R2 Low Density Residential	260	78	30%
Bendolba 4	Traditional Residential Garden Neighbourhood	1,000m ²	R2 Low Density Residential	197	59	30%
Tabbil Creek 1	Traditional Residential Garden Neighbourhood	1,000m ²	R2 Low Density Residential	1,701	510	30%
Tabbil Creek 2	Rural Lifestyle Living	2,000m ²	R5 Large Lot Residential	397	119	30%
Dungog Infill Sites	Various	Various	Various	612	184	30%

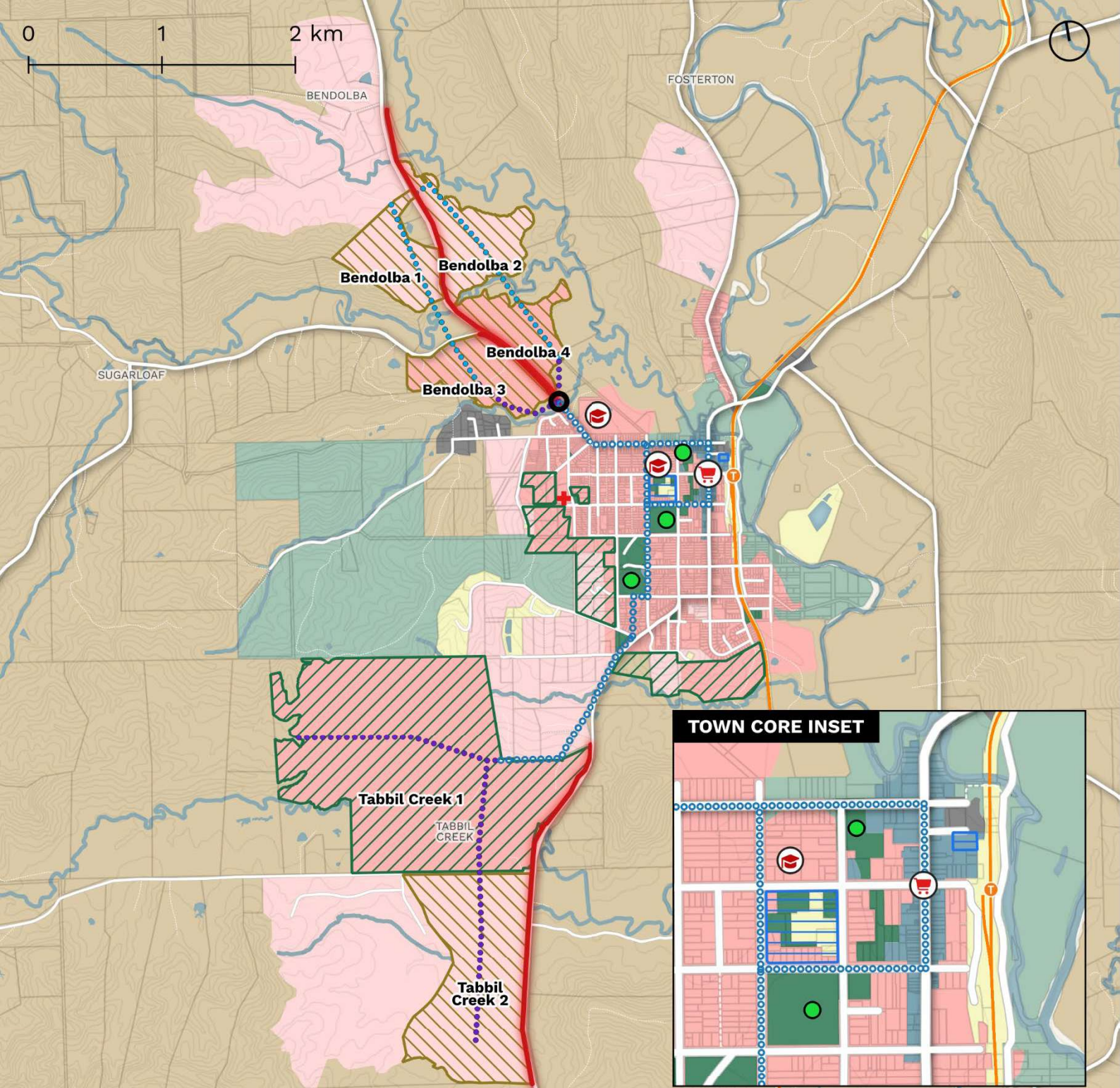


Figure 16 Dungog Strategic Centre – Proposed Structure Plan

Legend

Dungog LGA	Large Lot Residential	Garden Neighbourhood	Intersection
Train Station	Low Density Residential Land	Historic Town Core	Recreation
Train Line	Business/Mixed-Use	Rural Lifestyle Living	
Main Roads	Industrial	Proposed Infrastructure (Connectivity) – Indicative Only	
Minor Roads	Conservation	Active travel	
Water	Recreation	Active travel enhancement	
Hospital	Rural	Road+Active travel	
Retail	Infrastructure	Minimal intersections, no additional driveways	
School			

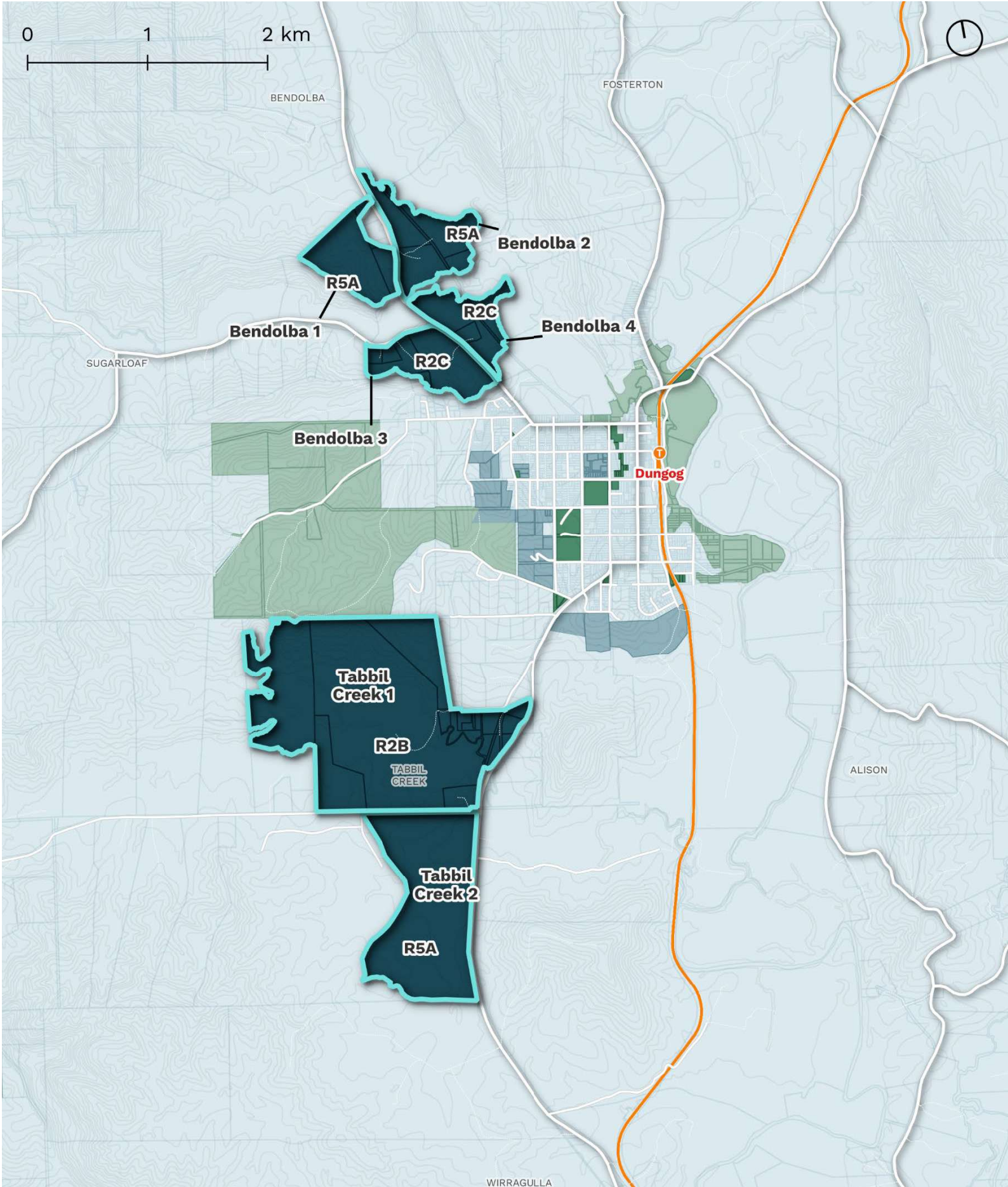


Figure 17 Dungog Strategic Centre – Change areas

Legend

- | | | | |
|---|---|--|---|
|  Dungog LGA |  Main Roads |  Moderate change |  Conservation |
|  Train Station |  Minor Roads |  Incremental change |  Recreation |
|  Train Line | |  Minimal change | |
| | |  Change Areas | |

Clarence Town

Existing character

Clarence Town is a riverside township set along the Williams River, characterised by its historic main street, civic buildings, and strong rural village feel. Traditional homes on generous lots, mature street trees, and open green spaces contribute to its relaxed and spacious character.

The town's heritage buildings, river crossings, and views to surrounding hills reflect its early settlement history and long-standing role as a local service centre for surrounding rural communities. The river, nearby bushland and agricultural landscapes remain central to its identity, shaping both daily life and the town's connection to the broader countryside.

Preferred future character

Clarence Town's preferred future character reinforces its role as a compact, walkable riverside township, consistent

with the Clarence Town Structure Plan. Growth will be focused around the existing town centre and serviced areas, with new housing types introduced in a measured way to provide more choice while retaining the township's generous landscape setting, mature vegetation and village scale. The historic main street will remain the civic and social heart of the town, supported by improved public spaces, safer pedestrian links, and stronger visual and physical connections to the riverfront.

Greenfield areas identified in the Structure Plan will form logical and coordinated extensions to the township. These areas will include connected street networks, riparian buffers, expanded tree canopy and open space links, and will maintain a clear transition to surrounding rural land. Overall, Clarence Town will continue to feel green, relaxed and community-oriented, with future growth shaped by its river setting, heritage character and strong sense of place.

Table 11 Overview of Growth Area Outcomes

Area	Desired Future Character Area	Minimum Lot Size	Zoning	Approx. Dwelling Yield	Scale of Change by 2041	Take up by 2041
Clarence Town Infill 1	Traditional Residential Garden Neighbourhood	2,000m ²	R1 General Residential	120	48	40%
Clarence Town Infill 2	Traditional Residential Garden Neighbourhood	750m ²	R1 General Residential	78	31	40%
Clarence Town Infill 3	Historic Town Village Core	2,000m ²	E1 Local Centre	0	0	40%
Clarence Town Infill 4	Traditional Residential Garden Neighbourhood	750m ²	R1 General Residential	15	6	40%
Clarence Town Infill 5	Traditional Residential	750m ²	R1 General Residential	30	12	40%

Area	Desired Future Character Area	Minimum Lot Size	Zoning	Approx. Dwelling Yield	Scale of Change by 2041	Take up by 2041
	Garden Neighbourhood					
Clarence Town Infill 6	Traditional Residential Garden Neighbourhood	750m ²	R1 General Residential	55	22	40%
Clarence Town Infill 7	Historic Town Village Core	2,000m ²	E1 Local Centre	100	40	40%
Clarence Town Infill 8	Historic Town Village Core	2,000m ²	E1 Local Centre	80	32	40%
Clarence Town Infill 9	Historic Town Village Core	2,000m ²	E1 Local Centre	68	27	40%
Clarence Town Infill 10	Historic Town Village Core	2,000m ²	E1 Local Centre	38	15	40%
Clarence Town Infill 11	Historic Town Village Core	2,000m ²	E1 Local Centre	45	18	40%
Clarence Town Infill 12	Historic Town Village Core	2,000m ²	E1 Local Centre	23	9	40%
Clarence Town Infill 13	Traditional Residential Garden Neighbourhood	2,000m ²	R1 General Residential	15	6	40%
Clarence Town Infill 14	Traditional Residential Garden Neighbourhood	2,000m ²	R1 General Residential	60	24	40%
Clarence Town Infill 15	Traditional Residential Garden Neighbourhood	2,000m ²	R1 General Residential	165	66	40%
Clarence Town Infill 16	Historic Town Village Core	2,000m ²	E1 Local Centre	0	0	40%
Clarence Town Infill 17	Historic Town Village Core	2,000m ²	E1 Local Centre	0	0	40%
Clarence Town Infill 18	Traditional Residential Garden Neighbourhood	750m ²	R1 General Residential	15	6	40%

Area	Desired Future Character Area	Minimum Lot Size	Zoning	Approx. Dwelling Yield	Scale of Change by 2041	Take up by 2041
Clarence Town Infill 19	Traditional Residential Garden Neighbourhood	750m ²	R1 General Residential	5	2	40%
Clarence Town Infill 20	Traditional Residential Garden Neighbourhood	750m ²	R1 General Residential	10	4	40%
Clarence Town Greenfield 1	Rural Lifestyle Living	8,000m ²	R5 Large Lot Residential	23	9	40%
Clarence Town Greenfield 2	Rural Lifestyle Living	6,000m ²	R5 Large Lot Residential	10	4	40%
Clarence Town Greenfield 3	Rural Lifestyle Living	8,000m ²	R5 Large Lot Residential	15	6	40%
Clarence Town Greenfield 4	Rural Lifestyle Living	6,000m ²	R5 Large Lot Residential	5	2	40%
Clarence Town Greenfield 5	Rural Lifestyle Living	2,000m ²	R5 Large Lot Residential	85	34	40%
Clarence Town Greenfield 6	Rural Lifestyle Living	8,000m ²	R5 Large Lot Residential	33	13	40%
Clarence Town Greenfield 7	Traditional Residential Garden Neighbourhood	1,000m ²	R1 General Residential	78	31	40%
Clarence Town Greenfield 8	Traditional Residential Garden Neighbourhood	450-1000m ²	R1 General Residential	465	186	40%
Clarence Town Greenfield 9	Rural Lifestyle Living	6,000m ²	R5 Large Lot Residential	48	19	40%
Clarence Town	Rural Lifestyle Living	8,000m ²	R5 Large Lot Residential	20	8	40%

Area	Desired Future Character Area	Minimum Lot Size	Zoning	Approx. Dwelling Yield	Scale of Change by 2041	Take up by 2041
Greenfield 10						
Clarence Town Greenfield 11	Rural Lifestyle Living	6,000m ²	R5 Large Lot Residential	30	12	40%
Clarence Town Greenfield 12	Traditional Garden Residential & Rural Lifestyle Living	400-1000sqm for Traditional Garden Residential 8000sqm for Rural Lifestyle Living	R5 Large Lot Residential	70	28	40%
Clarence Town Greenfield 13	Rural Lifestyle Living	6,000m ²	R5 Large Lot Residential	58	23	40%
Clarence Town Greenfield 14	Rural Lifestyle Living	8,000m ²	R5 Large Lot Residential	28	11	40%
Clarence Town Greenfield 15	Rural Lifestyle Living	8,000m ²	R5 Large Lot Residential	90	36	40%
Clarence Town Greenfield 16	Rural Lifestyle Living	8,000m ²	R5 Large Lot Residential	20	8	40%
Clarence Town Greenfield 17	Rural Lifestyle Living	6,000m ²	R5 Large Lot Residential	35	14	40%
Clarence Town	N/A	—	E3 Productivity Support	0	0	—

Area	Desired Future Character Area	Minimum Lot Size	Zoning	Approx. Dwelling Yield	Scale of Change by 2041	Take up by 2041
Greenfield 18						
Clarence Town Greenfield 19	N/A	—	E3 Productivity Support	0	0	—
Clarence Town Greenfield 20	Rural Lifestyle Living	6,000m ²	R5 Large Lot Residential	80	32	40%
Clarence Town Greenfield 21	Rural Lifestyle Living	8,000m ²	R5 Large Lot Residential	20	8	40%
Clarence Town Greenfield 22	Rural Lifestyle Living	8,000m ²	R5 Large Lot Residential	200	80	40%

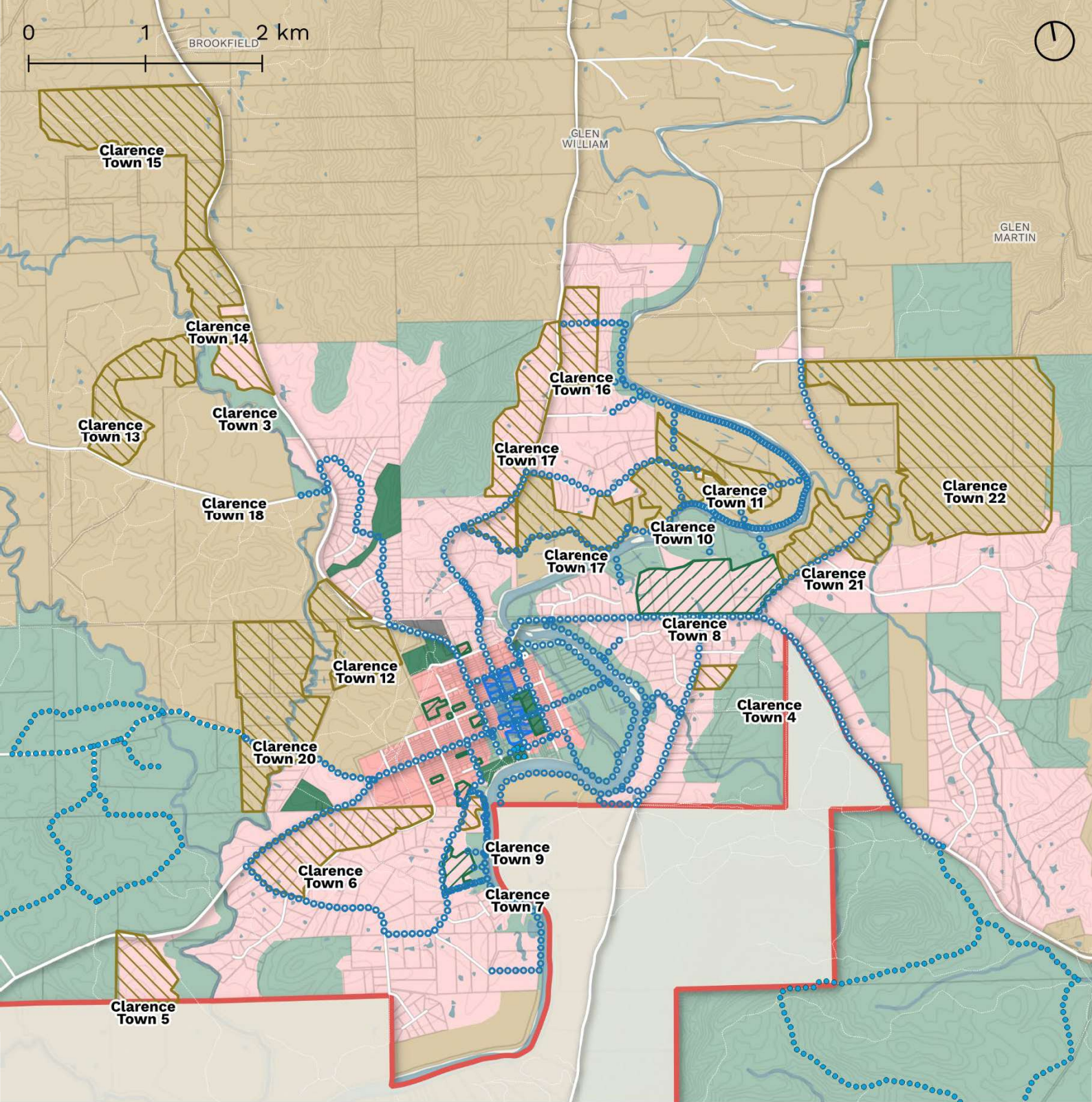


Figure 18 Clarence Town – Structure Plan

Legend

- Main Roads
- Minor Roads
- Dungog LGA
- Water

- Large Lot Residential
- Low Density Residential Land
- Business/Mixed-Use
- Industrial
- Conservation
- Recreation
- Rural
- Infrastructure
- National Parks and Reserves

Proposed Character Areas

- Garden Neighbourhood
- Historic Town Core
- Rural Lifestyle Living

Proposed Infrastructure (Connectivity) – Indicative Only

- Active travel
- Active travel enhancement

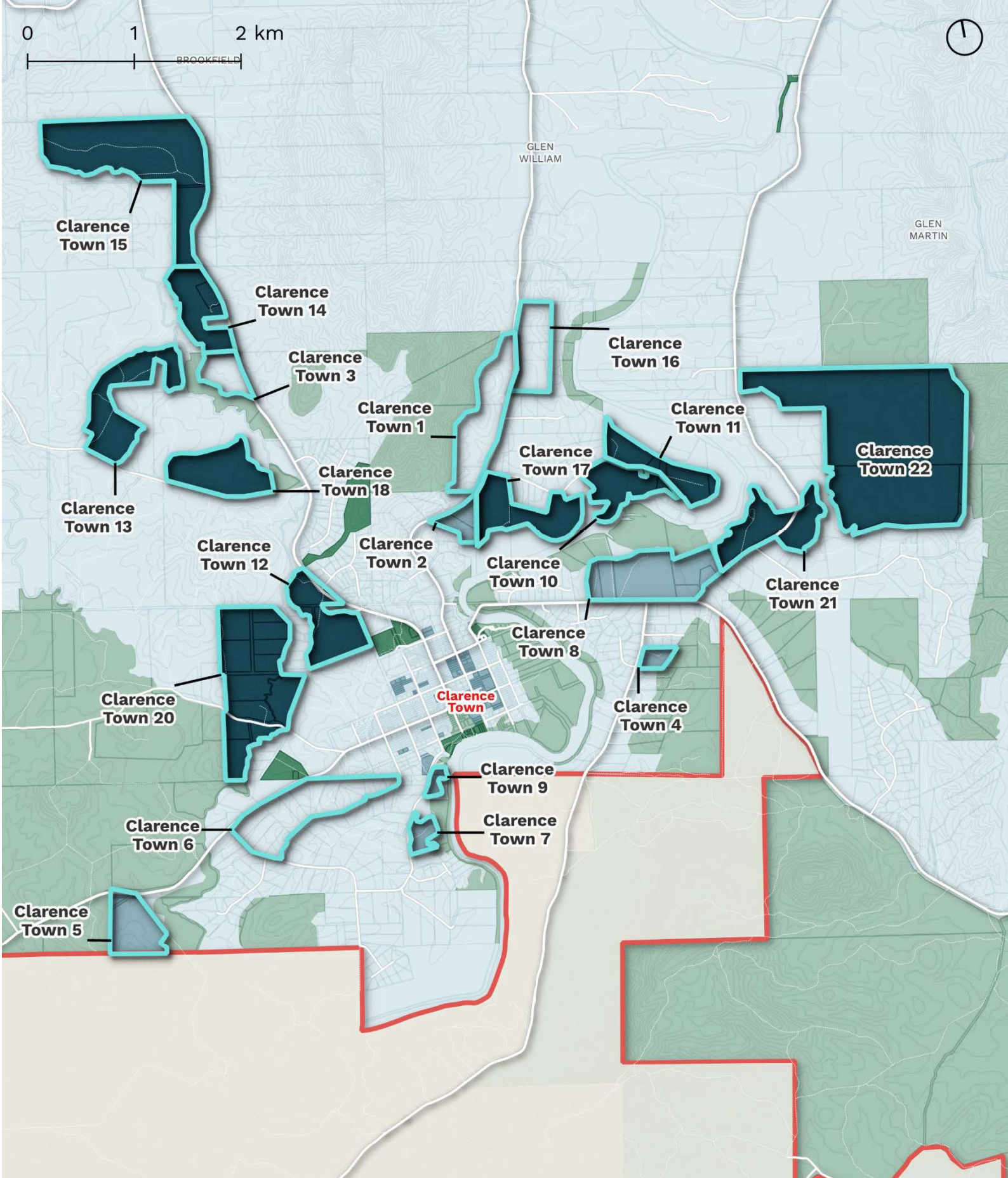


Figure 19 Clarence Town – Change areas

Legend

- Dungog LGA
- Moderate change
- Conservation
- Incremental Change
- Recreation
- Minimal change
- Change Areas
- Main Roads
- Minor Roads

Indicative Yields

The most significant growth will be seen in infill locations within the existing centres (335 additional dwellings to 2041) and greenfield areas on the outskirts of the centres (1,647 additional dwellings to 2041).

This accounts for approximately 82% of the forecast dwellings growth in the LGA, with only 18% in the rural areas. Growth opportunities will be in keeping with the rural landscape and local character.

Table 12 Indicative Yields

Type	Location	Existing Dwellings	By 2031	By 2036	By 2041	Net Growth by 2041	Take-up by 2041 ³
Infill Areas	Dungog	1,042	1,103	1,164	1,226	184	30%
	Clarence Town	362	411	460	509 ²	147	40%
	Paterson	143	143	144	144	1	15%
	Vacy	30	30	30	31	1	10%
	Gresford / East Gresford	157	158	158	159	2	10%
	Total Infill Areas	1,734	1,846	1,957	2,069	335	
Green-field Areas	Dungog (Bendolba + Tabbil Creek)	11	292	573	855	844	30%
	Clarence Town	0	188	377	565 ²	565	40%
	Paterson	7	34	61	88	81	15%
	Martins Creek	3	5	8	10	7	10%
	Vacy (Proposed)	0	13	26	39	39	10%
	Vacy (Existing R5)	128	132	136	140	12	10%
	Gresford / East Gresford	15	48	81	114	99	10%
	Total Green-field Areas	164	713	1,262	1,811	1,647	
Rural Areas ¹	Rural Areas (excl. identified greenfield growth areas)	2,472	2,613	2,758	2,906	434	10%
Total		4,370	5,172	5,977	6,786	2,416	

***Notes:**

1. As informed by the Rural Lands Strategy. Figure include both additional dwellings resulting from reduced minimum lot sizes as well as continuing take-up of rural dual occupancies.
2. Adopted from Clarence Town Structure Plan
3. Take-up rates are a high-level estimate of the amount of housing that could be delivered by 2041. Take-up rates have been determined based on historical delivery of housing in Dungog Shire, potential market demand and benchmarking against other local government areas in the region. Benchmarking has considered historical dwelling production (sourced from the ABS Census) and projected dwelling production rates (obtained from a variety of sources).

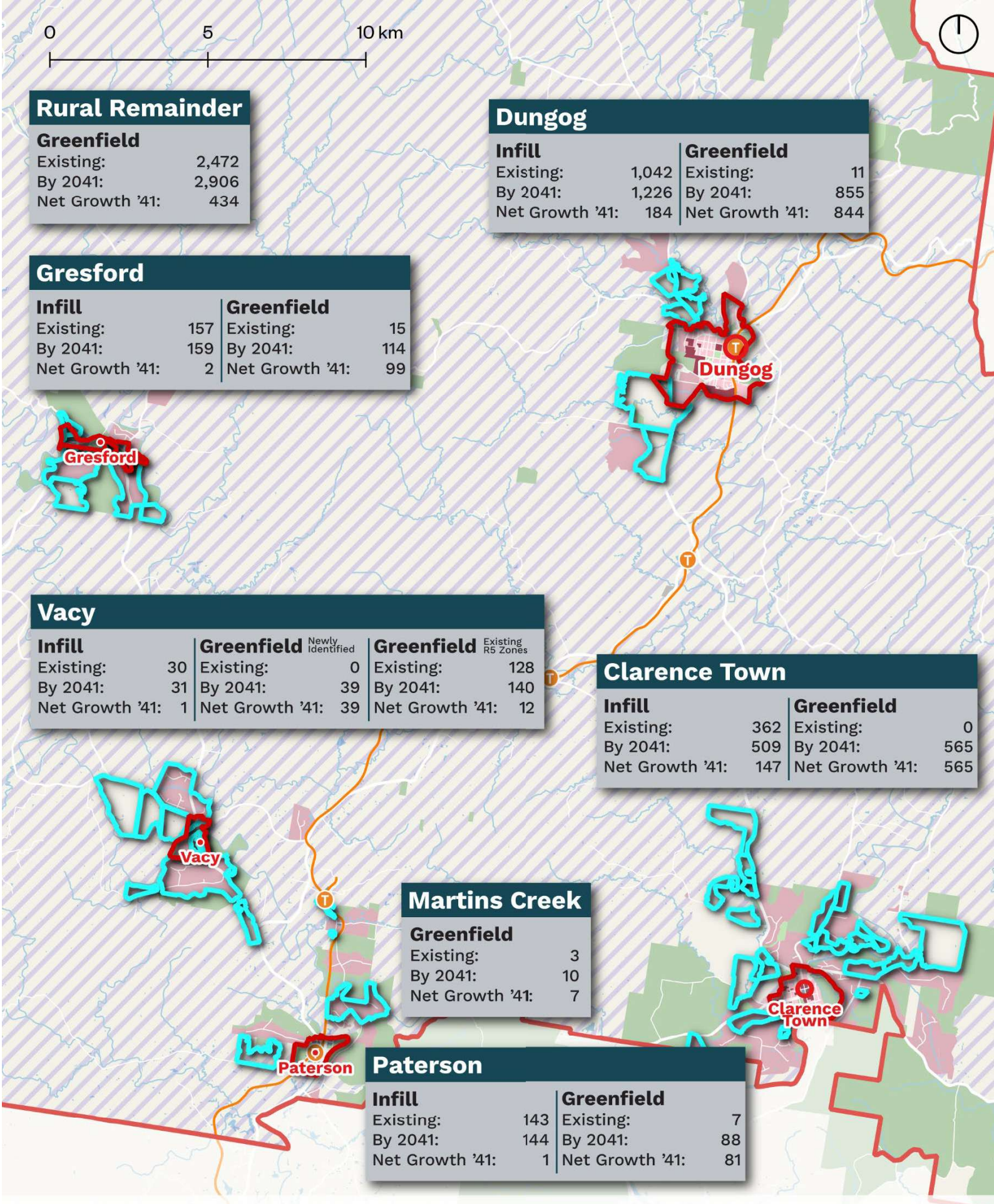


Figure 20 Summary of change areas



Strategy 1.6: Planning and Sequencing Change Areas

Growth opportunities are identified in and around Dungog Strategic Centre and Clarence Town, with potential for smaller-scale growth in villages such as Vacy, Paterson, Gresford/East Gresford, and Martins Creek. The extent and timing of this growth will largely be driven by landowner and proponent-led planning proposals responding to market conditions and the feasibility of servicing land.

More detailed structure or master planning may be appropriate in the larger centres or change areas where coordinated land release, infrastructure staging and urban design outcomes are required. In smaller villages, growth is expected to occur incrementally through site-specific proposals that are assessed on their strategic alignment, servicing considerations, and contribution to village character.

Council's role is to set the strategic planning framework, provide clear planning controls, and coordinate infrastructure planning to guide decision-making. However, the sequencing and pace of development will be influenced by landowner intentions, market demand, and infrastructure delivery timeframes.

An overview of the indicative growth areas is shown in the following figure. The Strategy also recognises that some housing supply will continue to be delivered in rural areas through subdivision and dual occupancy development where supported by planning controls.



Table 13 Key actions to deliver housing in the right locations

Action No.	Action	Responsibility	Timeframe
1	Use the centres hierarchy framework to implement Council's intention for housing growth close to centres, services and transport and to protect areas with environmental and scenic qualities. This will be implemented through landowner-initiated planning proposals and a future review of the LEP, including amendments to permissibility and objectives for residential zones.	Council	Ongoing
2	Ensure residential growth is within the existing and planned residential zoned areas as flagged within this draft Strategy and in line with the principles established in the Planning Proposal Framework, Local Housing Strategy, LSPS, Hunter Regional Plan 2041 and Local Planning Directions.	Council	Ongoing
3	Ensure future planning proposals for R5 Large Lot Residential zones against the rationale established in this draft Strategy to ensure these areas remain focused close to town and village edges where they can reinforce community identity and make efficient use of infrastructure, rather than extending into outlying rural land where servicing is constrained.	Council	Short Term
4	Support orderly and serviceable growth around key centres – with a particular focus on Dungog and Clarence Town in the short term and remaining centres in the medium to longer term.	Council	Ongoing
5	Promote flexibility within the R1 General Residential zone while clarifying locational criteria, minimum lot sizes, and height for higher density housing including multi-dwelling and attached housing, to ensure development aligns with local character, servicing capacity, and infrastructure planning.	Council	Short Term

Housing Policy Framework: Part B



Outcome 2: Genuine Housing Choice for Diverse Communities

Encouraging housing diversity in Dungog Shire is about ensuring that people at all stages of life, and with different needs and incomes, have access to a home that suits them. A mix of housing types supports choice and flexibility, allowing residents to find appropriate housing without needing to leave the area.

At present, the Shire's housing is dominated by detached dwellings, which limits options for older residents looking to downsize, young families entering the market, and workers seeking affordable homes close to jobs and services. This lack of diversity makes it harder for people to move through different life stages while remaining part of their local community.

Increasing the availability of smaller homes, dual occupancies, townhouses and accessible housing types can help people stay connected to community, support ageing in place, and provide more attainable entry points for new households. A more diverse housing mix also strengthens local schools, businesses and services by enabling a more balanced and sustainable population over time.



Image Source: Persona Communications

Strategy 2.1: Diversify low and medium density housing products

Dungog Shire's housing stock is overwhelmingly dominated by detached dwellings, with around 97% of homes falling into this category compared to 66% across NSW. This limited mix of housing means there are few options for people who need smaller, more affordable or more accessible housing, such as dual occupancies and secondary dwellings. As a result, older residents seeking to downsize, young families entering the market, and workers looking for modest rental options often struggle to find suitable homes locally.

Without greater housing diversity, the Shire risks losing younger residents and families to neighbouring areas where housing choice is broader. This affects the vitality of local schools, businesses and community networks. Providing a wider mix of housing is therefore essential to support a balanced population, maintain the character of towns and villages, and ensure Dungog Shire remains inclusive, resilient and economically strong.

Planned opportunities for low and medium density housing in well-serviced areas can enhance housing choice while respecting the rural and village character of the Shire.

Increasing opportunities for additional small dwellings on rural and village properties also supports intergenerational living, which is particularly important for agricultural communities. This can help farming families manage succession, retain younger generations on the land, and diversify income through rental arrangements, while still protecting productive rural land, landscape values and environmental outcomes.

Across Australia, households with three or more adult generations increased by 22% between 2016 and 2021, driven by both cultural preferences and economic circumstances. In Dungog Shire, larger town and rural lots mean families are well-placed to adapt or extend their homes to live together. At the same time, the Shire's ageing population requires more accessible, smaller homes that allow residents to remain local as their needs change. By enabling a broader range of downsizing and multi-generational housing options in appropriate locations, the Shire can support affordability, strengthen community connections, and maintain local identity.

Table 14 Key Planning Actions – Multi-Generational and Downsizing Options

Action No.	Action	Responsibility	Timeframe
6	When introducing R2 Low Density Residential zones, Council will provide exceptions to Minimum Lot Size controls to enable dual occupancies (detached and attached), supporting greater housing diversity and affordability.	Council	Short Term
7	Engage with landowners and the development industry to encourage delivery of small lot housing and integrated multi-generational solutions.	Council and Landowners	Ongoing
8	Council will introduce R3 Medium Density Residential zones in strategic locations, supported by clear site area and frontage requirements.	Council	Short Term
9	Explore LEP amendments to clarify the role of the R1 General Residential zone and avoid higher density development in areas not suited to it.	Council	Short Term
10	Use the DCP to set design and character guidelines to ensure new medium density housing integrates with the scale and charm of towns and villages.	Council	Short Term
11	Amend the LEP to enable flexible location of dual occupancies on rural land, allowing additional dwellings where compatible with the ongoing operational efficiency of agricultural land.	Council	Short Term
12	Through the Dungog and Clarence Town Structure Plans, Council will encourage sensitive infill development on vacant and underutilised government or privately-owned sites, including multi-dwelling housing and shop-top housing, in locations within a 10-minute walk of the railway station or town centre main street.	Council	Short Term

Strategy 2.2: Encourage Innovative Housing Models

Expanding housing choice in Dungog Shire is vital to ensuring that people of all ages, incomes and lifestyles can continue to live locally. With housing currently dominated by detached dwellings, there is a clear need for more innovative housing models.

These forms can provide affordable, low-maintenance and accessible housing close to services, while allowing older residents to downsize and younger families or workers to enter the market. Supporting a mix of housing types across towns and villages will help balance growth, maintain local character and strengthen social and economic resilience.

Encouraging flexible and innovative housing models will also be key to addressing changing community needs. Options such as co-housing, micro housing and modular housing can make living in Dungog Shire more attainable and sustainable over the long term. Partnerships with community housing providers, government agencies and First Nations organisations will ensure that new housing is inclusive, culturally appropriate and responsive to local needs.

By broadening the mix of housing and embedding good design principles, Dungog Shire can create vibrant, inclusive and adaptable communities where everyone has the opportunity to find a home that suits them.

Table 15 Key Planning Actions – Innovative Housing Models

Action No.	Action	Responsibility	Timeframe
13	Enable co-living in serviced centres. Continue to permit co-living as with-consent uses in the R1 General Residential zone in walkable 10-minute catchments of Dungog station and Grey Street, Clarence Town.	Council	Short Term
14	Parking and servicing settings that enable innovation. Adopt flexible minimum parking rates for small dwellings, co-living within walkable town-centre catchments, subject to on-street management and accessible design.	Council	Short Term
15	Enable co-living in future R2 and R3 zones. Permit co-living as a with-consent use in any future R2 Low Density Residential and R3 Medium Density zones with planning controls to ensure new development is well-integrated and positively contributes to the scale and character of the area.	Council	Short Term
16	Develop DCP controls and guidelines for micro housing and modular housing to provide good urban design and amenity outcomes.	Council	Short Term

Potential DCP Guidance – Connecting with Country



Country and Culture

Embed a country-centred approach in planning and development that respects, values, and enables Aboriginal people to lead in caring for Country, maintaining cultural connection, knowledge, stories, and practices. (Based on the NSW Connecting with Country Framework.)



Traditional Ecological Knowledge (TEK) Integration

Incorporate Traditional Ecological Knowledge into environmental assessments, land management, landscape design, and biodiversity conservation, enhancing ecological outcomes through cultural practices (e.g. cultural burning, native species selection, riparian restoration). (Weaving TEK into Conservation Assessments.)



Environmental Protection & Ecological Resilience

Ensure that development preserves and enhances ecosystem health, water systems, soil, tree canopy, native vegetation, and wildlife corridors, particularly as informed by Aboriginal custodial knowledge of the landscape. Healthy Country, Healthy Community concepts are drawn from the NSW Aboriginal Outcomes Strategy and Caring for Country Strategy.



Participatory Governance & Shared Decision-Making

Require early, meaningful engagement with relevant Aboriginal communities, Traditional Custodians, Local Aboriginal Land Councils, or other authority bodies in all stages of planning to ensure that cultural values, heritage, and knowledge are adequately represented and respected. (From Connecting with Country and the Aboriginal Land Management Framework.)



Place-based Design Responsive to Country

Ensure that design responses (layout, orientation, public space, landscape, and amenities) are guided by Aboriginal values of place, caring for water, landforms, vistas, soils, vegetation, seasonal cycles, and spiritual connections.

Strategy 2.3: Establish and Strengthen First Nations Consultation Pathways to Inform Housing Needs

Planning for housing should incorporate consultation pathways with Local Aboriginal Land Council's (**LALCs**) and community housing providers to ensure culturally appropriate housing design, location and tenure models are integrated into local planning.

Addressing the housing needs of First Nations peoples in Dungog Shire require culturally appropriate approaches that recognise connection to Country, community, and culture as central to wellbeing. Dungog Shire recognises that housing outcomes are strengthened when First Nations communities are central in making planning decisions as it enables for better housing design and delivery that reflects cultural values and living practices.

This draft Strategy encourages the establishment of consultation pathways with LALCs, Registered Aboriginal Parties, and Aboriginal community-controlled organisations, particularly community housing providers, to ensure that housing responses are inclusive and responsive to local aspirations.

This consultation will inform:



Culturally appropriate housing design, including space for extended family living and communal use.



Suitable locations that support access to Country, services, and community networks while avoiding cultural site impacts.



Tenure models that provide stability, affordability, and opportunity for Aboriginal community-controlled housing providers. This could include a variety of models that utilise community land trusts, long-term leases, etc

This draft Strategy seeks to assist in promoting housing equity, partnership with Traditional Custodians, and stronger recognition of Aboriginal heritage and future aspirations within Dungog Shire.



Suitable locations that support access to Country, services, and community networks while avoiding cultural site impacts.



Tenure models that provide stability, affordability, and opportunity for Aboriginal community-controlled housing providers. This could include a variety of models that utilise community land trusts, long-term leases, etc.

Table 16 Key Planning Actions – First Nations Housing Needs

Action No.	Action	Responsibility	Timeframe
17	Establish consultation pathways with Local Aboriginal Land Councils, Registered Aboriginal Parties, and Aboriginal controlled housing providers with the aim to explore the potential for in increasing community and social housing for Aboriginal people in Dungog Shire, including on land owned and managed by Local Aboriginal Land Councils.	Council and Stakeholders	Ongoing
18	Engage regularly with First Nations communities to understand housing gaps and needs within the Shire.	Council	Ongoing



Outcome 3: Improving Housing Affordability

Strategy 3.1: Increase the supply of affordable housing in Dungog Shire

Affordable housing is about ensuring that people on low to moderate incomes can find a secure home that does not place them under financial stress, generally meaning housing costs are no more than 30% of gross household income. It is distinct from standard market housing because it specifically targets very low, low, and moderate-income households, with eligibility set against regional income thresholds. Affordable housing may be delivered by government, registered community housing providers, or through innovative partnerships, and can take many forms including secondary dwellings, dual occupancies, and purpose-built developments.

The *Dungog Residential Market and Feasibility Analysis* (Atlas Economics, 2025) indicates affordability pressures in the Shire have intensified sharply in recent years. Since 2019, median house prices have risen by 67%, reaching around \$825,000 in 2025, while rents have climbed 45% since 2020. Rental vacancy rates are critically low, with Dungog township recording just 0.7% availability.

These conditions create acute stress for households who cannot compete in the private market, particularly low-income workers, young families, older residents seeking to downsize or age in place, and local key workers in health, education, and services. Compounding this, more than 96% of the housing stock is detached dwellings, meaning there is very limited supply of smaller, lower-cost housing types.

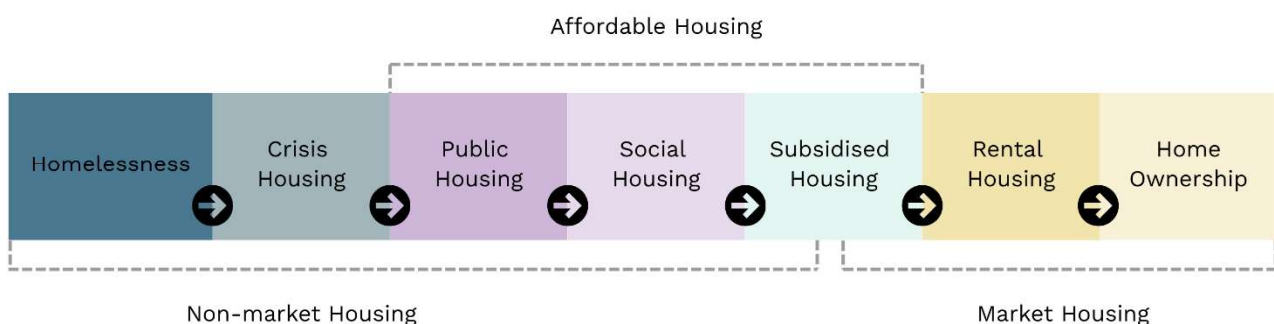


Figure 21 Affordable Housing Continuum

Looking ahead, the NSW Government has set a target of an additional 2,400 households in the Shire by 2041. Data has shown that over 60 per cent of households are projected to be couples without children or lone person households. Therefore, the demand for affordable and diverse housing types will increase substantially¹. Without targeted strategies, the shortage of affordable housing could worsen, limiting the Shire's ability to retain and attract the people needed to sustain its communities, economy, and services.

Addressing this challenge requires a twofold response: first, encouraging a greater mix of housing forms such as smaller homes, dual occupancies, secondary dwellings, and modest townhouses or villas; and second, fostering partnerships with community housing providers and government agencies. This approach will help ensure Dungog remains liveable, inclusive, and resilient, with housing available for people at every stage of life and income level.

Table 17 Actions to increase affordable/social housing

Action No.	Action	Responsibility	Timeframe
19	Engage proactively with registered Community Housing Providers, government agencies, and relevant stakeholders to facilitate and expand the delivery of CHP-managed affordable housing projects in Dungog Shire, including Council-owned land.	Council	Short Term
20	Amend the LEP to enable the permissibility of boarding houses and other forms of affordable housing where they are owned or managed by registered Community Housing Providers, particularly within the R2 Low Density Residential zone.	Council	Short Term
21	Collaborate with Homes NSW to ensure appropriate provision of social housing in the LGA to cater for future population needs. This may include identifying land for development, including potential land swap arrangements, and prioritising vulnerable populations such as single-parent families, older women, and others). Consider Council's role in land facilitation, planning processes and other incentives.	Council and Homes NSW	Ongoing

¹ NSW Department of Planning, Housing and Infrastructure (2022). *NSW 2022 Population, Household and Implied Dwelling Projections*



Outcome 4: Apply an Infrastructure First Approach to Housing Delivery

Strategy 4.1: Ensure the supply of diverse and well-serviced land and housing in appropriate locations across Dungog Shire

Council has a key role in guiding how and where housing supply progresses through the planning and delivery pipeline. In alignment with DPHI's UDP and the recommendations of the Regional Housing Taskforce, housing growth in Dungog Shire should be sequenced so that land moves through a clear, staged pipeline from investigation, to planning, to servicing readiness, and ultimately delivery. This ensures that new homes are delivered where they can be feasibly serviced, supported by infrastructure, and aligned with market capacity.

Consistent with the Hunter Regional Plan 2041, an infrastructure first and place-based approach should guide where additional housing capacity is released. Growth should be prioritised in areas where reticulated infrastructure already exists, or where upgrades are scoped and funded through forward planning. Aligning sequencing with the UDP ensures that government, utilities and developers have shared expectations around timing, feasibility and staging. Better serviced locations such as Dungog Strategic Centre and Clarence Town are best placed for more diverse housing typologies, including townhouses, multi dwelling housing, seniors housing and small lot homes. Focusing higher density forms in these centres supports efficient infrastructure use, local services, walkability and activation of town centres.

Unserviced or partially serviced villages such as Martins Creek, Gresford/East Gresford, Paterson and Vacy are more suited to incremental and lower intensity housing, reflecting current infrastructure constraints, on site servicing requirements and village character. In these areas, larger lots and lower scale-built form remain the most appropriate model unless future water and sewer servicing is planned and funded. An infrastructure first sequencing framework will:



Identify where upgrades to water, sewer, transport and community facilities are required to enable future stages of housing supply.



Guide when land moves through the UDP pipeline from investigation to servicing alignment to delivery.



Ensure that new housing does not outpace infrastructure capacity, maintaining service reliability and protecting environmental values.



Planning and delivery will be supported through contributions plans, voluntary planning agreements and development conditions to ensure infrastructure and public domain improvements keep pace with growth and costs are equitably shared.

New greenfield release areas or expansion of settlement edges will only be supported where servicing can be provided efficiently and sustainably and where growth does not compromise the rural landscapes, village identity and environmental qualities of the Shire.

Table 18 Actions to ensure housing is supported by infrastructure

Action No.	Action	Responsibility	Timeframe
22	Landowners must undertake master planning for larger scale greenfield development to ensure orderly staging and coordinated infrastructure delivery. A masterplan will generally be required for developments seeking rezone 50 or more lots, or where multiple ownerships need to coordinate servicing and access arrangements. The specific requirement will be determined in consultation with Council officers at the pre-lodgement stage of any future planning proposals.	Landowners	Ongoing
23	Advocate for the NSW Government to address the timely funding and delivery of necessary infrastructure to support residential growth.	Council and State Agencies	Ongoing
24	Council will work with State agencies and utilities to prepare infrastructure servicing strategies that align with the timing of new housing.	Council and State Agencies	Ongoing
25	Council will assess planning proposals against the growth area principles established in this draft Strategy to ensure that future housing is delivered in sensible locations that can handle growth.	Council	Ongoing
26	Council will investigate planning mechanisms, including developer contributions frameworks, to ensure that infrastructure costs are shared fairly and sustainably.	Council	Short Term
27	Council will establish a housing and land monitor to track the release of land, infill uptake, and housing delivery rates across the Shire, ensuring housing supply keeps pace with demand.	Council	Short Term



Infill development

Focused on growth within existing towns and villages by making better use of zoned land, upzoning land where appropriate, and reviewing minimum lot size provisions to enable diverse housing while maintaining local character.

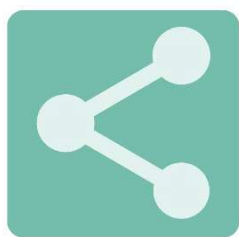


Greenfield development

Supported only where new release areas can be efficiently serviced with infrastructure, modest in scale, and consistent with protecting rural and village character.

PRINCIPLE	DESCRIPTION
Greenfield development is connected to existing town centre and village main streets	• The pattern of urban development prioritises accessibility to jobs and services while supporting active transport and maximising infrastructure use. • Limit cul-de-sac roads, with the majority of roads being through roads. • Provide for an effective and efficient road hierarchy and network that addresses connectivity, functionality, safety and serviceability.
Greenfield development is shaped by landscape and biodiversity values	• Development takes a landscape-oriented approach responding to the natural and rural landscape characteristics of the site • Promote enterprises, housing and other uses that complement the biodiversity, scenic and water quality outcomes of biodiversity corridors. Particularly, where they can help safeguard and care for natural areas on privately owned land. • Development facilitates the retention or enhancement of significant waterway and habitat corridors and other areas of environmental significance. • Existing mature trees are retained in public open spaces, including street verges. • Siting and design of development minimises or mitigates impacts on natural site attributes including habitat, natural drainage lines and topography. • Street widths and verge widths allow for street trees and allow for vehicles to be parked on the street and not across the verge to retain streetscape amenity.
Provide diversity in lot sizes and dwelling types	• Provide a mix of lot sizes in the subdivision layout. • Reduce lot sizes in proximity to community facility, recreation area or commercial premises.
Develop vibrant and liveable neighbourhoods that preserve heritage and special character	• Any heritage items on the site or in the vicinity are considered with no adverse impacts on the items or their culture. • Development makes provision for local services and social infrastructure, including public open space and recreational facilities, schools and child care facilities.

Figure 22 Planning Principles for Incremental or Moderate Areas



Outcome 5: Promoting Connected and Accessible Neighbourhoods

Strategy 5.1: Encouraging Seniors Housing and Residential Care Facilities in Well-Located Areas

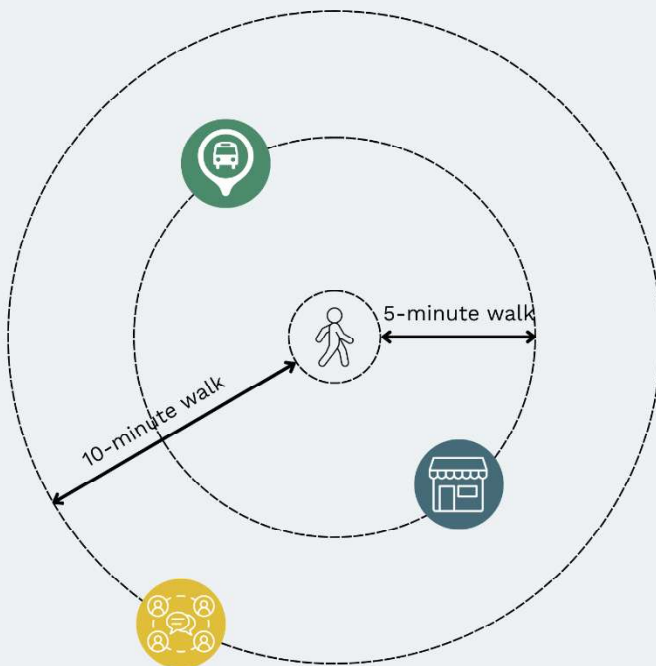
As the population continues to age, demand for seniors housing and residential aged care facilities in Dungog Shire will grow significantly. Many older residents want to remain in their community close to family, friends, and familiar places, but the limited supply of appropriate seniors housing and residential aged care facilities makes this difficult. If these options are not available, people may be forced to move away to access the care they need, reducing social connections and putting pressure on families.

Well-located and well-designed seniors housing and residential aged care facilities will allow residents to age in place with dignity while staying connected to their community. Locating these facilities near town centres, services, and public transport is critical for accessibility, quality of life, and ongoing participation in local life. Planning for seniors housing and residential aged care now will ensure the Shire is ready to meet this growing need.

Table 19 Key Planning Actions - Seniors Housing and Residential Aged Care

Action No.	Action	Responsibility	Timeframe
28	Apply clear locational and servicing criteria for seniors housing and residential care facilities when assessing rezonings, to ensure they are directed to well-served, accessible areas.	Council and Landowners	Ongoing
29	Refine DCP provisions to require high-quality design outcomes, accessibility, and integration with town centres and community facilities.	Council	Short Term
30	Identify government-owned and not-for-profit land with potential for seniors housing and residential care and prioritise rezoning or facilitation of these sites to increase supply in accessible locations, coordinated with infrastructure provision.	Council	Medium Term
31	Work with health and aged care providers to identify suitable sites and coordinate infrastructure provision.	Council and Stakeholders	Ongoing

Locational Criteria



A 5-minute walk (400m) of bus stops with frequent services to local centre or health services facilities.



A 5-minute walk (400m) of a town or neighbourhood centre zoned E1 Local Centre or MU1 Mixed Use zone.



A 10-minute walk (800m) of local centres.

Service Criteria



Water & Sewer

Connection to reticulated water and sewer.



Recreation Facilities

Recreation facilities adequate for the number of proposed residents.



Community Facilities

Community facilities that promote gathering and social connections.



Bus Services

Access to bus services providing frequent trips to local centres and shops.

Figure 23 Locational and Servicing Criteria for Residential Aged Care Facilities

Universal Design Guidelines

Objectives

- To promote accessible, adaptable, and inclusive housing that meets the needs of people of all ages and abilities.
- To implement the principles of Universal Design and the Liveable Housing Design Guidelines (LHA, Silver or Gold Level) into all new residential development.
- To improve housing diversity and support ageing in place, family life-cycle needs, and people with disability.
- To ensure residential development in the R1 General Residential, R2 Low Density Residential, and R3 Medium Density Residential zones contributes to equitable, healthy, and resilient communities.

General Controls

- All new residential development in the R1, R2 and R3 zones must demonstrate compliance with the Liveable Housing Design Guidelines (LHA, 2022 update) to at least Silver Level, with a preference for Gold Level where feasible.
- A Universal Design Compliance Report must be submitted with the Development Application, outlining how the development achieves relevant standards.

Specific Requirements

01



Entry and Access

- At least one step-free and accessible pedestrian entry to each dwelling from the street frontage or parking area.
- Minimum clear door opening width: 820mm.

02



Internal Circulation

- A continuous, step-free path of travel must be provided from the entry to the main living area, kitchen, and at least one bathroom.
- Corridors must have a minimum clear width of 1000mm.

03



Bathrooms

- At least one bathroom at entry level must be designed for future accessibility modification (i.e. step-free shower, reinforced walls for grab rails, circulation space).

04



Parking (for multi-unit housing only)

- A minimum of 1 accessible parking space per development must be provided, located close to a step-free entry.
- Car parking dimensions and circulation must comply with AS2890.6 (Accessible Parking).

05



Dwelling Mix (R3 Medium Density)

- For developments of 10 or more dwellings, a minimum of 20% of dwellings must achieve Gold Level Liveable Housing Design compliance.

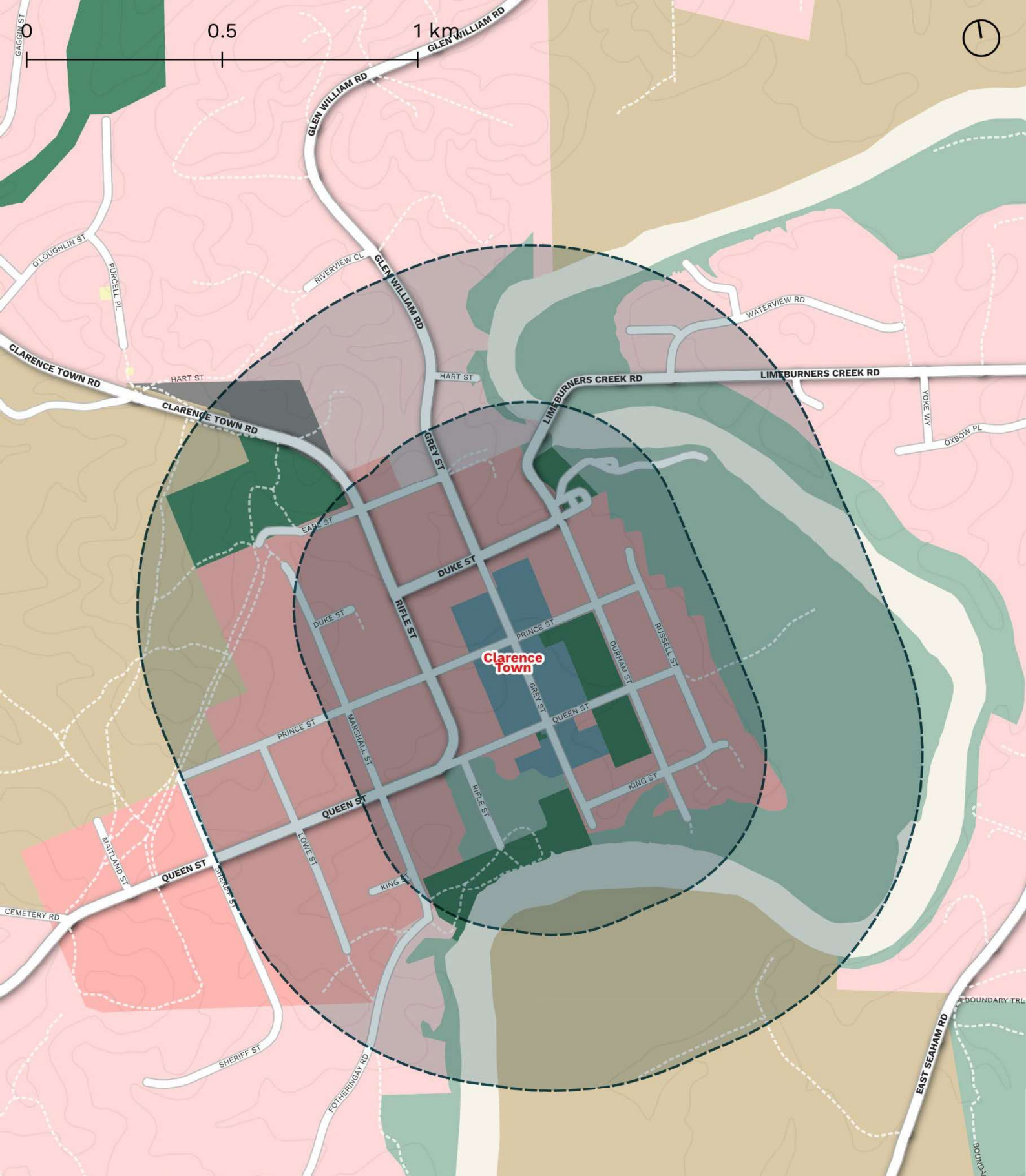


Figure 24 Clarence Town – Walking distance to centres and health service facilities

Legend

— Main Roads

— Minor Roads

5-/10-minute walking distance to E1/MU1 centres or health service facilities

Business/Mixed-Use

Large Lot Residential

Low Density Residential Land

Industrial

Conservation

Recreation

Rural

Infrastructure

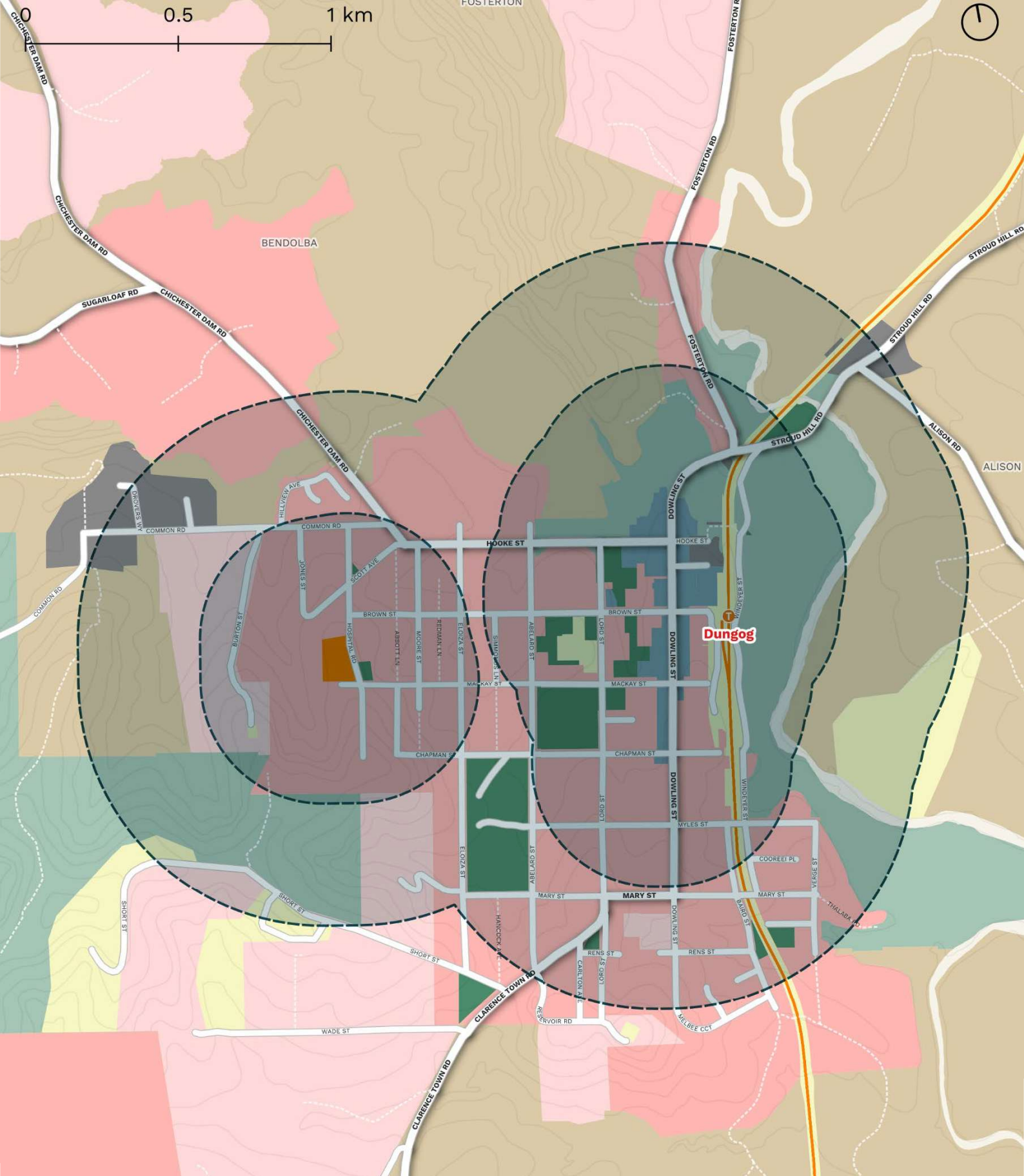


Figure 27 Dungog Strategic Centre – Walking distance to centres and health service facilities

Legend

- | | | | |
|---------------|------------------------------|----------------|--|
| Train Station | Business/Mixed-Use | Conservation | Hospital |
| Train Line | Large Lot Residential | Recreation | 5-/10-minute walking distance to E1/MU1 centres or health service facilities |
| Main Roads | Low Density Residential Land | Rural | |
| Minor Roads | Industrial | Infrastructure | |

Strategy 5.2: Activation of Town and Village Centres

Like many rural and regional areas across NSW, smaller village centres in Dungog Shire are feeling the impacts of change. Online shopping has drawn people away from main streets, and many shops are now sitting vacant or need expensive upgrades. Giving village centres more flexibility, by expanding the range of land uses and making it easier for premises to change use, can help bring these spaces back to life, support local businesses, and keep our centres relevant.

The COVID-19 pandemic showed just how important it is for village centres to adapt. People use them differently now, and having flexible planning rules can make it easier to attract investment, encourage new businesses, and support the local economy.

Main streets are not just places to shop, they are also central meeting points that define the character of our villages. That is why it is so important to protect existing retail strips in places like Dungog, Clarence Town, Gresford and Paterson. Once retail space is lost to other uses, it is very hard to bring it back. Villages such as Gresford, Vacy, Martins Creek and Paterson are well placed to modernise and build on their strengths, from their rural hinterlands to local manufacturing and tourism opportunities.

By combining smart planning with investment, they can enhance their village centres, address shortages of retail space, and create vibrant, resilient communities that respect their heritage while embracing new opportunities.



Image Source: Persona Communications



Outcome 6: Creating Great Places and Quality Housing

Encouraging high quality housing outcomes in Dungog Shire is about creating homes that not only look and feel right for their setting but also work well for the people who live in them. Good design means houses that are comfortable, functional, and in keeping with the character of the Shire's towns and villages, while also making the most of natural light, ventilation, and orientation. By supporting housing that is well-designed and thoughtfully located, the Shire can ensure growth adds to, rather than detracts from, the quality and liveability of its communities.

At the same time, enabling housing designs that reduce ongoing operating costs is a key priority. Energy-efficient design, water-sensitive features, and climate-responsive building practices can significantly cut household bills, making homes more affordable to live in over the long term. This is especially important for lower-income households, who are often most affected by rising energy and living costs. By encouraging housing that is both high quality and cost-effective to run, Dungog Shire can deliver places that are more sustainable, resilient, and supportive of community wellbeing.



Image Source: The Rural Building Co

Strategy 6.1: Encouraging High Quality Housing Outcomes

High quality housing design is central to enhancing amenity, liveability, wellbeing, sustainability, and resilience across Dungog Shire. The way homes are planned, designed, and built directly shapes everyday life, from comfort and functionality to opportunities for social connection, and underpins the long-term value and character of neighbourhoods.

For Dungog Shire, design quality is especially important in maintaining the Shire's distinct rural and village character and identity. New development should be functional, attractive, and respectful of heritage and neighbourhood character so that growth strengthens rather than erodes the qualities people value.

Built form, including the scale and height of new development, is also critical to ensuring housing enhances neighbourhood character and remains compatible with the Shire's rural and village identity.

Quality also means responding sensitively to the environment by using materials and forms that reflect local character, incorporating landscaping that contributes to leafy, green streetscapes, and embracing environmentally sustainable design.

Features such as good orientation, natural ventilation, energy efficiency, and water sensitive design can lower ongoing operating costs for households while also supporting broader climate and sustainability goals.

Embedding design quality as a core pillar of the draft Strategy ensures new homes make a lasting and positive contribution to community life. By celebrating local identity, integrating sustainability, and supporting affordability through reduced living costs, Dungog Shire can deliver housing that is not only fit for today but also adaptable and resilient for future generations.

Strategy 6.2: Enabling Housing Designs to Reduce Ongoing Operating Costs

Housing affordability is about more than the cost of buying or renting a home. It also includes the ongoing costs of running it. Energy for heating, cooling, lighting, and appliances can place significant pressure on household budgets, particularly for lower income residents.

By reducing these operating costs, housing becomes more affordable and households more resilient. Environmentally sustainable design is one of the most effective ways to achieve this. Measures such as improving thermal performance, enhancing energy efficiency, and maximising natural light and ventilation reduce bills while improving comfort.

In NSW, BASIX already sets mandatory standards for energy and water use, but further benefits can be achieved through design choices such as orientation, shading, room layout, and cross ventilation. These approaches not only save households money but also contribute to broader goals of reducing greenhouse gas emissions and supporting climate resilience.

Strategy 6.3: Protect and celebrate Dungog Shire's heritage

Dungog Shire's rich Aboriginal, colonial, and rural heritage is central to the identity and liveability of its towns and villages. The record of built and natural heritage, shaped over thousands of years, continues to influence the Shire's unique character and appeal as a place to live, work, and visit.

The historic fabric of Dungog Shire and its villages emerged from agricultural expansion and rural industry, with Dungog township formally surveyed in 1838. Today, the Shire contains 152 listed local and State heritage items, three archaeological sites, and five conservation areas that capture the evolution of its settlements. These include farm homesteads, civic buildings, post offices, railway stations, and industrial sites, which provide insight into the Shire's past and underpin its sense of place.

Conservation areas in Dungog, Clarence Town, Paterson, and Gresford each contribute distinctive layers of architectural, social, and economic history. Victorian, Federation, and Interwar buildings remain prominent, with features such as ornate brickwork, verandahs, and traditional shopfronts reinforcing local character. As Dungog Shire plans for future growth, heritage management must adapt to balance protection with contemporary needs. Sensitive infill in heritage areas can help meet housing demand while ensuring historic streetscapes continue to enrich the Shire's environment.

Recent reviews have highlighted the importance of updating heritage studies to better classify contributory, neutral, or detracting buildings. Updates to the Development Control Plan (**DCP**) are also needed to establish clear, reader-friendly objectives, design guidance, and best practice criteria. These changes will support stronger heritage outcomes while providing certainty for applicants, Council planners, and the community.



Strategy 6.4: Housing that meets First Nations needs

Planning for future housing should be informed by consultation pathways with Local Aboriginal Land Councils (**LALCs**) and community housing providers to ensure culturally appropriate housing design, location, and tenure models are integrated into local planning.

Addressing the housing needs of First Nations peoples in Dungog Shire requires culturally appropriate approaches that recognise connection to Country, community, and culture as central to wellbeing. Dungog Shire recognises that housing outcomes are strengthened when First Nations communities are central in making planning decisions as it enables for better housing design and delivery that reflects cultural values and living practices.

The draft Strategy seeks to assist in promoting housing equity, partnership with Traditional Custodians, and stronger recognition of Aboriginal heritage and future aspirations within Dungog Shire.

The draft Strategy encourages the establishment of consultation pathways with LALCs, Registered Aboriginal Parties, and Aboriginal community-controlled organisations, particularly community housing providers, to ensure that housing responses are inclusive and responsive to local aspirations.

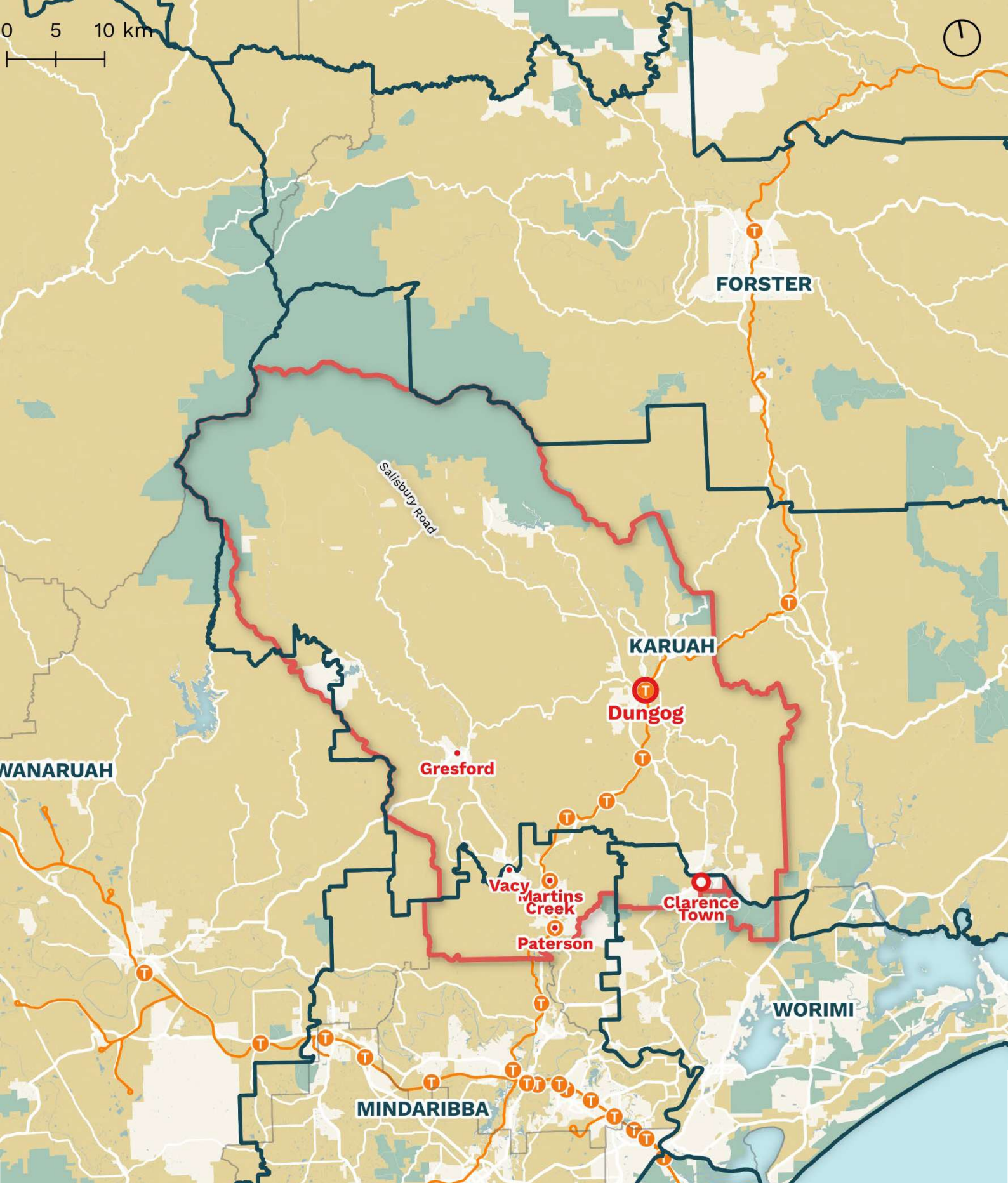


Figure 29 Local Aboriginal Land Council boundaries



Table 20 Key Actions – Creating Great Places and Quality Housing

Action No.	Action	Responsibility	Timeframe
32	Council will explore opportunities to strengthen its DCP provisions to promote passive design features such as orientation, ventilation, and shading.	Council	Long Term
33	Council will undertake an updated heritage study across the Shire to classify buildings and guide future development, subject to available funding and resourcing.	Council	Long Term
34	Council will encourage sensitive infill development that balances heritage conservation with housing diversity and renewal opportunities.	Council	Ongoing



Image Source: Visit NSW

Implementations, Monitoring and Review

Implementation and Delivery

The actions within this draft Strategy will be implemented (pending budget and resourcing availability) in accordance with the Implementation Plan that supports Dungog Shire Housing and Infrastructure Master Plan.



Stakeholders

Internal and external stakeholders will assist in the delivery of the needed housing and associated infrastructure, including:



Planning instrument

The implementation of the Local Housing Strategy will require future amendments to Dungog Shire's planning framework to give effect to the housing vision and neighbourhood character. Both the Local Environmental Plan (LEP) and Development Control Plan (DCP) will be reviewed and updated as appropriate to guide built form, design quality, and integration with neighbourhood character.

Most rezonings will continue to be progressed through landowner-led planning proposals, with precinct-wide rezonings only pursued where external grant funding is available. Any such rezonings will need to be supported by infrastructure servicing strategies to demonstrate that essential services can be delivered in a timely and cost-effective manner.

In parallel, Council's contributions plans will require updating to ensure local infrastructure is adequately funded and aligned with growth. Ongoing consultation with State Government agencies will also be essential to secure investment in state-funded infrastructure and to coordinate delivery with local planning outcomes.

Monitoring and Review

We will monitor this Housing Strategy annually and use it to inform future reviews. It will be reviewed, exhibited and re-adopted every five years to ensure that housing supply meets the needs, budgets and lifestyles of residents.

Addendum Process for Additional Housing Opportunity Sites

The Dungog Local Housing Strategy establishes a long-term framework to guide where and how housing growth will occur across the Shire. While the Strategy identifies preferred locations for new housing, it is recognised that additional opportunities may emerge over time. Council will review the Strategy every approximately five years, subject to available funding and resources. This enables Council to revisit the collective vision for housing and land use across the Shire in line with infrastructure capacity and population changes.

In the period between formal reviews, an Addendum Process may be used to consider additional housing opportunities that were not identified in this Strategy. The addendum can be assessed and adopted as part of the Dungog Local Housing Strategy, subject to meeting the Strategic and Site-Specific Merit Criteria outlined below.

The purpose of this process is to allow new sites to be added to the Strategy as an appendix without requiring a full update of the document. This ensures flexibility for Council to respond to emerging housing opportunities while maintaining consistency with the overall strategic intent, growth framework and infrastructure-first approach of the Strategy.

Note this list is not exhaustive, and proposals will be subject to the requirements of the NSW Department of Planning, Housing and Infrastructure's Local Environmental Plan Making Guideline, including consistency with state, regional and local strategic plans, SEPPs, and Ministerial Directions.

Council may incorporate additional opportunity sites for housing within the Local Housing Strategy boundary through this addendum process. All sites must align with the strategic vision, infrastructure capacity, and environmental sensitivities of the Shire. Any out-of-sequence housing proposals must demonstrate both strategic and site-specific merit before being considered for inclusion.

It must be demonstrated that the proposal has both strategic and site-specific merit.

Strategic Merit Criteria

Strategic merit means a proposal has alignment with the NSW strategic planning framework and government priority. It must:

- Give effect to the relevant regional plan outside of the Greater Sydney Region, the relevant district plan within the Greater Sydney Region, and/or corridor/precinct plans applying to the site. This includes any draft regional, district or corridor/precinct plans released for public comment or a place strategy for a strategic precinct including any draft place strategy; or
- Demonstrate consistency with the relevant LSPS or strategy that has been endorsed by the Department or required as part of a regional or district plan; or
- Respond to a change in circumstances that has not been recognised by the existing planning framework.

Factors that lead to responding to a change in circumstances may include, but not exclusively relate to:

- Key infrastructure investment or opportunity to plan for future infrastructure unanticipated by the existing strategic planning framework
- Response to key Government priorities – Premier’s Priorities, climate change, or a shift in government policy (e.g. NSW Government’s Net Zero Plan)
- Changes to population and demographic trends and associated needs such as housing or jobs

Site-Specific Merit Criteria

Additional opportunity sites may be supported where the proposal demonstrates site-specific merit, having regard to:

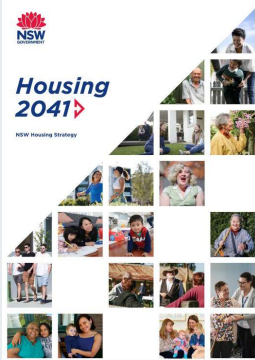
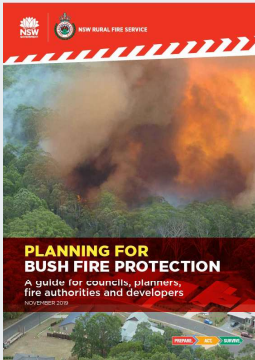
- The natural environment on the site to which the proposal relates and other affected land (including known significant environmental areas, resources or hazards)
- The built environment, social and economic conditions
- Existing, approved and likely future uses of land in the vicinity of the land to which the proposal relates; and/or
- Services and infrastructure that are or will be available to meet the demands arising from the proposal and any proposed financial arrangements for infrastructure provision.

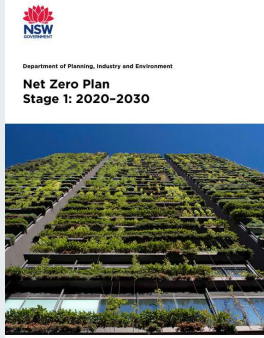
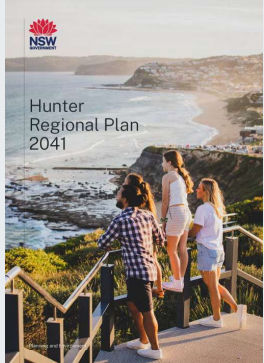
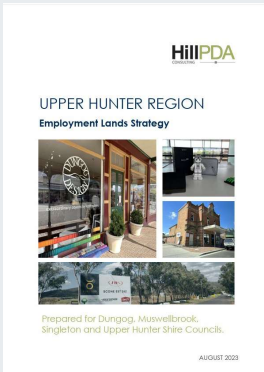
Appendices

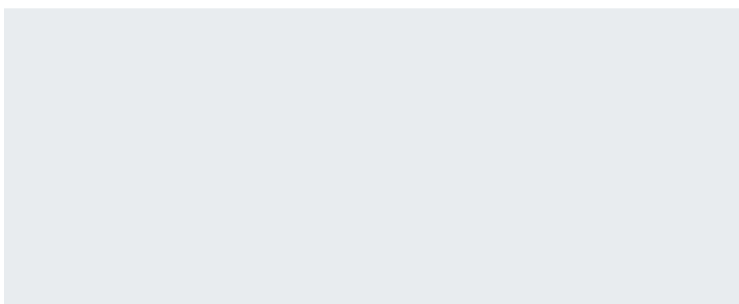
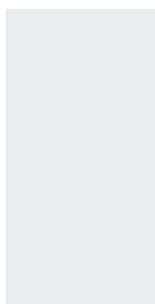
Appendix 1: Strategic Context

The following strategic policies will inform the outcomes of this draft Local Housing Strategy.

Table 21 Strategic context

Strategic Policy	Level	Description
Housing 2041 Strategy 	State	A long-term state government housing strategy aimed at delivering well-located, diverse, and resilient housing across NSW. It supports planning system reform to accelerate housing supply, improve affordability, and ensure housing choice for changing demographics. The strategy prioritises place-based planning, with a focus on enabling dual occupancies, secondary dwellings, build-to-rent models, and seniors housing in areas with existing infrastructure.
NSW Floodplain Development Manual (2023) 	State	This updated Manual provides detailed policy and technical guidance on development in flood-prone areas. It promotes risk-based land use planning, flood hazard mapping, and the integration of water-sensitive urban design (WSUD). It informs both LEP zoning and DCP design controls in Dungog Shire, particularly in areas adjacent to the Williams River. More Importantly, the Manual reinforces the fundamental principle of ensuring that development does not increase the risk to life, property, or community resilience. It emphasises that new development should avoid locating people or critical infrastructure within flood-prone area or areas that may become isolated during high-hazard flooding events. Planning and land use decisions should therefore prioritise safety, emergency access, and evacuation routes, ensuring that future growth occurs in areas with manageable flood risk and appropriate mitigation measures.
Planning for Bushfire Protection (2019) 	State	A mandatory planning document that guides land use decisions in bushfire-prone areas across NSW. It details requirements for asset protection zones (APZ), evacuation routes, landscaping, and construction materials. For Dungog, which has areas of bushfire-prone land around the township's periphery, this document provides zoning and design controls for edge development and future subdivision layouts, particularly for R5 or E4-zoned lands.
NSW Net Zero Plan / Climate Policy	State	These strategies set out the NSW Government's roadmap to achieving net-zero emissions by 2050. They encourage local planning provisions that reduce carbon emissions, promote renewable energy integration, and support urban cooling

 NSW Department of Planning, Industry and Environment Net Zero Plan Stage 1: 2020-2030		through vegetation and design. In Dungog, these policies support WSUD, green corridors, electric vehicle infrastructure, and provisions for energy-efficient dwellings and community buildings.
 NSW Hunter Regional Plan 2041	Regional	The key regional framework guiding land use and infrastructure investment across the Hunter region. It designates Dungog as a Strategic Centre and sets population, housing, and employment targets aligned with infrastructure servicing. It also calls for the protection of landscape and biodiversity values, promotion of local economic activity, and investment in rail-connected regional hubs directly shaping Dungog's growth vision. It sets a minimum 2,400 dwelling target across Dungog Shire to 2041.
 Hunter Strategic Regional Integrated Transport Plan Hunter Strategic Regional Integrated Transport Plan	Regional	This plan aligns with the Hunter Regional Plan and sets out a 20-year vision for transport services and infrastructure. It identifies Dungog as a key rail-connected town and highlights the need for enhanced pedestrian access, first-last mile connections, and improved inter-town movement. The plan supports increased accessibility around Dungog Station, upgraded walking/cycling networks, and better integration of housing and transport planning. The plan also supports the introduction of bus services between Dungog, Clarence Town and Raymond Terrace.
 HillPD UPPER HUNTER REGION Employment Lands Strategy Prepared for Dungog, Muswellbrook, Singleton and Upper Hunter Shire Councils. AUGUST 2023	Regional	A regional economic and industrial land use strategy that guides where employment zones should be retained, expanded or transitioned. For Dungog, it supports the protection of local employment lands, exploration of light industrial or creative industry precincts, and targeted investment in health and education-related employment nodes.
Community Strategic Plan 2025-2035	Local	Developed with extensive community engagement, this long-term community vision focuses on liveability, resilience, accessibility, and natural asset protection. It reflects aspirations for vibrant towns, healthy communities, improved digital and transport connectivity, and environmental stewardship.



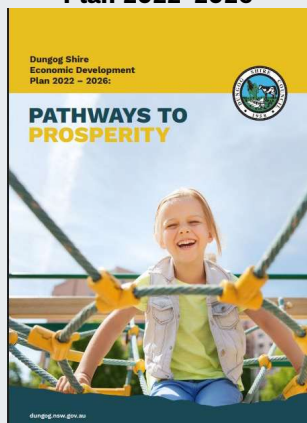
Delivery Program 2025-2029 and Operational Plan 2025- 2026



Local

These short- to medium-term plans set Council's priority projects, capital works programs, and service delivery schedule. They allocate budget and resources to actions identified in the Community Strategic Plan and LSPS.

Dungog Economic Development Plan 2022-2026



Local

The Plan sets out strategies to strengthen the Shire's economy through support for small business, agriculture, tourism, creative industries, and education. In Dungog, it supports the revitalisation of the town centre, expansion of visitor services, and reuse of underutilised assets for light industrial and cultural uses. It also identifies the potential for new employment land zoning and innovation spaces.

Dungog Open Space and Recreation Plan (2022)



Local

Provides a Shire-wide framework for planning, managing, and investing in parks, sporting facilities, trails, and passive open spaces. It outlines the open space hierarchy, accessibility standards, embellishment priorities, and future parkland needs. In Dungog, it identifies opportunities for riverfront activation, town centre greening, and improvements to multi-use recreation areas. It also includes cycling routes within the towns and villages to encourage active transport.

Appendix 2: Population Profile

Dungog Shire is seeing a steady but modest increase in population, thanks to its appealing rural lifestyle, beautiful natural surroundings, and convenient location near the Upper Hunter and Greater Newcastle. While it's long been known for its strong farming roots and tight-knit community, the Shire is gradually evolving to meet the needs of a changing population and shifting housing demands.

The population here tends to be older, with a median age of 46 in 2021 (ABS Census 2021) - and that number is expected to keep climbing, especially in the 65-and-over age group between now and 2066 (Transport for NSW's Travel Zone Projections 2024). Culturally, the community is fairly consistent, with most people speaking English at home and identifying with Australian or English ancestry.

People in the Shire also tend to stay put - many residents have lived in the area for more than five years, which adds to the strong sense of local connection and community stability.

This Strategy provides a snapshot of the key population and demographic trends in the Shire directly from the ABS Census 2021 dataset, along with comparisons to the broader Hunter Region where appropriate

Table 22 Population summary (ABS Census 2021)

Category	Key Findings
Population 	- At the 2021 Census, the population of the Shire was 9,532, an increase of 9% over five years since 2016. According to Profile ID Community, the population of the Shire in 2024 was 9,905, an increase of 1.4% since 2023. - The population is projected to grow by 47% to 14,141 in 2066 (Transport for NSW's Travel Zone Projections 2024). Most of the population is concentrated in the townships of Dungog, Gresford and Clarence Town. - The gender ratio is generally balanced, with an equal split between males and females.
Age Distribution 	- The median age of the Shire was 46 years old at the 2021 Census, which is older than the median age of Hunter Region being 40 years old. - The Shire's working age population (15-64 years) was 59.5% in 2021, which is just over half of the total population. - Within the working age population, 20-24 years and 25-29 years made up the smallest age groups within the Shire, both at 4.1%. Contrarily, people aged 60-64 years is double that, at 8.1% of the Shire's' working age population. - Within the Shire, the townships of Dungog (52 years old) and Vacy (42 years old) are generally the oldest. Clarence Town (39 years old) and Gresford (38 years old) had a younger median age. - The Shire is projected to see a substantial rise in the population aged 65 and over, potentially doubling from approximately 2,600 in 2021 to over 5,500 in 2066. This means that residential care and senior housing facilities will become increasingly important for the Shire.
Cultural and Linguistic Diversity 	- Most of the Shire's population are born in Australia (89%), with the next common birthplace being England (2.2%). - Australian and English are the top ancestries in the Shire, being 48.4% and 44.7% respectively. There are also prominent Irish (11.6%) and Scottish (10.5%) ancestries in the Shire. - English is the most common language spoken at home in the Shire (94.6%).
Aboriginal and Torres Strait Islander Peoples 	- The Aboriginal and/or Torres Strait Island population within the Shire accounts for 7.2%, which is more than double of NSW (3.4%). - Within the townships, Dungog has the highest proportion of Aboriginal and/or Torres Strait Island peoples (9.9%), followed by Clarence Town (8.7%). Paterson has the lowest proportion of Aboriginal and/or Torres Strait Island peoples, at 2.9%.

Category	Key Findings
Migration 	• More than half of the Shire's population (58.4%) has lived at the same address for at least 5 years prior to 2021. This suggests that most of the population are generally long-settled communities within the Shire. • More than half of the townships have lived in the same address for at least 5 years (as at 2021). This is especially prominent for the townships of Vacy (68.4%) and Dungog (61.5%), suggesting higher proportions of settled communities.
Health and Wellbeing 	• 5.8% of the Shire had a need for assistance, which is slightly lower compared to the Hunter Region (7.1%). • The proportion of people with a need for assistance in the Dungog township is almost double that of the Shire (10.5%). On the contrary, no one in the Vacy township has a need for assistance. This correlates to the older population in the Dungog township, which health conditions such as disability increases with age and likely to trigger need for assistance². • Almost 22% of the Shire has at least one long-term health condition, with the Vacy township (25%) with the highest proportion of people with at least one long-term health condition. • While no one in Vacy reported a need for assistance with core activities, this does not necessarily mean that no one in the Vacy community experiences difficulties with health. As the data is self-reported to the ABS Census, this could simply mean that the residents of Vacy do not consider their conditions severe enough to require formal assistance, or they receive informal support from family, friends or neighbours. • The five most common long-term health conditions within the Shire are arthritis, mental health, asthma, diabetes and heart disease. The incidence of long-term health conditions increases with age and this correlates to the slightly older population of the Shire.

² Australian Institute of Health and Welfare. (2024). Older Australians.

Appendix 3: Housing Profile

Looking ahead, Dungog Shire is expected to grow steadily, with the Hunter Regional Plan 2041 identifying the need for at least 2,400 additional homes by 2041. This signals a shift for the Shire, which has traditionally seen modest growth. As more people are drawn to the area for its lifestyle appeal, affordability, and regional connections, planning for a broader mix of housing will become increasingly important.

Currently, most homes in Dungog are low-density, detached houses that are owner-occupied, which reflects the rural setting and strong community ties.

However, there's a clear shortage of rental properties and diverse housing types, particularly for older residents looking to downsize, younger people entering the housing market, and essential workers.

The future housing profile will need to introduce a more balanced mix of housing, including smaller homes, duplexes, and accessible dwellings, while still respecting the area's rural charm and community values.

Table 23 Housing Profile (ABS Census 2021)

Indicator	Information
Existing Housing Stock 	- Key housing markets within the Shire are in the main townships of Dungog, Clarence Town and Vacy. - There were 4,224 dwellings recorded in the Shire in 2021. - Over the past decade, around 360 new dwellings were developed over 2011-2021.
Dwelling Typologies 	- Across the Shire, the most common dwelling typology are single-storey separate houses on large villa-style lots, constituting 96% of total dwellings (ABS Census, 2021). - Over half of the total dwellings the Shire are 3-bedroom dwellings (52%), followed by 4-bedroom dwellings (26%). 1-bedroom dwellings make up the smallest proportion of dwelling typologies in the Shire (3%). This reflects the historic demand for large villa-style lots largely established in the mid-1800s.
Household Composition 	- The average household size in Dungog LGA is 2.4 persons, consistent with broader regional trends. - There are similar proportions of couple-only and couples with children, with couple-only families being slightly higher (39% compared to 35%). This reflects a growing share of lone-person and couple-only households, especially in ageing townships like Gresford and Vacy where retired couples live by themselves after their children move out of town.
Household Tenure and Ownership 	- Owning outright is the most common form of tenure in the Shire (37%), followed by owning with a mortgage (33%). This is similarly observed within the townships (ABS Census, 2021). - Owner-occupied dwellings are the highest in the township of Vacy, with half of the dwellings being owned outright and 23% owned with a mortgage. - The most common owner-occupier buyers in the Shire includes: young and growing families, downsizers and retired couples, and first home buyers (ABS Census, 2021). - Less than half of the total dwellings in the Shire are rented (13.5%), which is also half of the rental dwellings observed in the Hunter Region (24%). - In May 2025, the Dungog township's rental market recorded its lowest vacancy rate of 0.7%, compared to that of Clarence Town (2%) and Vacy (2.5%). This suggests an increased demand for rental properties in Dungog township. - The LGA has a very low level of social housing, with approximately 19 dwellings managed by a State or Territory housing authority and 7 dwellings by community housing providers (ABS Census, 2021), all of which are located in Dungog and the neighbouring suburb of Bendolba.

Note: As census data is subject to minor randomisation for privacy, figures may not be exact. Reported numbers can also be lower where respondents omit or incorrectly answer questions.

Appendix 4: Typologies

The lot sizes, typologies, and associated zoning categories outlined in the table below were used to test and inform assumptions regarding potential future housing growth areas. These typologies provide a framework for assessing development capacity, land use distribution, and indicative parameters to guide strategic planning and scenario testing.

Table 24 Land use typologies showing minimum lot sizes, building heights, and zoning classifications

Type	Typology Name	Min. Lot Size	Height (Storeys)	Zoning
Residential	R1 General Residential	1000m ²	1-2	R1
	R2A Low Density Residential – Type A (as per the Clarence Town Structure Plan)	400m ²	1-2	R2
	R2B Low Density Residential – Type B	700m ²	1-2	R2
	R2C Low Density Residential – Type C	1,000m ²	1-2	R2
	R3 Medium Density Residential	500m ²	1-3	R3
	R5A Large Lot Residential - Type A	2,000m ²	1-2	R5
	R5B Large Lot Residential - Type B	6,000m ²	1-2	R5
	R5C Large Lot Residential - Type C	8,000m ²	1-2	R5
Employment	MU1 Mixed Use	N/A	1-2	MU1
	E1 Local Centre	N/A	1-2	E1
	E4 General Industrial	N/A	1-2	E4
Rural	RU1 Primary Production	40 ha	-	RU1
	RU2 Rural Landscape	40 ha	-	RU2
	RU3 Forestry	-	-	RU3
	RU4 Primary Production Small Lots	20 ha	-	RU4
	RU5 Village	N/A	1-2	RU5
Other	SP2 Infrastructure	N/A	N/A	SP2
	RE1 Public Recreation	N/A	N/A	RE1
	RE2 Private Recreation	N/A	N/A	RE2

Type	Typology Name	Min. Lot Size	Height (Storeys)	Zoning
	C1 National Parks and Nature Reserves	N/A	N/A	C1
	C3 Environmental Management	300ha	N/A	C3
	C4 Environmental Living	5ha	1-2	C4
	W1 Natural Waterways	N/A	N/A	W1

Appendix 5: Vacant Land Analysis

The vacant land analysis that has been undertaken shows that the majority of lots in the Dungog Shire zoned R1 General Residential, R5 Large Lot Residential or RU5 Village have been developed. However, this figure varies depending on the benchmark used to determine when a piece of land is ‘developed’.

Using the benchmark of >1% of the site being covered by a building footprint as being developed, a considerable 81.6% of lots are considered to be developed. However, this figure falls when higher benchmarks are used. Only 61.8% of lots are developed with >5% of site cover, 53.7% for >10%, 35.1% for >20%, 25.2% for >25% and only 1.5% have >50% coverage.

This shows that development in these zones is of a relatively low-density nature. This information is illustrated graphically in the table below and also visually through mapping over the following five pages which provide heat mapping of the percentage of lots that are developed.

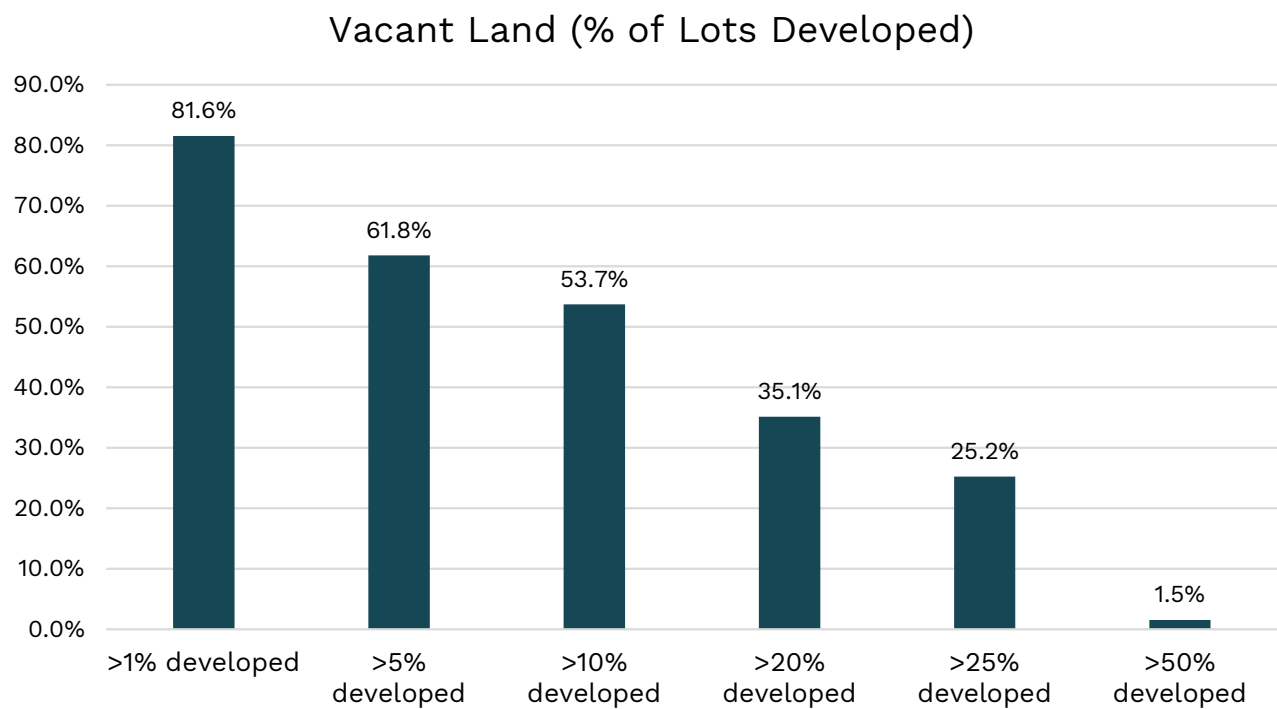


Figure 30 Vacant land development levels showing proportion of lots with varying degrees of development.



Figure 31 Clarence Town – Vacant land analysis

Legend – Clarence Town

 Train Stations

 Train Line

 Building Footprints

Vacant Land (R1, R5, RU1) [% of Lot Developed]

 0-1%

 1-5%

 5-10%

 10-20%

 20-25%

 25-50%

 50%+

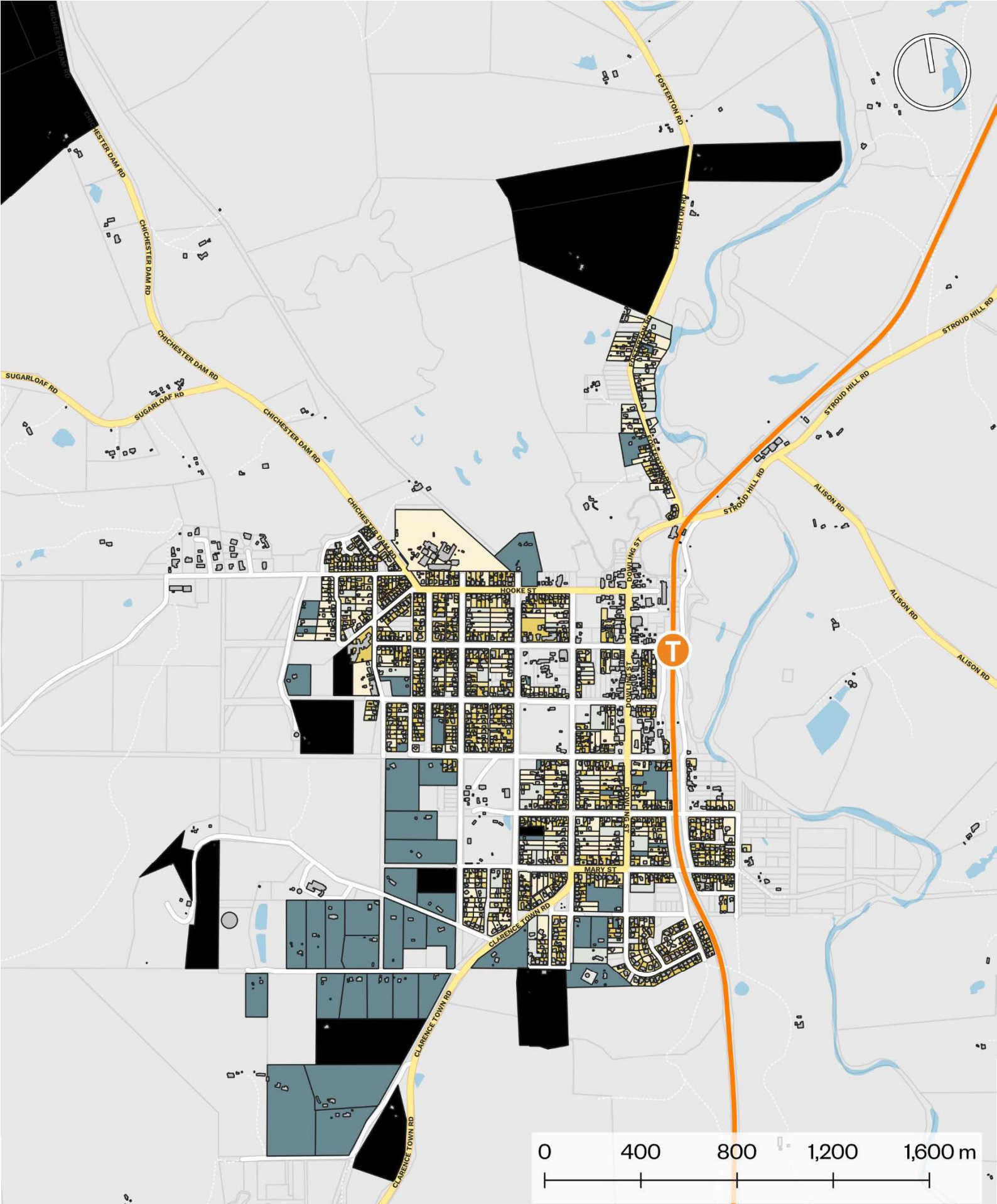


Figure 32 Dungog – Vacant land analysis

Legend – Dungog

-  Train Stations
-  Train Line
-  Building Footprints

Vacant Land (R1, R5, RU1) [% of Lot Developed]

 0-1%

- | | |
|--|--|
|  1-5% |  20-25% |
|  5-10% |  25-50% |
|  10-20% |  50%+ |

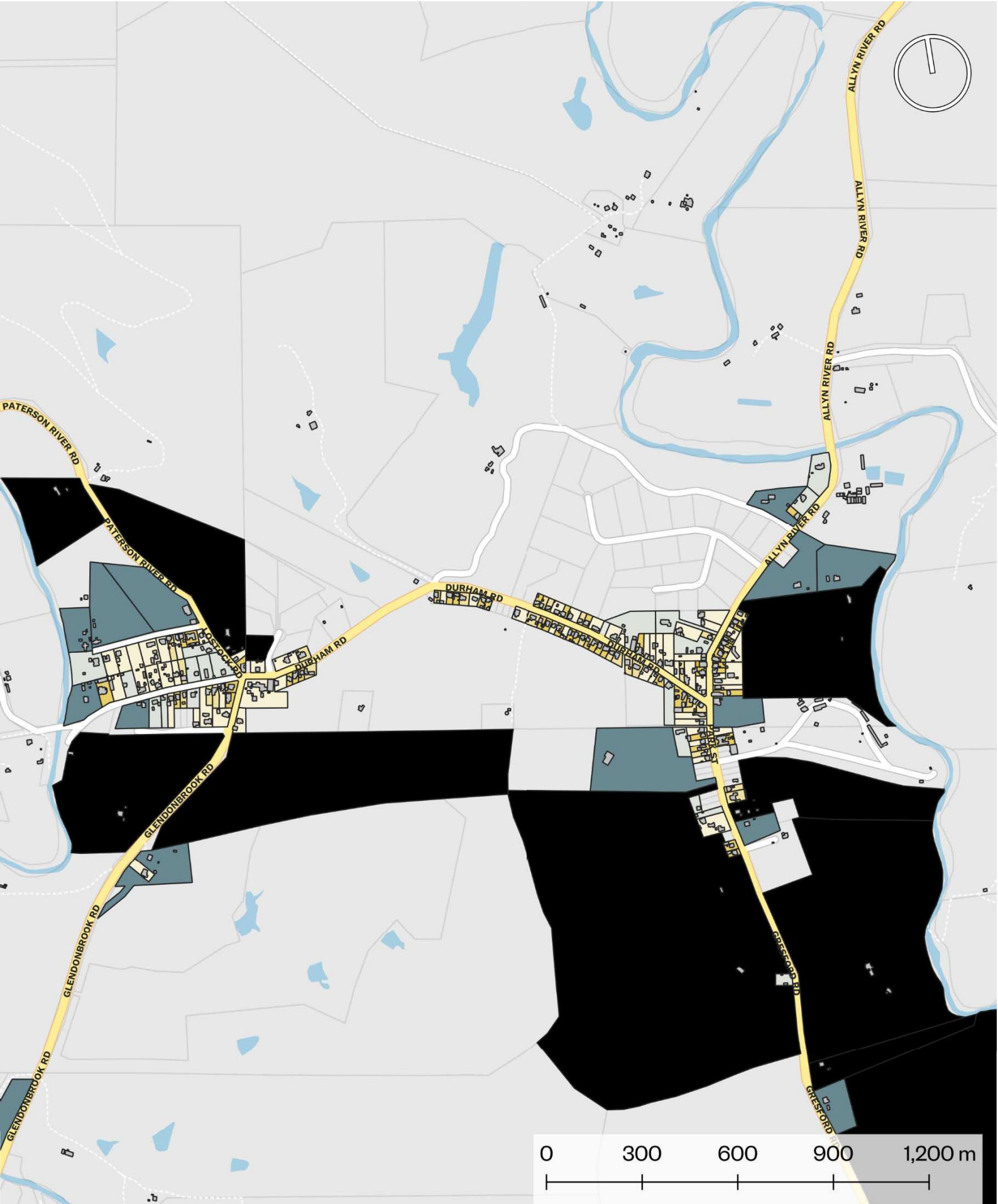


Figure 33 Gresford – Vacant land analysis

Legend – Gresford

Train Stations

Train Line

Building Footprints

**Vacant Land (R1, R5, RU1)
[% of Lot Developed]**

0–1%

1–5%

5–10%

10–20%

20–25%

25–50%

50%+



Figure 34 Paterson – Vacant land analysis

Legend – Paterson

- Train Stations
- Train Line
- Building Footprints

Vacant Land (R1, R5, RU1) [% of Lot Developed]

0–1%

- | | |
|--------|--------|
| 1–5% | 20–25% |
| 5–10% | 25–50% |
| 10–20% | 50%+ |

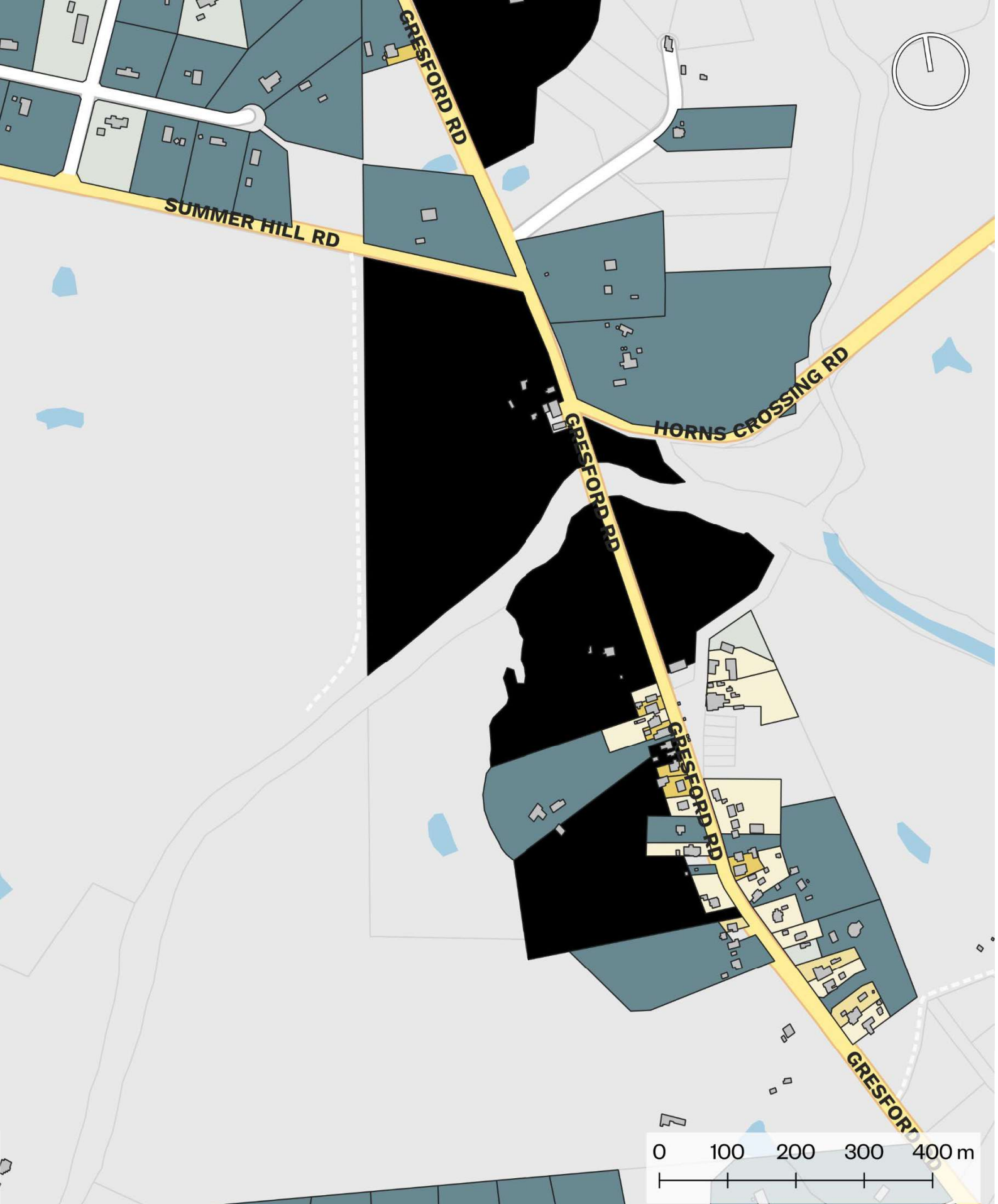


Figure 35 Vacy – Vacant land analysis

Legend – Vacy

-  Train Stations
-  Train Line
-  Building Footprints

Vacant Land (R1, R5, RU1) [% of Lot Developed]

 0-1%

 1-5%

 5-10%

 10-20%

 20-25%

 25-50%

 50%+

Appendix 6: Yield Methodology

This appendix provides an explanation of the methodology used to calculate the forecast dwelling yields across Dungog Shire. This methodology recognises that yield calculations are indicative only and represent a theoretical analysis of potential outcomes, rather than an absolute guaranteed delivery outcomes. The number of dwellings achieved will ultimately be determined by several interrelated factors, including infrastructure capacity, environmental constraints, land fragmentation and economic feasibility.

Greenfield change areas

Identification of change areas

The initial step in the forecasting of yields in greenfield change areas is the identification of unconstrained land in areas proximate to existing centres in Dungog Shire, including Dungog Strategic Centre, Vacy, Gresford, Martins Creek and Paterson. For Clarence Town, change areas and uplift numbers were adopted from the Clarence Town Structure Plan. Change areas and uplift numbers for Dungog Strategic Centre are further detailed in the Dungog Strategic Centre Structure Plan.

The following constraint layers were used to identify potential change areas, as shown in the following table. The fixed constraints were then overlaid together to calculate the amount of constrained (and undevelopable) land in each of the change areas.

Table 25 Overview of Fixed and Conditional Constraints

Fixed Constraints	Conditional Constraints
1% Annual Exceedance Probability (AEP) (1/100-year flood level)	Crown Land
Probable Maximum Flood (PMF) Level	Biodiversity Values
Steep Land (18%+ gradient)	Heritage
Educational Facilities	Bushfire (Category 2)*
State and National Parks	Recreation Zoning
Bushfire (Category 1)*	Existing Agricultural Use
Road Reserves	Koala Habitat
Cemeteries	Acid Sulfate Soils
High Environmental Value Land	
Biophysical Agricultural Land	

***Note:** Bushfire Category 1 means vegetation with the highest level of bushfire risk, such as dense forests, woodlands and thick shrublands. Bushfire Category 2 means vegetation with a moderate bushfire risk, such as open vegetation, scattered trees and light shrublands.

Allocation of change typologies

Each identified change area was then allocated a change typology (listed in Appendix 4) based on a number of criteria, such as proximity to existing centres. The different typologies provide different levels of dwelling densities. For example, R5C sets a minimum lot size of 8,000 sqm, which means that the total unconstrained area of a change area was divided by the 8,000 sqm figure to provide a dwelling capacity figure. A change area with 80,000 sqm of unconstrained land would thus have a capacity of 10 dwellings (i.e. $80,000 / 8,000 = 10$).

Application of infrastructure reductions

As the proposed change areas for this modelling are undeveloped greenfield areas, the amount of developable land needs to be reduced to account for the infrastructure needs of the change areas' future residents, such as:

- Internal roads;
- Asset protection zones (APZs);
- Local open space; and
- Drainage and stormwater management areas.

A standard 30 per cent reduction was applied to the gross area of each change area to account for these non-developable components.

Indicative yield table

Indicative yields were prepared for each identified change area. The yields are based on gross (unconstrained) land area, infrastructure deductions and density assumptions through applicable typologies' minimum lot sizes.

A high level take-up rates, representing amount of housing that could be delivered by 2041, was applied to each change area. Take-up rates were determined based on historical delivery of housing in Dungog Shire, potential market demand and benchmarking against other local government areas in the region. Benchmarking has considered historical dwelling production (sourced from the ABS Census) and projected dwelling production rates (obtained from a variety of sources).

Table 26 Indicative Yield Table

Change Area	Typology and Minimum Lot Size (sqm)	Constrained Area (ha)	Gross Unconstrained Area (ha)	Net Developable Area (ha)*	Estimated Yield	Scale of Change by 2041
Dungog						
Bendolba 1	R5A (2000 sqm)	19.8	339.3	237.5	119	36
Bendolba 2	R5A (2000 sqm)	1.3	426.5	298.5	149	45
Bendolba 3	R2C (1000 sqm)	2.6	371.3	259.9	260	78
Bendolba 4	R2C (1000 sqm)	9.2	281.3	196.9	197	59
Tabbil Creek 1	R2C (1000 sqm)	213.0	2,430.5	222.1	1,701	510
Tabbil Creek 2	R5A (2000 sqm)	12.2	1,134.9	924.3	397	119
Gresford						
East Gresford 1	R5B (6000 sqm)	2.9	317.3	538.4	37	4
East Gresford 2	R5A (2000 sqm)	146.1	1,320.4	681.2	462	46
Gresford 1	R5B (6000 sqm)	5.7	769.2	156.5	90	9
Gresford 2	R5A (2000 sqm)	233.4	973.1	222.1	341	34
Gresford 3	R5A (2000 sqm)	34.3	223.6	924.3	78	8

Change Area	Typology and Minimum Lot Size (sqm)	Constrained Area (ha)	Gross Unconstrained Area (ha)	Net Developable Area (ha)*	Estimated Yield	Scale of Change by 2041
Martins Creek						
Martins Creek 1	RU5 (1000 sqm)	0.3	103.0	72.1	72	7
Martins Creek 2	RU5 (1000 sqm)	0.1	3.6	2.5	2	<1
Martins Creek 3	R5C (8000 sqm)	0.0	22.2	15.5	2	<1
Paterson						
Paterson 1	R5A (2000 sqm)	65.3	739.2	517.5	259	39
Paterson 2	R5A (2000 sqm)	448.9	825.7	578.0	289	43
Vacy (Newly Identified Change Areas)						
Vacy 1	R5B (6000 sqm)	93.9	1,593.4	1,115.4	186	19
Vacy 2	R5B (6000 sqm)	54.5	775.6	542.9	90	9
Vacy 3	R5B (6000 sqm)	4.1	684.1	478.8	80	8
Vacy 4	R5C (8000 sqm)	11.1	406.3	284.4	36	4
Vacy (Existing R5 Zones)						
Vacy R5 1	R5C (8000 sqm)	677.6	1,271.7	890.2	111	11
Vacy R5 2	R5C (8000 sqm)	133.2	39.6	27.7	3	<1
Vacy R5 3	R5C (8000 sqm)	46.5	216.0	151.2	19	2
Vacy R5 4	R5C (8000 sqm)	1,255.6	1,285.5	899.8	112	11

***Note:** Net developable area assumes a 30% deduction for roads, open space, drainage and APZs.

Infill change areas

The vast majority of the capacity for change identified in existing town centres in this LHS has been adopted from the Clarence Town Structure Plan and the Dungog Structure Plan. These plans identify a net growth of 147 and 187 dwellings respectively. The LHS also identified approximately 30 vacant lots in Paterson, Vacy and Gresford, which contribute approximately 10 additional dwellings with take-up to 2041.

Secondary dwellings and dual occupancies

In addition to the identified infill sites, there is ongoing capacity for additional dwellings through secondary dwellings and dual occupancies, which make an important contribution to housing diversity in Dungog Shire.

Recent development activity indicates that secondary dwellings and dual occupancies has been steadily delivered in the Shire over the past several years. Between 2020/21 and 2024/25, there were a total of 49 approvals issued for this type of housing – 36 of which were dual occupancies and 13 were secondary dwellings. This averages to just over 9 dwellings per year.

Based on recent historical approval rates of 9 dwellings per year, this would equate to 135 dwellings in the 15-year timeframe to 2041.

Rural change areas

Change in rural areas has been modelled through the proposed reduction in minimum lot sizes in rural zones. These will change from a general 60ha minimum lot size in RU1 zones, to a proposed 40ha in RU1 and RU2 zones and 20ha in RU4 zones, with the proposed RU2 and RU4 areas having been split out from the current RU1 zoning.

To undertake this analysis, the lot sizes of all rural lots were calculated and grouped by 'properties'. Properties represent one or more (generally) contiguous lots under the same ownership. Properties have been used as the basis for this modelling as it is assumed that landowners can group their contiguous lots together to re-subdivide their land to take advantage of the changes to the minimum lot sizes.

The subdivision yield of lots that were above the minimum lot sizes was calculated by dividing the lots' sizes by the proposed minimum lot size. This was then rounded down to the nearest whole number for each lot and a take-up rate of 30% applied. An additional 15% increase has then been applied to account for potential dual occupancy developments in rural areas. In total, 434 additional dwellings are expected in rural areas to 2041 (excluding the greenfield growth areas).

Appendix 7: Indicative Growth Areas

This section illustrates the indicative change areas identified in the preceding analysis. It shows where different degrees of change may occur over time, including fixed areas where change is anticipated and conditional areas where change is dependent on further investigations or infrastructure delivery.

These indicative areas are presented alongside natural features and local destinations to provide spatial context and to demonstrate how potential growth and development would relate to the broader settlement pattern and local identity. It also shows the indicative housing typologies, as previously detailed in **Appendix 4**, to illustrate how different built forms may be applied within each change area.



Figure 36 Paterson – Constraints and change area typologies

Legend

- | | | | |
|---------------|-------------|----------------------------|------------------|
| Dungog LGA | Main Roads | Proposed typologies | Soft Constraints |
| Train Station | Minor Roads | R5A | Hard Constraints |
| Train Line | | R5C | Water |
| | | Existing R5 Zones | |

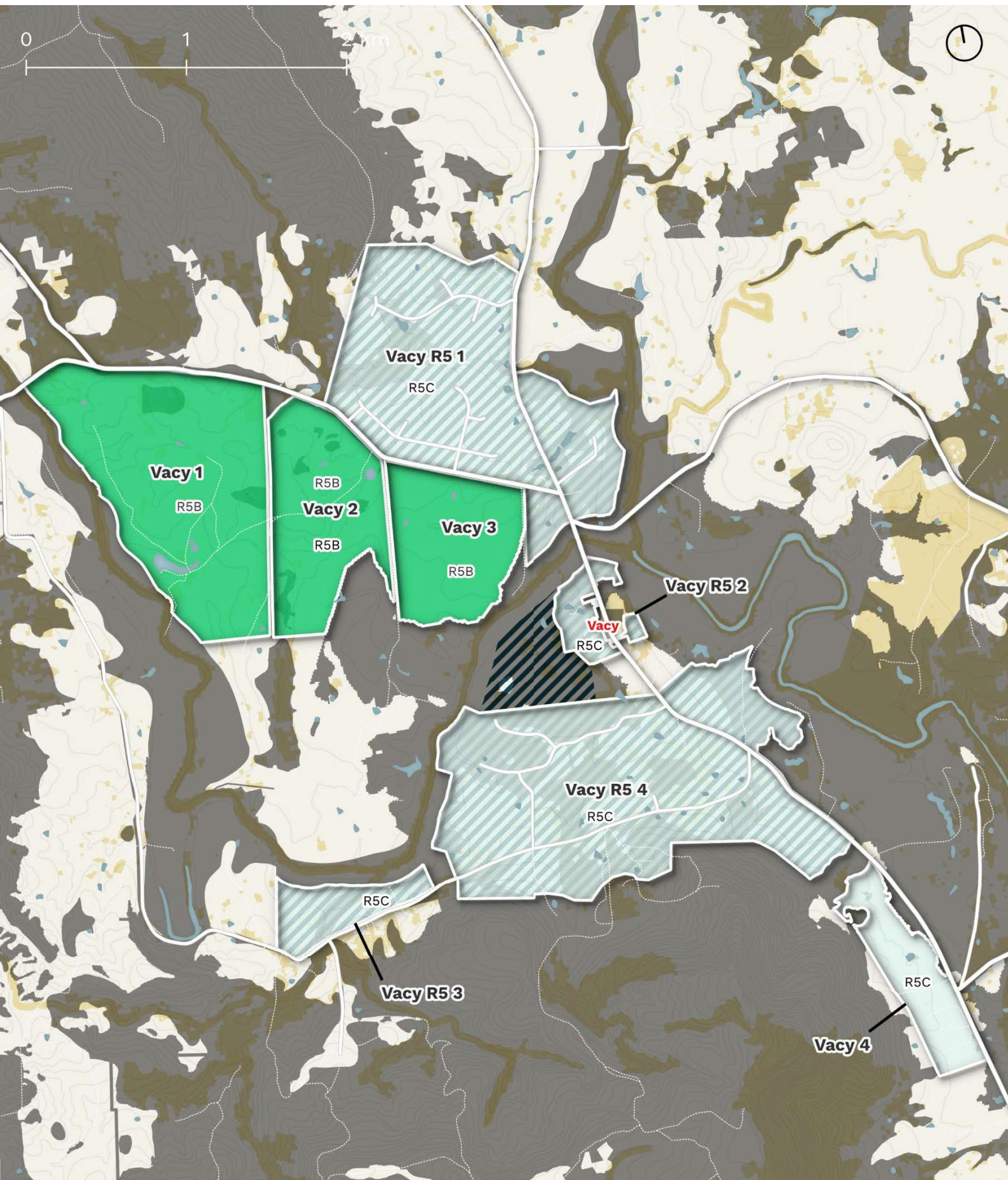


Figure 37 Vacy – Constraints and change area typologies

Legend

- | | | |
|-------------|-------------------------|-------------------|
| Main Roads | Proposed typologies R5B | Hard Constraints |
| Minor Roads | R5C | Water |
| | Soft Constraints | Existing R5 Zones |



Figure 38 Martins Creek – Constraints and change area typologies

Legend

- | | | | |
|---------------|----------------------|----------------------------|-------------------|
| Train Station | Main Roads | Proposed typologies | Soft Constraints |
| Train Line | Minor Roads | R5A | Hard Constraints |
| | Suburbs - Dungog LGA | R5C | Water |
| | | RU5 | Existing R5 Zones |

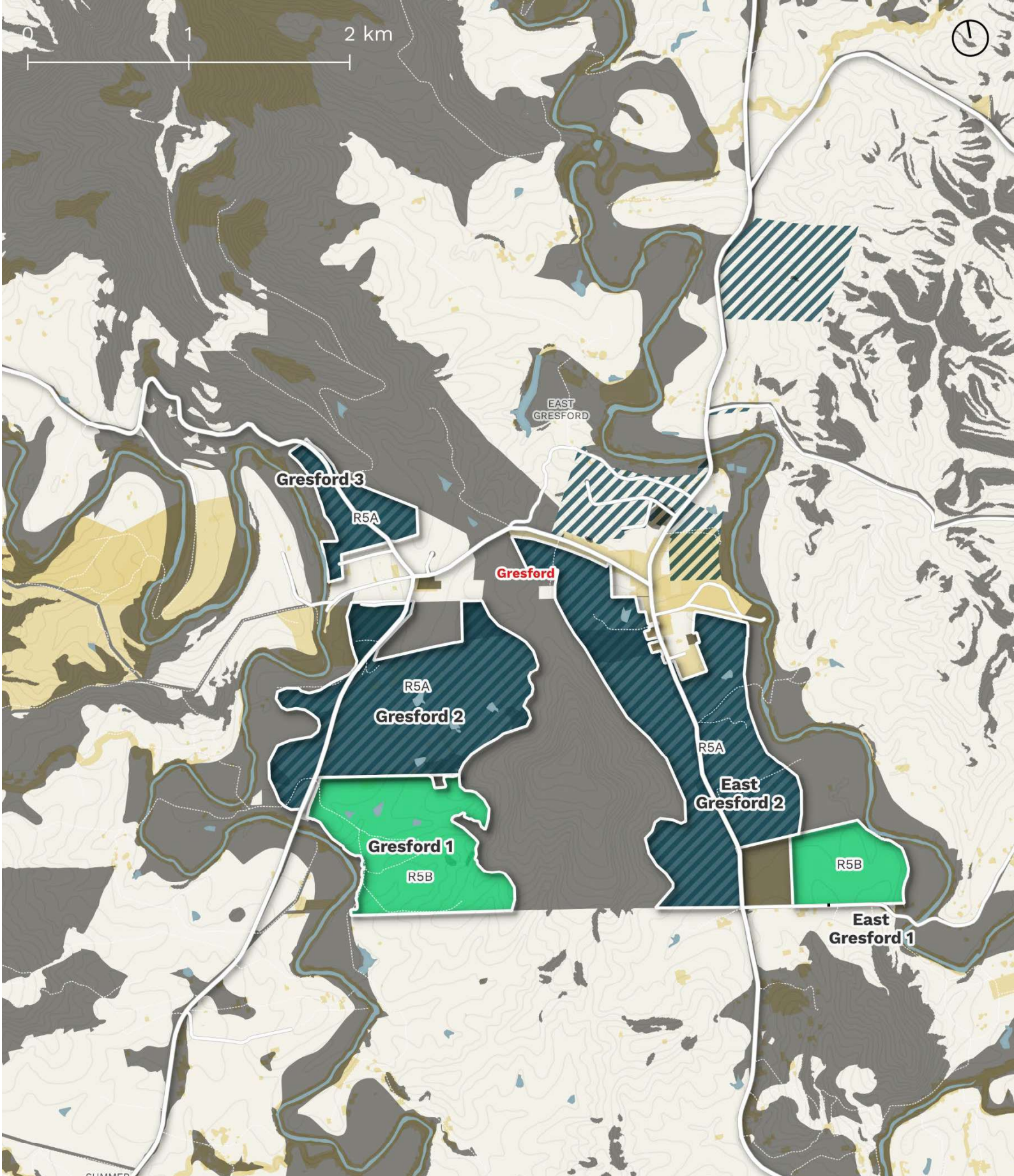


Figure 39 Gresford/East Gresford – Constraints and change area typologies



Appendix 8: Acronyms

Table 27 Acronyms

Term	Full Forms
ABS Census	Australian Bureau of Statistics Census
AEP	Annual Exceedance Probability
APZ	Asset Protection Zones
DCP	Development Control Plans
DPHI	The Department of Planning, Housing and Infrastructure
FY	Financial Year
Housing SEPP	State Environmental Planning Policy (Housing) 2021
HCA	Heritage Conservation Area
LALC	Local Aboriginal Land Council
LEP	Local Environmental Plan
LGA	Local Government Area
LHA	Liveable Housing Design Guidelines
LHS	Local Housing Strategy
LSPS	Local Strategic Planning Statement
NSW	New South Wales
PMF	Probable Maximum Flood
SEIFA	Socio-economic Indexes for Areas
SEPP	State Environmental Planning Policies
The Shire	Dungog Shire

Appendix 9: Definitions

Table 28 Definitions

Term	Definitions
Greenfield development	Developments on new and previously undeveloped land, often located on the periphery of urbanised areas
Infill development	Developments or redevelopments on vacant, underutilised, or previously developed land, often located within established urbanised areas
Structure Plan	A document that sets a strategic planning framework to guide the future development and growth of Dungog Shire.
Townships	Includes the townships of Clarence Town
Villages	Includes the villages of Gresford, Paterson, Vacy and Martins Creek

Appendix 10: Constraints Analysis

Provided as a separate file.



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CONSTRAINTS ANALYSIS

Appendix to Draft Local Housing Strategy

Dungog Shire Council 2025



Australian Government

An initiative funded by the
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through the Housing Support
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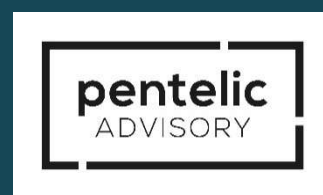
Revati Shivatare, Planner

Be Interested *in Ideas* with
PROMETHEUS PLANNING

Atlas Economics



**ALWAYS
COLLECTIVE**



Acknowledgement of Country

Dungog Shire Council acknowledges the Traditional Owners and Cultural Custodians of Country in the Dungog Shire, including the Gringai, Geawegal / Gaewal, Wanaruah / Wonnarua, and Worimi peoples.

We pay our respect to Elders past, present and emerging.

Table of contents

1	Introduction	4
2	Fixed Constraints.....	2
2.1	1% AEP and PMF	2
2.2	Steep Land (18% gradient).....	4
2.3	Educational Facilities.....	3
2.4	State and National Parks.....	3
2.5	Bushfire (Category 1)	3
2.6	Road Reserves	3
2.7	Cemeteries	3
2.8	High Environmental Value Land.....	3
2.9	Biophysical Agricultural Land.....	3
3	Conditional Constraints	3
3.1	Crown Land	2
3.2	Biodiversity Values	3
3.3	Recreation Zoning	3
3.4	Existing Agricultural Use	3
3.5	Koala Habitat	3
3.6	Acid Sulphate Soils	3
3.7	Heritage.....	3

1 Introduction

The purpose of this document is to detail the constraints analysis that has informed the identification of change areas and Opportunity Sites within the *draft Local Housing Strategy*. It outlines the key environmental, servicing and land use considerations that influence where growth can be supported, where it should be limited, and where it should be avoided. This analysis provides the evidence base for directing future housing to locations that are suitable, resilient and capable of supporting sustainable development over time.

The Clarence Town Structure Plan was prepared separately to this suite of work and therefore followed a slightly different

methodology. No changes have been made to the opportunity areas within Council's Clarence Town Structure Plan and the outcomes have not been revisited given the Structure Plan has been recently endorsed by Council. Notwithstanding, Clarence Town has also been shown on these maps for completeness.

When looking at where growth can occur, it is important to understand the different types of constraints that affect the land. When identifying change areas and potential development opportunities, constraints have been grouped into two categories, being **fixed constraints** and **conditional constraints**.



Fixed constraints

Fixed Constraints are those that generally rule out development altogether, because the risks or impacts are just too high.

1% AEP (1/100 year flood level)

Probable Maximum Flood (PMF) Level

Steep Land (18% gradient+)

Educational Facilities

State and National Parks

Bushfire (Category 1)

Road Reserves

Cemeteries

High Environmental Value Land

Biophysical Agricultural Land



Conditional constraints

Conditional Constraints, on the other hand, do not necessarily stop development, but they do mean extra work may be needed, such as more detailed studies, careful design, infrastructure upgrades, or additional investment.

Crown Land

Biodiversity Values

Heritage

Bushfire (Category 2)

Recreation Zoning

Existing Agricultural Use

Koala Habitat

Acid Sulfate Soils

2 Fixed Constraints

Fixed constraints represent land where development is generally not suitable or feasible, due to the level of risk, sensitivity, or functional importance of the area. These constraints include factors such as flooding, steep terrain, bushfire hazard, conservation land, community facilities and essential public landholdings.

In these locations, introducing new development would either compromise public safety, result in unacceptable environmental or amenity impacts, or require significant intervention that is not practical or sustainable. These locations also include community resources such as schools and cemeteries, which, while not physical hazards, serve important social and cultural functions and therefore should be protected from residential development to maintain their community purpose and integrity.

Identifying and excluding fixed constraints from potential growth areas ensures that the Local Housing Strategy directs development to land that is safe, appropriate, and capable of supporting future communities.

Some land affected by these constraints has previously been identified for residential outcomes through earlier strategic decisions of Council. These areas have not been reassessed as part of this process. Any future development proposals within these locations will continue to be subject to the standard development assessment process and must be supported by appropriate technical studies to demonstrate that risks can be managed and that development is suitable and sustainable.



Fixed constraints

1% AEP (1/100 year flood level)

Bushfire (Category 1)

Probable Maximum Flood (PMF) Level

Road Reserves

Steep Land (18% gradient+)

Cemeteries

Educational Facilities

High Environmental Value Land

State and National Parks

Biophysical Agricultural Land

2.1 1% AEP and PMF

Flooding is a significant planning consideration in Dungog Shire due to the extensive network of rivers, creeks and floodplains that shape settlement patterns and landscape character. These floodplains play an important role in managing stormwater, supporting ecosystems and contributing to rural and scenic values. However, they also present risks to life, property and access during major rainfall events.

In identifying new development areas, land affected by either the 1% Annual Exceedance Probability (AEP) event and the Probable Maximum Flood (PMF) has been avoided. This ensures that future growth is directed away from areas with high hazard exposure, reduced evacuation reliability and greater likelihood of requiring extensive earthworks or engineered flood mitigation. Avoiding high-risk flood areas also reduces long-term costs to Council and the community associated with emergency response, infrastructure damage and insurance implications.

By prioritising land with lower flood risk, the strategy supports the creation of safe, resilient and well-connected neighbourhoods. It also helps preserve the natural function of floodplains as open space, biodiversity corridors and water management systems. This approach aligns with contemporary flood risk management practices and broader climate adaptation objectives, ensuring sustainable development outcomes for the Shire.

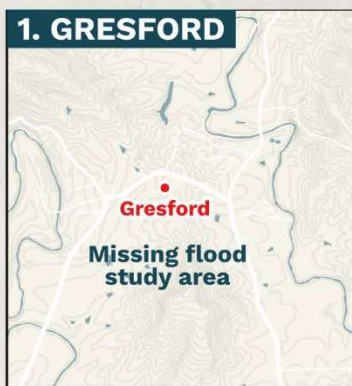
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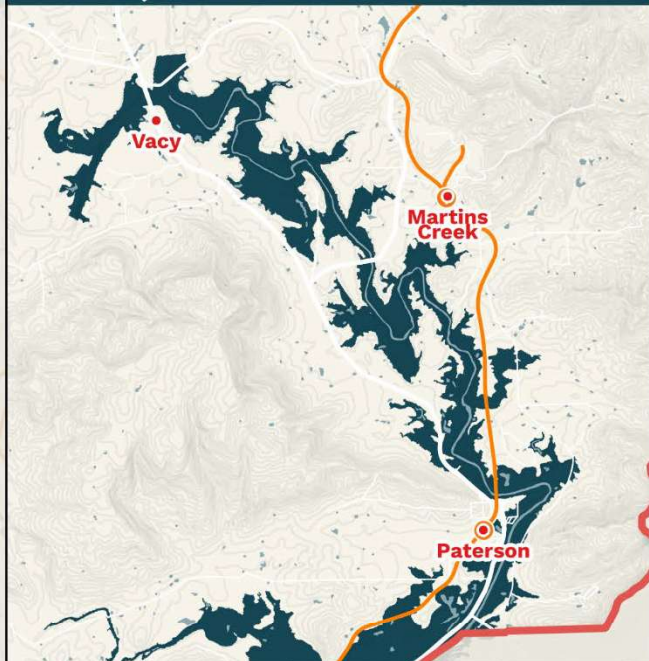
2. DUNGOG



1. GRESFORD



3. VACY, MARTINS CREEK & PATERSON



4. CLARENCE TOWN



Figure 1 Annual Exceedance Probability Flood Level

Legend

- Dungog LGA
- Water
- Train Line
- 1% Annual Exceedance Probability Flood Level
- Train Station

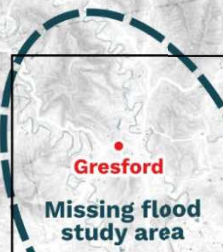
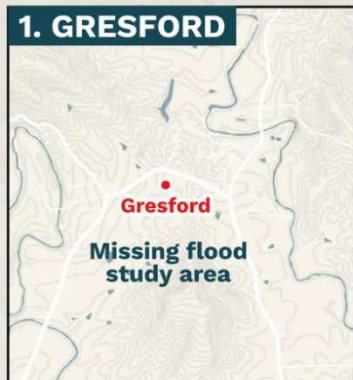
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2. DUNGOG



1. GRESFORD

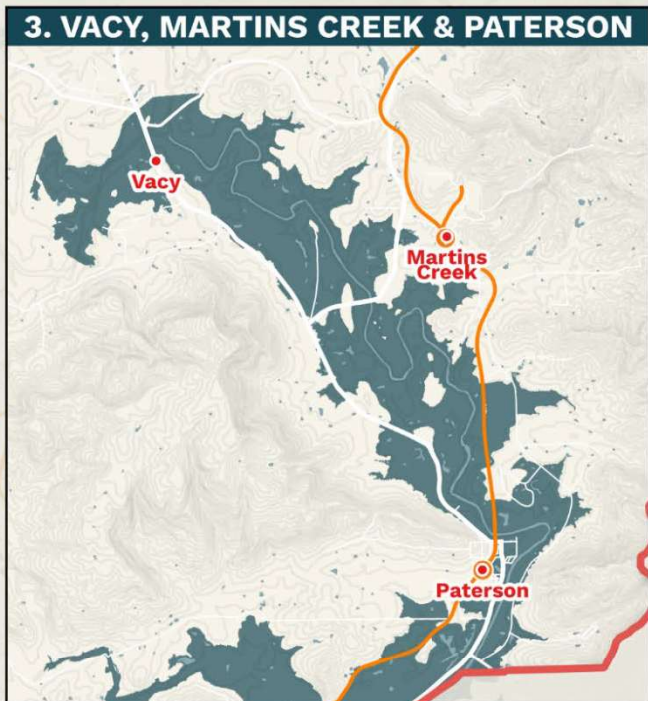


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See Inset 2

3. VACY, MARTINS CREEK & PATERSON



See Inset 3



See Inset 4

4. CLARENCE TOWN



Figure 2 Probable Maximum Flood Level

Legend

- Dungog LGA
- Water
- Train Line
- Probable Maximum Flood
- Train Station

2.2 Steep Land (18% gradient)

The undulating terrain in the Shire poses challenges for development, particularly on steep slopes.

The Shire features significantly undulating terrain, ranging from steep slopes to flat plateaus. Areas with a slope of 18% or greater* were excluded from Change Area and Opportunity Site identification, particularly in greenfield areas. Flatter terrain has been prioritised, enabling smaller lot arrangements and supporting two sites identified for employment lands. These flatter areas, while suitable for development, have minor flood conditions that will require management during any approval processes.

For change areas and Opportunity Sites with slopes between 10–18%, lot arrangements must be carefully designed during the subdivision process to account for terrain. Larger lot sizes have been identified for these areas to better manage the impact of slope on development.

****Note:** for the Clarence Town Structure Plan areas above 20% slope were excluded.*

0 5 10 km



2. DUNGOG



1. GRESFORD

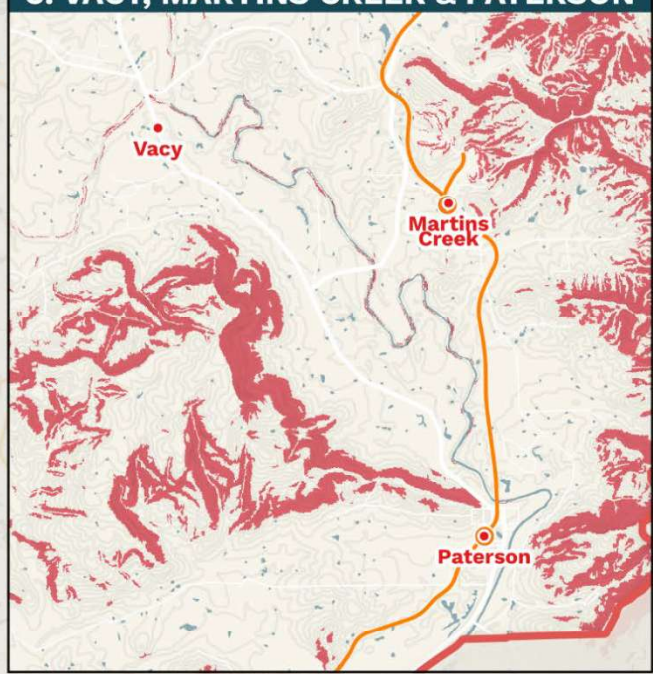


See Inset 1



See Inset 2

3. VACY, MARTINS CREEK & PATERSON



See Inset 3



See Inset 4

4. CLARENCE TOWN



Figure 3 Steep Land (18%)

Legend

- Dungog LGA
- Train Line
- Train Station
- Steep Land (18%+)

2.3 Educational Facilities

Educational establishments have been treated as important community anchors that require adequate space to function, expand and maintain safe access. In identifying change areas, school sites themselves have been excluded from consideration for redevelopment or increased residential intensity. This ensures that land already used for education remains protected for its intended purpose and can continue to serve current and future students and families.

While the school sites are excluded, areas around educational establishments may be suitable for change where they have good access to services, active transport links and community infrastructure. In these cases, the focus is on ensuring that any nearby housing growth is designed to maintain safe pedestrian and vehicle movements, avoid pressure on school land, and support the school's role as a community focal point. This approach allows growth to occur in well-served locations while safeguarding the ongoing operation and capacity of local schools.

0 5 10 km



2. DUNGOG



1. GRESFORD

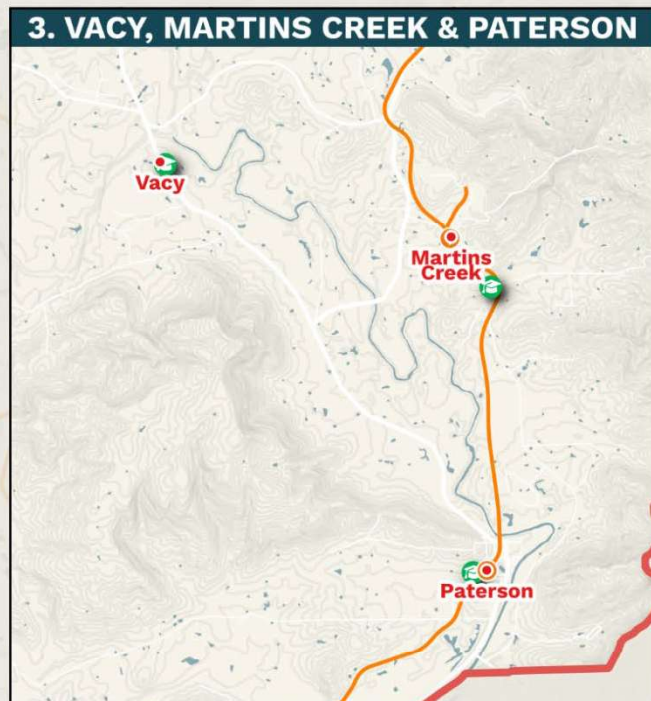


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4. CLARENCE TOWN

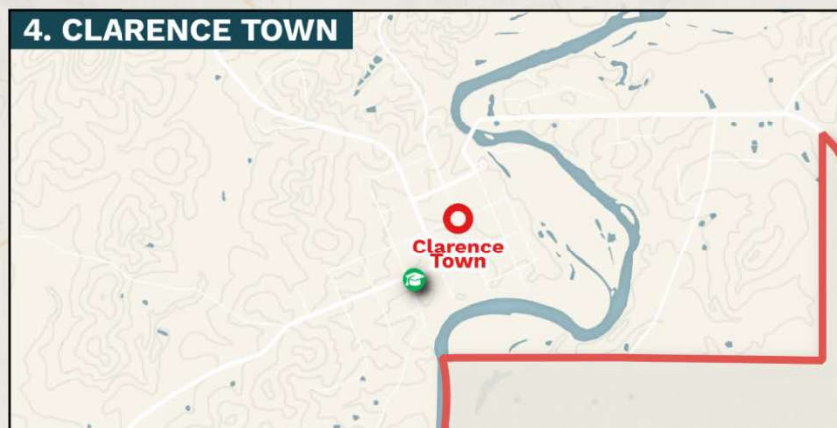


Figure 4 Education Facilities

Legend

Dungog LGA

Train Line

Train Station

Educational Facilities

2.4 State and National Parks

State and national parks have been excluded from consideration in the identification of change areas and Opportunity Sites. These lands are protected for their biodiversity, ecological integrity, landscape values and cultural significance, and play a critical role in conservation and recreation across the Shire. Introducing residential development in these locations would conflict with their core purpose, compromise environmental values and undermine long-term land management objectives.

By avoiding state and national parks, the strategy helps to safeguard key habitats, wildlife corridors and natural systems that contribute to the Shire's rural character and environmental resilience. These areas also support tourism, outdoor recreation and community wellbeing, and their protection ensures that these benefits are maintained for current and future generations. Growth has instead been directed to more suitable and serviceable areas, ensuring that development aligns with both environmental stewardship and strategic settlement planning principles.

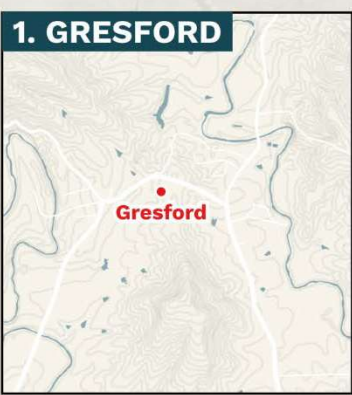
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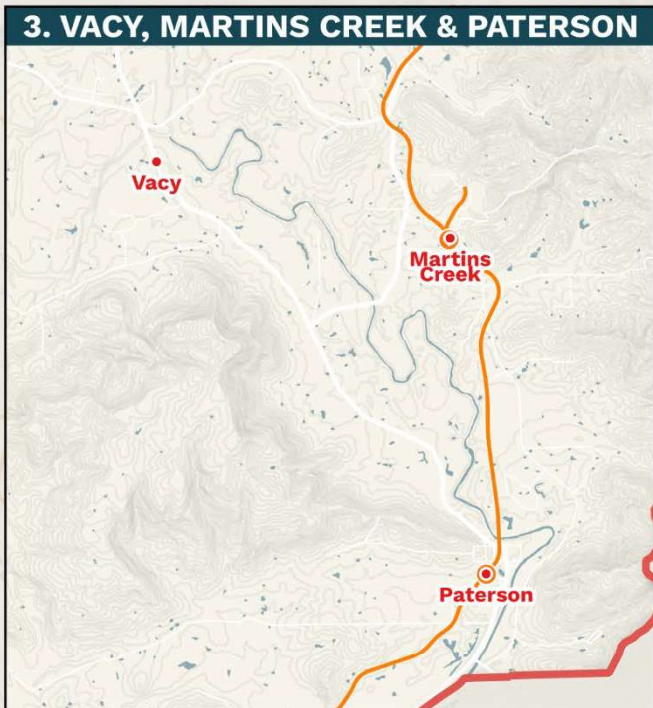
2. DUNGOG



1. GRESFORD



3. VACY, MARTINS CREEK & PATERSON



4. CLARENCE TOWN



Figure 5 State Forests and National Parks and Reserves

Legend

- Dungog LGA
- State Forests
- Train Line
- National Parks and Reserves
- Train Station

2.5 Bushfire (Category 1)

Bushfire-prone land in the Shire is generally associated with areas of significant vegetation, including national parks, state forests, and larger remnant bushland. These areas present a high bushfire risk and often contain important biodiversity and landscape values.

Category 1 Bushfire Prone Land, where hazard exposure is greatest and the establishment of adequate Asset Protection Zones (APZs) would result in unacceptable vegetation loss, has been avoided in identifying change areas Opportunity Sites.

Avoidance in these areas ensures that new development is not located where life safety, emergency access, and long-term resilience cannot be adequately secured. This approach is consistent with risk-based planning and supports the protection of key ecological and scenic landscape features.

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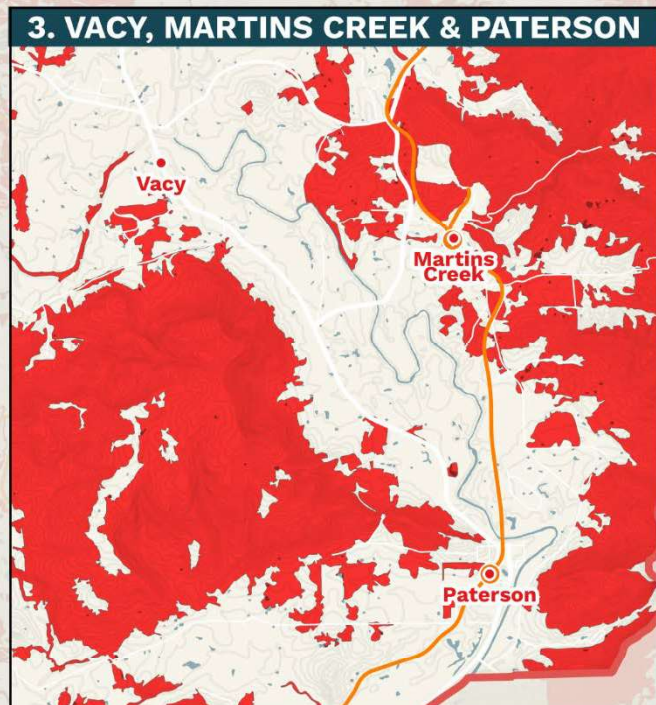
2. DUNGOG



1. GRESFORD



3. VACY, MARTINS CREEK & PATERSON



4. CLARENCE TOWN



Figure 6 Bushfire (Category 1)

Legend

-  Dungog LGA
-  Train Line
-  Train Station
-  Bushfire (Category 1)

2.6 Road Reserves

Road reserves have been excluded from consideration in identifying change areas and Opportunity Sites, as they are required to support the safe and efficient movement of vehicles, pedestrians and cyclists. These corridors provide essential access within and between settlements, accommodate existing and future service infrastructure, and form part of the public domain network. Reclassifying or developing within road reserves would compromise transport function, reduce network capacity and limit opportunities for future upgrades or public realm improvements.

By avoiding road reserves, the strategy protects the integrity of the transport network and maintains flexibility for future road widening, active transport links, landscape treatments and utility upgrades. It also ensures that potential development does not introduce safety, traffic or access conflicts and that surrounding areas can continue to be serviced effectively. Growth has therefore been directed to land that can accommodate development without constraining movement networks or limiting long-term infrastructure planning.

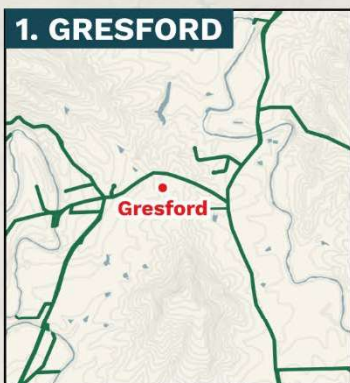
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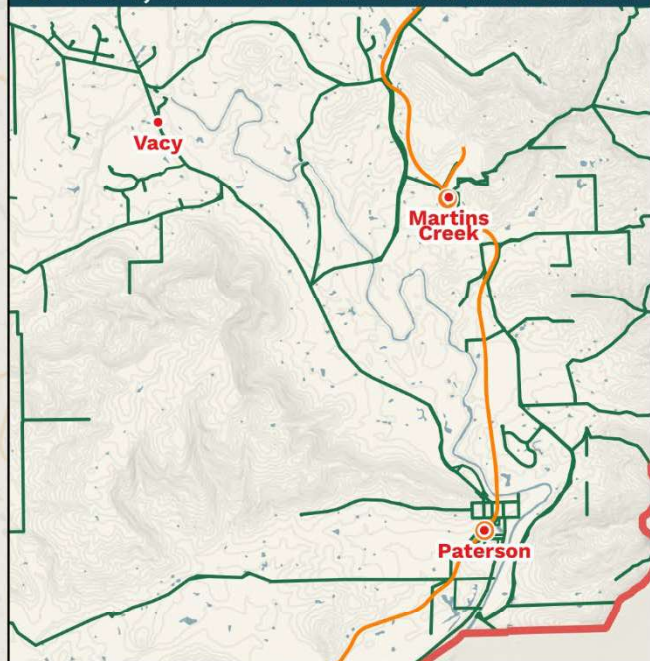
2. DUNGOG



1. GRESFORD



3. VACY, MARTINS CREEK & PATERSON



4. CLARENCE TOWN



Figure 7 Road Reserves

Legend

-  Dungog LGA
-  Train Line
-  Train Station
-  Road Reserves

2.7 Cemeteries

Cemeteries have been excluded from consideration when identifying change areas and Opportunity Sites, recognising their role as important community places with cultural, social and historical significance. These sites provide space for remembrance, reflection and commemoration, and often contain heritage elements, mature vegetation and landscaped settings that contribute to local character. Developing or intensifying land within cemeteries would be inappropriate and inconsistent with their intended purpose and community expectations.

By avoiding cemeteries, the strategy ensures that these spaces can continue to operate with dignity and capacity for future interments. It also maintains the visual and environmental contributions cemeteries make to townscapes, including open space, tree canopy and ecological habitat. Surrounding land uses remain planned to respect the quiet and contemplative nature of these areas, supporting their long-term function as valued community assets.

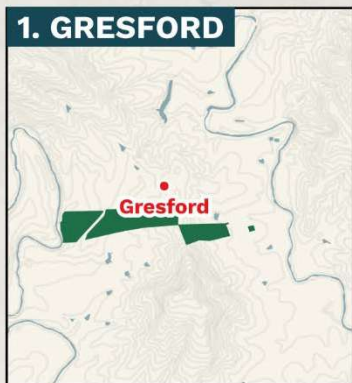
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2. DUNGOG



1. GRESFORD

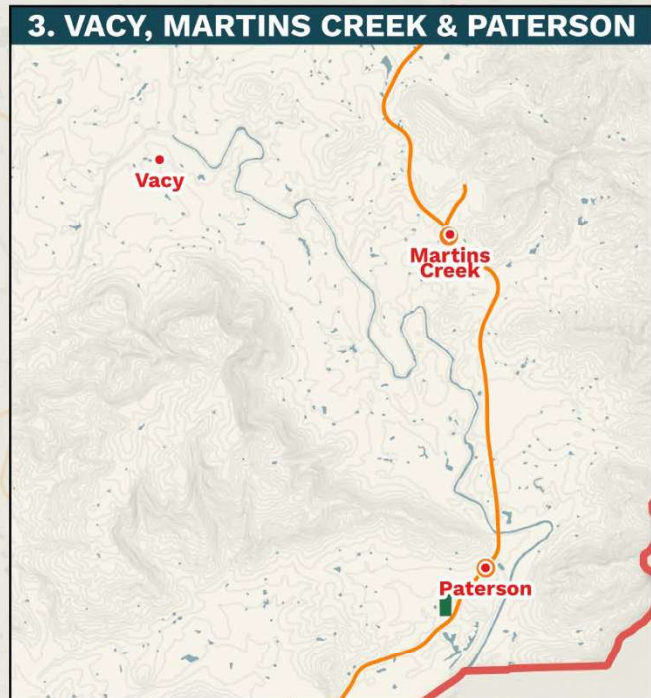


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See Inset 2

3. VACY, MARTINS CREEK & PATERSON



See Inset 3



See Inset 4

4. CLARENCE TOWN



Figure 8 Cemeteries

Legend

Dungog LGA

Train Line

Train Station

Cemeteries

2.8 High Environmental Value Land

High environmental value areas across the Shire have been identified through state mapping, guiding the selection and protection of Opportunity Sites.

Certain areas within the Shire are identified in state mapping as having High Environmental Value, such as:

- Areas protected for conservation
- Native vegetation of high conservation value
- Threatened species and populations
- Wetlands, rivers, estuaries & coastal features of high environmental value
- Areas of geological significance.

where these values are isolated or can be meaningfully integrated within lot arrangements.

Detailed environmental assessments, including habitat evaluations, will be required during the planning proposal and development application process to address specific concerns.

The Department of Climate Change, Energy, the Environment and Water's BioNet Atlas is a useful resource for plant and animal data that is collated from a variety of sources. These records, which are collated by government agencies, ecological consultants, research scientists and the general public, may be used to assist with planning proposals and development applications (depending on coverage and data quality) to understand potential impacts development may have on flora and fauna.



Disclaimer on High Environmental Value (HEV) Mapping

The High Environmental Value (HEV) mapping presented in this document is based on desktop analysis and is indicative only. It is not exhaustive and may not capture all areas of ecological significance within the locality. Proponents of Planning Proposals (PPs) and Development Applications (DAs) will be required to undertake detailed, site-specific biodiversity assessments in accordance with the Biodiversity Assessment Method (BAM) and the Threatened Biodiversity Data Collection Method. These assessments must align with state-wide HEV criteria and identification tools.

Further investigation may include, but is not limited to: comprehensive koala habitat mapping, riparian zone assessments, and the integration of Traditional Ecological Knowledge through engagement with Aboriginal stakeholders.

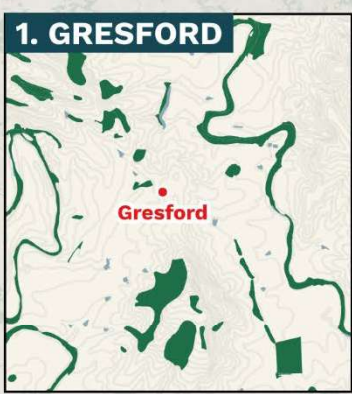
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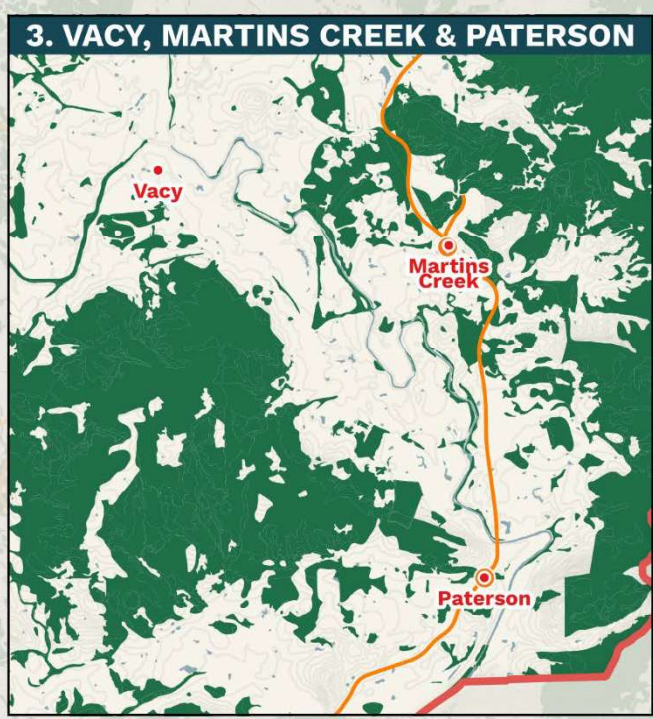
2. DUNGOG



1. GRESFORD



3. VACY, MARTINS CREEK & PATERSON



4. CLARENCE TOWN



Figure 9 High Environmental Value Land

Legend

- Dungog LGA
- Train Line
- Train Station
- High Environmental Value Land

2.9 Biophysical Agricultural Land

Biophysical agricultural land has been excluded from change areas and Opportunity Sites to safeguard the Shire's most productive and versatile soils. These areas support grazing, cropping, horticulture and other primary production activities that form a core part of the local economy and rural identity. Development pressure on these lands can reduce long-term agricultural viability, fragment rural landholdings, and create land use conflicts between residential and farming activities.

By avoiding biophysical agricultural land, the draft Local Housing Strategy helps to maintain the integrity of working rural landscapes and protect the economic and cultural value of agriculture within the Shire. This approach also supports food security, encourages ongoing agricultural investment, and preserves opportunities for future generations to continue farming enterprises. Residential growth is therefore directed toward locations where land capability, servicing potential and settlement pattern considerations allow housing to be delivered without undermining rural productivity or character.

0 5 10 km

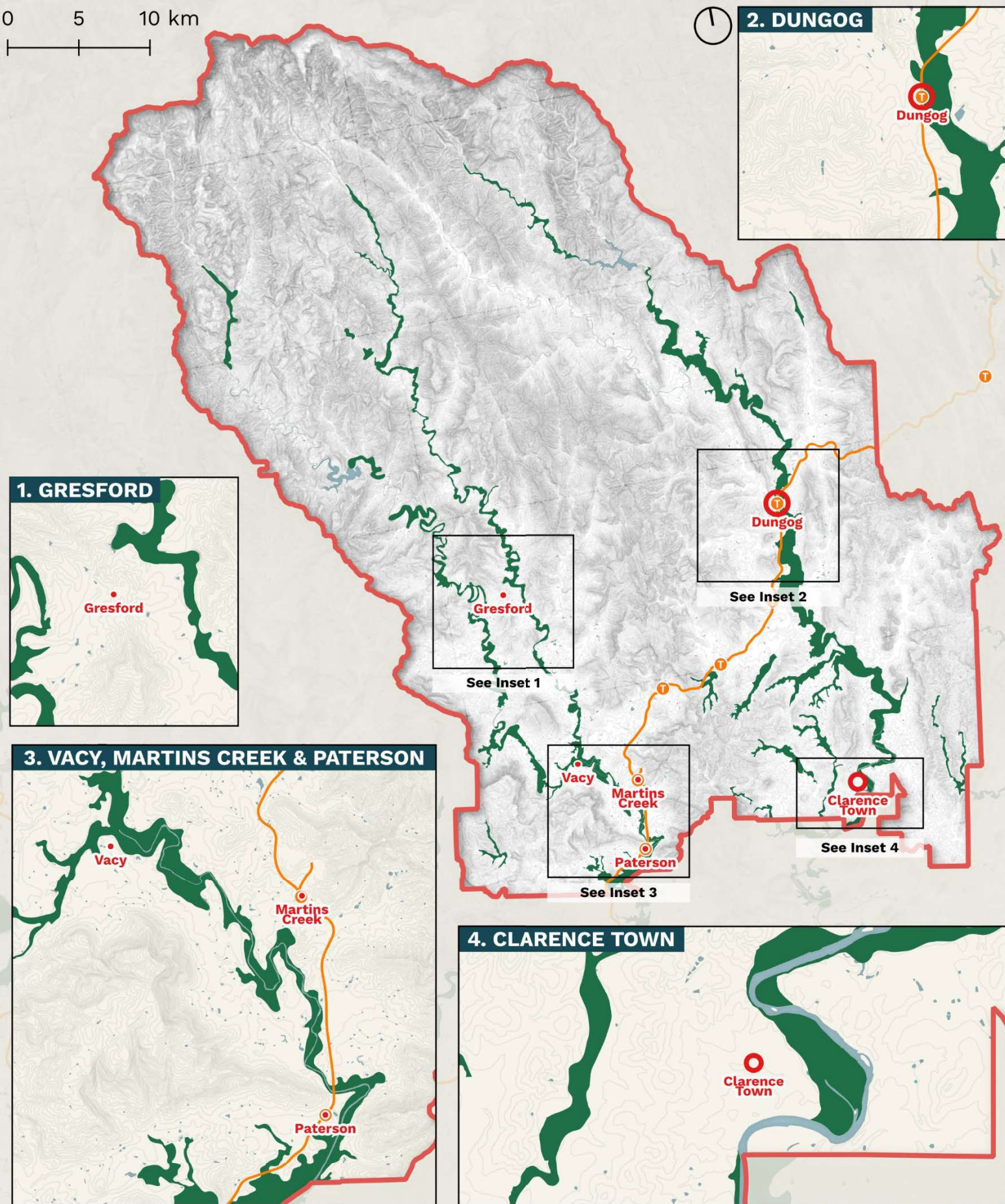


Figure 10 State Biophysical Strategic Agricultural Land

Legend

- Dungog LGA
- Train Line
- Train Station
- State Biophysical Strategic Agricultural Land

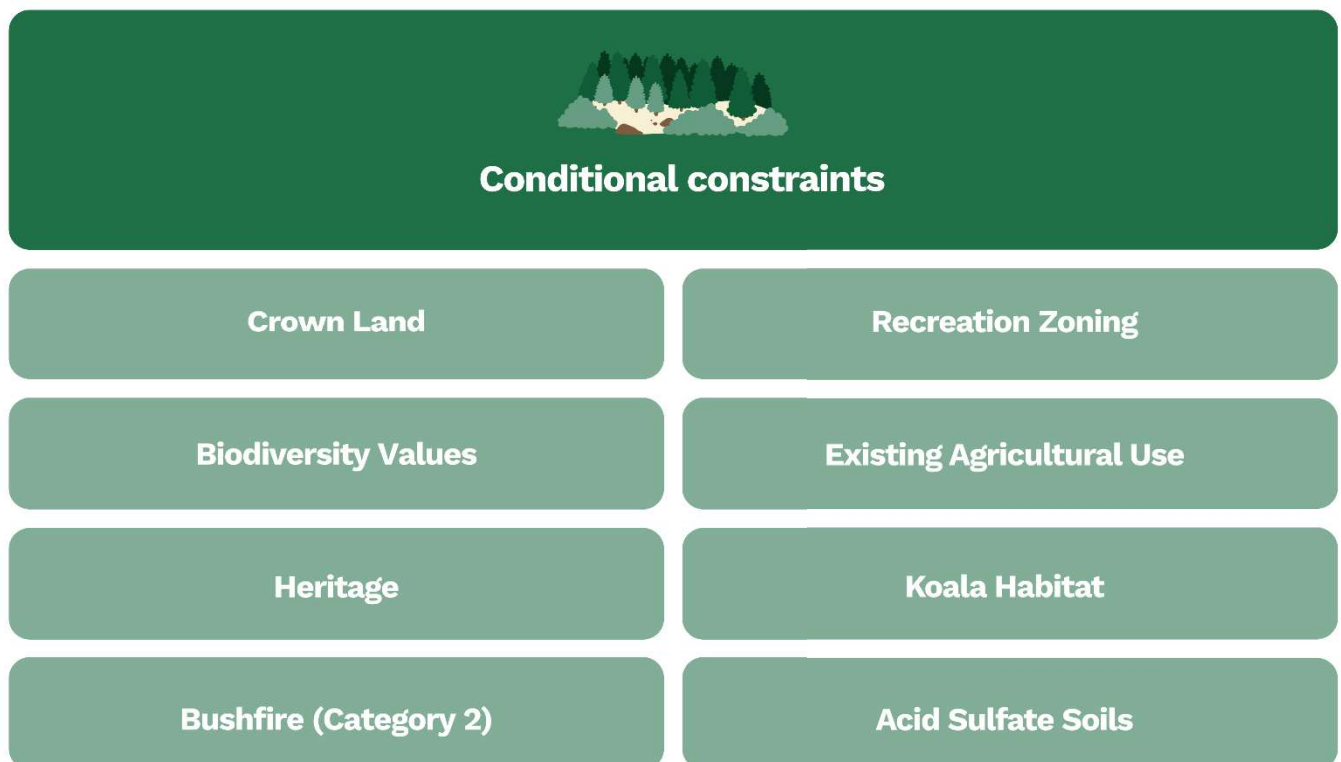
3 Conditional Constraints

Conditional constraints identify land where development may be possible, but where additional consideration, assessment or design response is required to ensure that outcomes are appropriate and sustainable. These constraints do not automatically prevent future housing or land use change; rather, they signal the need for a more tailored approach that balances development potential with the protection of environmental, cultural and land use values.

In these areas, proposals may need to demonstrate how impacts can be avoided or minimised, how sensitive features such as biodiversity or heritage will be managed, and whether infrastructure upgrades or mitigation measures are required.

This can include matters such as bushfire interface design, maintaining agricultural operations, protecting koala habitat, managing acid sulfate soils, or responding to the role of Crown Land or recreation spaces in the community.

By recognising conditional constraints early in the planning process, the Strategy supports a practical and balanced approach to growth. It allows development to occur where it can be achieved responsibly, while ensuring that environmental assets, cultural heritage, community uses and rural land values are respected and retained over time.



Note: While Category 2 Bushfire Prone land was considered in the conditional constraints, there was none located in the Shire at present. Should it be introduced in the future it should be treated as a conditional constraint.

3.1 Crown Land

Crown land is land held by the Government on behalf of the public. It includes public open space, Crown roads (sometimes referred to as paper roads), cemeteries and crematoria, waterways, dams, estuaries and beaches. In addition, Crown Lands oversees the management of nearly half of NSW's land (known as the Western division) through leases for grazing, agriculture, homes and businesses.

Where possible, change areas and Opportunity Sites avoid including any Crown land or state-owned land. Small areas of Crown land are located in Clarence Town infill sites, Tabbil Creek change area and Dungog infill sites. In progressing planning proposals or development applications for these sites, Crown Lands would need to be engaged to determine if land owners consent is required.

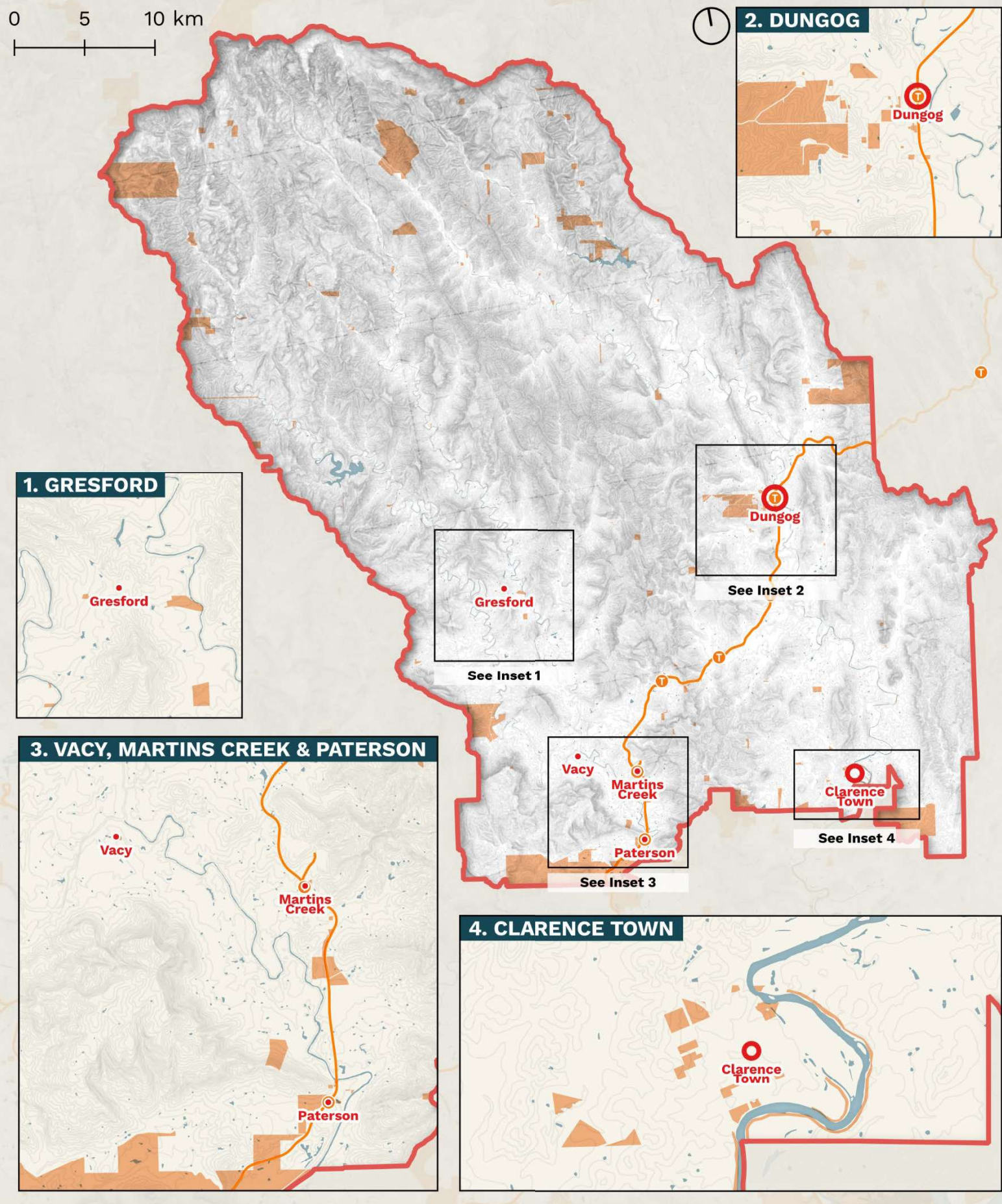


Figure 11 Crown Land

Legend

-  Dungog LGA
-  Train Line
-  Train Station
-  Crown Land

3.2 Biodiversity Values

Large areas of the Shire are identified in State biodiversity values mapping as containing habitat or ecological features that warrant protection. These areas support native vegetation, wildlife movement, and broader ecosystem function. Where land identified in this mapping is disturbed, further biodiversity assessment and, in some cases, offsetting may be required. As a best-practice approach, areas with mapped biodiversity values have been avoided when identifying change areas and Opportunity Sites to prevent unnecessary loss or fragmentation of ecological assets.

While these areas have been excluded at the strategic level, site-specific biodiversity assessment will still be required for any future planning proposals or development applications within the identified change areas or Opportunity Sites. These investigations will confirm on-the-ground conditions, refine the extent of vegetation and habitat constraints, and determine any required mitigation or management measures to support sustainable development outcomes.

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2. DUNGOG



1. GRESFORD

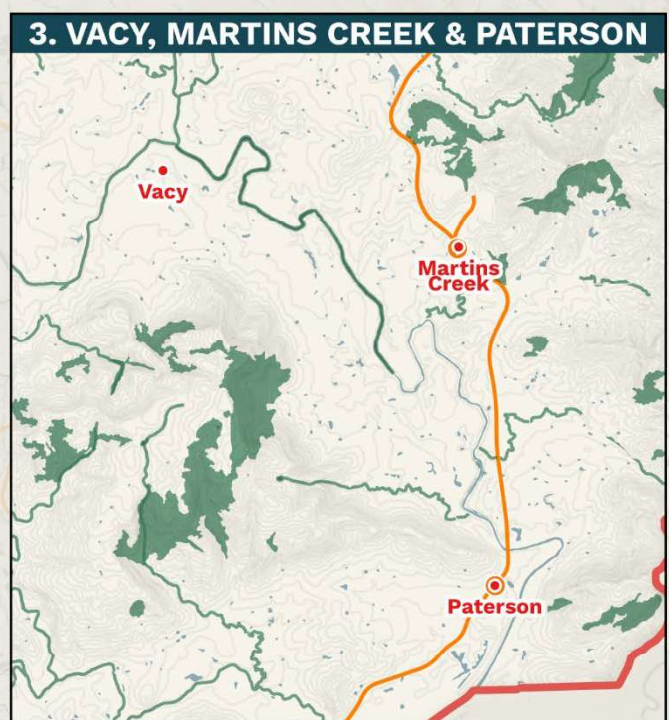


See Inset 1



See Inset 2

3. VACY, MARTINS CREEK & PATERSON



See Inset 3



See Inset 4

4. CLARENCE TOWN



Figure 12 Biodiversity Values

Legend

- Dungog LGA
- Train Line
- Train Station
- Biodiversity Values

3.3 Recreation Zoning

Recreation areas have generally been excluded from the identification of change areas and Opportunity Sites, recognising their important role in supporting community health, social connection and local identity. Parks, sporting fields, showgrounds, trails and natural recreation corridors provide spaces for active and passive recreation, community events and informal gathering. These areas contribute significantly to township character and liveability and are valued by residents and visitors alike.

Retaining recreation areas also ensures that existing and future communities continue to have access to well-distributed open space in walkable locations. As population grows, the demand on these spaces is likely to increase, meaning that preserving them now helps to avoid future shortfalls and the need for costly land acquisition or redevelopment. While land directly used for recreation has been excluded, opportunities for sensitively located housing in proximity to open space remain, provided that development maintains safe access, protects sightlines and amenity, and does not encroach on or diminish recreational use and capacity.

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2. DUNGOG



1. GRESFORD

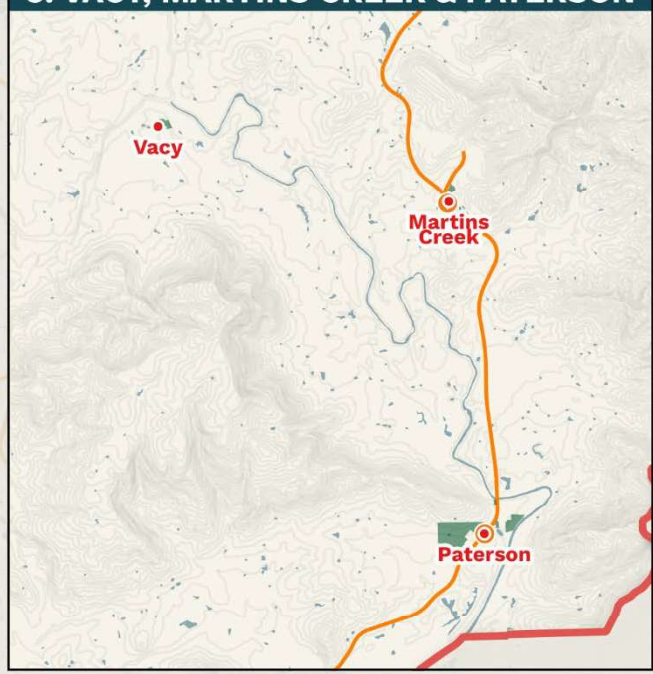


See Inset 1



See Inset 2

3. VACY, MARTINS CREEK & PATERSON



See Inset 3



See Inset 4

4. CLARENCE TOWN



Figure 13 Recreation Zoning

Legend

- Dungog LGA
- Train Line
- Train Station
- Recreation Zoning

3.4 Existing Agricultural Use

Mapping of existing land use across Dungog Shire highlights that agriculture is the predominant land use, particularly outside of established towns and villages. Grazing, pasture, and small-scale cropping form the backbone of the rural economy, with some more intensive agricultural activities, such as poultry enterprises, also present. These activities contribute to the Shire's identity, landscape character and economic resilience, and require careful consideration when planning for future housing growth.

In identifying Opportunity Sites and change areas, the draft *Local Housing Strategy* has sought to minimise potential land use conflict by avoiding areas where agriculture remains active, viable and central to land management. Where land with agricultural use has been included, these areas have generally been identified as longer-term areas, recognising that any transition to residential use should occur gradually and in response to changing land ownership, market conditions and community preference.

For sites where agriculture and residential uses are likely to interface, future planning proposals and development applications will need to demonstrate how potential conflicts will be managed. This may include subdivision layout, buffering, road and access design, setbacks, fencing, and ongoing land management controls to ensure both agricultural operations and new residential communities can coexist safely and sustainably.

0 5 10 km



2. DUNGOG



1. GRESFORD



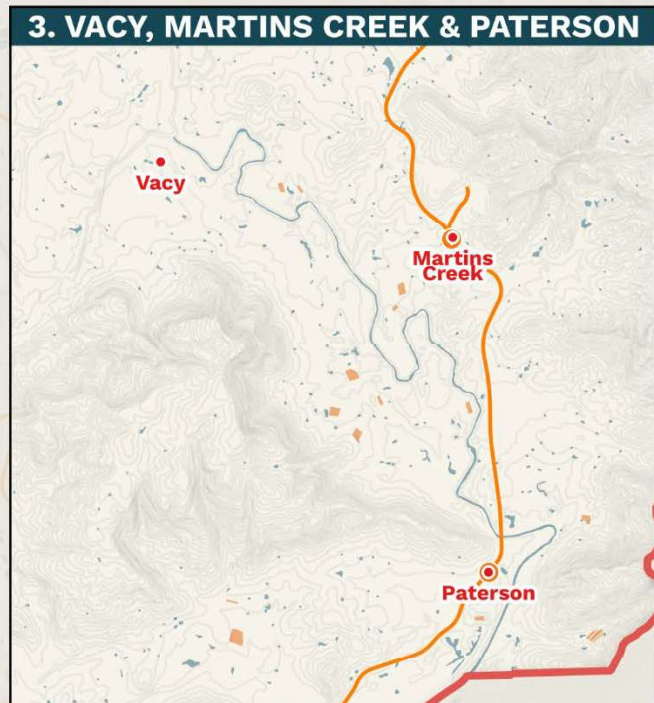
Gresford

See Inset 1

Dungog

See Inset 2

3. VACY, MARTINS CREEK & PATERSON



Vacy

Martins Creek

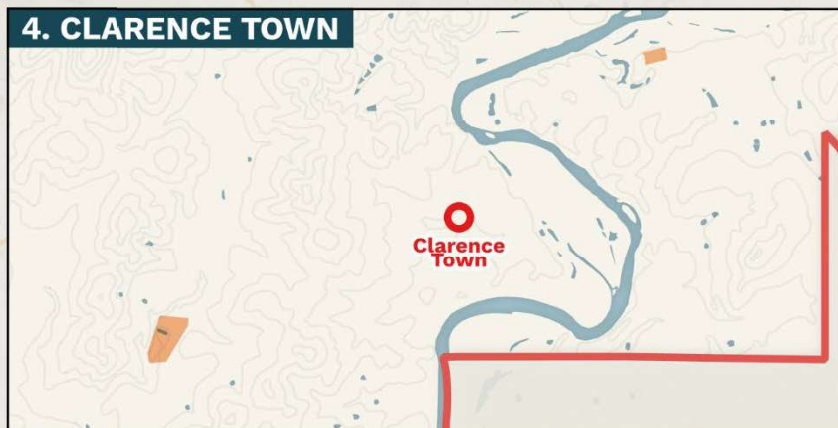
Paterson

See Inset 3

Clarence Town

See Inset 4

4. CLARENCE TOWN



Clarence Town

Figure 14 Existing Agricultural Use

Legend

- Dungog LGA
- Train Line
- Train Station
- Existing Agricultural Use

3.5 Koala Habitat

Koala habitat has generally been excluded from the identification of change areas and Opportunity Sites in recognition of its ecological significance and the vulnerability of local koala populations. These areas provide essential food sources, shelter and movement corridors that support koala survival and broader biodiversity values. Development in or adjoining these habitat areas can result in habitat loss, fragmentation, increased vehicle strike risk, domestic pet impacts and ongoing land management pressures, all of which pose long-term threats to koala population health.

By avoiding koala habitat in the early stages of strategic planning, the draft *Local Housing Strategy* prioritises the protection of core habitat areas and movement linkages across the Shire. This approach also aligns with current State policy directions and reflects strong community interest in safeguarding native wildlife and the Shire's unique natural landscape character. While housing growth is still supported in areas with lower biodiversity sensitivity, developments near mapped koala habitat will need to demonstrate appropriate design responses, such as buffer areas, vegetation retention, fauna-friendly fencing and safe transport networks, to ensure that koala movement and habitat values are preserved over time.

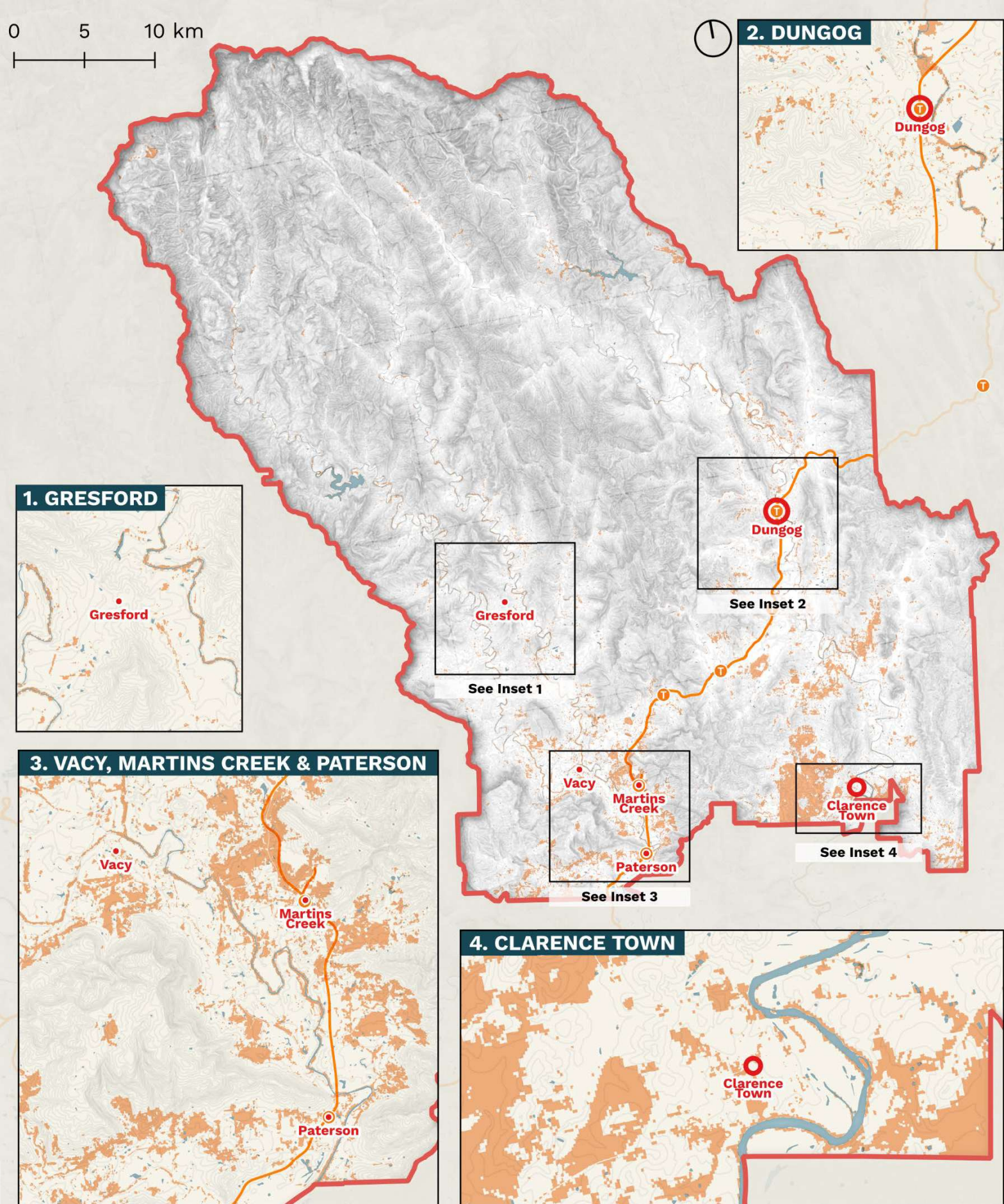


Figure 15 Koala Habitat

Legend

- Dungog LGA
- Train Line
- T Train Station
- Koala Habitat

3.6 Acid Sulphate Soils

Acid sulfate soils are classified into 5 different classes based on the likelihood of the acid sulfate soils being present in particular areas and at certain depths.

- Class 1: Acid sulfate soils in a class 1 area are likely to be found on and below the natural ground surface.
- Class 2 : Acid sulfate soils in a class 2 area are likely to be found below the natural ground surface.
- Class 3: Acid sulfate soils in a class 3 area are likely to be found beyond 1 metre below the natural ground surface.
- Class 4: Acid sulfate soils in a class 4 area are likely to be found beyond 2 metres below the natural ground surface.

- Class 5: Acid sulfate soils are not typically found in Class 5 areas. Areas classified as Class 5 are located within 500 metres on adjacent class 1,2,3 or 4 land.

To minimise the potential for future development to disturb, expose or drain acid sulphate soils and to cause environmental damage, areas of acid sulphate soils have generally been excluded from the identification of change areas and Opportunity Sites.

Clause 6.1 of the Dungog Local Environmental Plan outlines where development consent is required depending on the class and proximity to acid sulphate soils. Planning proposals or development applications on land where acid sulphate soils are present will need to have regard for Clause 6.1 of the LEP.

Class of Land	Works
1	Any works.
2	Works below the natural ground surface Works by which the watertable is likely to be lowered.
3	Works more than 1 metre below the natural ground surface. Works by which the watertable is likely to be lowered more than 1 metre below the natural ground surface.
4	Works more than 2 metres below the natural ground surface. Works by which the watertable is likely to be lowered more than 2 metres below the natural ground surface.
5	Works within 500 metres of adjacent Class 1, 2, 3 or 4 land that is below 5 metres Australian Height Datum and by which the watertable is likely to be lowered below 1 metre Australian Height Datum on adjacent Class 1, 2, 3 or 4 land.

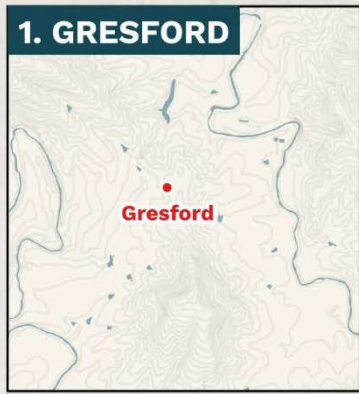
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2. DUNGOG



1. GRESFORD

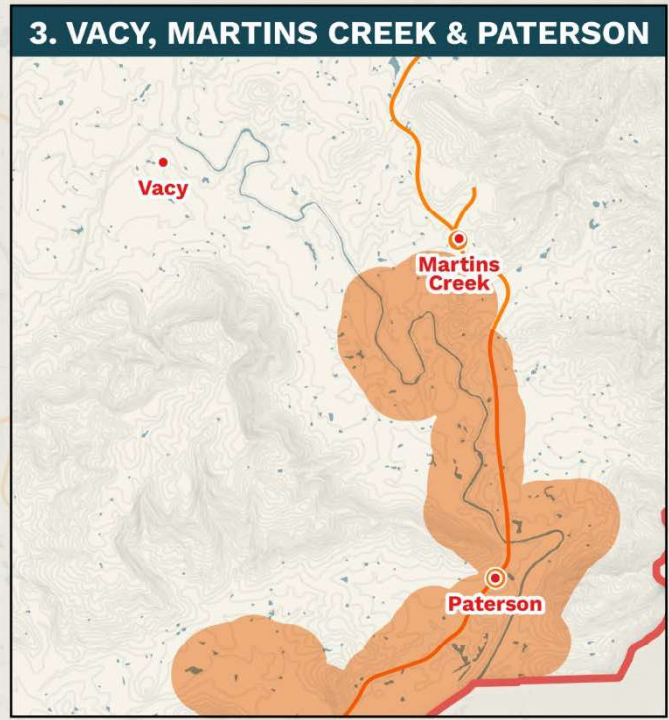


See Inset 1



See Inset 2

3. VACY, MARTINS CREEK & PATERSON



See Inset 3



See Inset 4

4. CLARENCE TOWN



Figure 16 Acid Sulphate Soils

Legend

Dungog LGA

Train Line

Train Station

Acid Sulphate Soils

3.7 Heritage

Some change areas and opportunity sites have been identified within heritage conservation areas and some contain heritage items. Heritage mapping highlights areas with heritage significance, including general or archaeological items.

When developing these opportunity sites, it is crucial to conduct a thorough heritage assessment and carefully consider heritage aspects. This ensures the protection and preservation of the Shire's recorded history, maintaining its cultural and historical identity within the urban landscape.

0 5 10 km



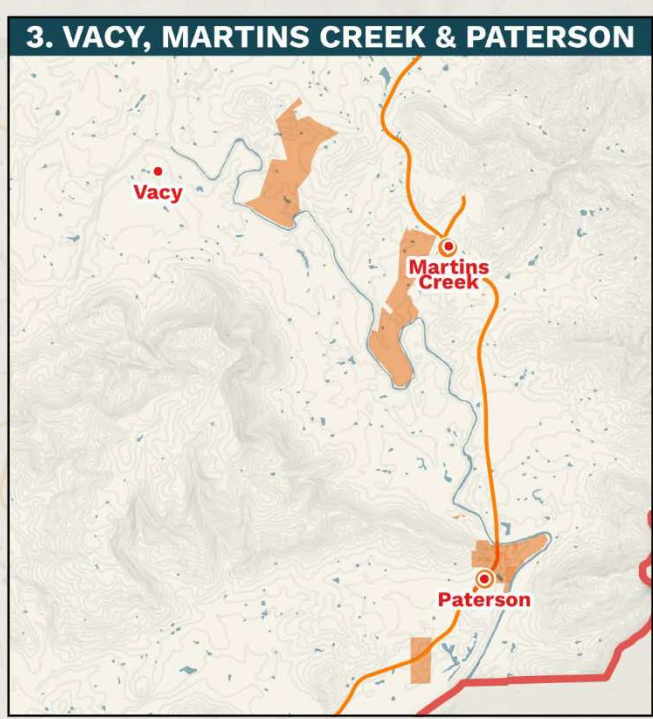
2. DUNGOG



1. GRESFORD



3. VACY, MARTINS CREEK & PATERSON



4. CLARENCE TOWN



Figure 17 Heritage Items and Conservation Areas

Legend

- Dungog LGA
- Train Line
- Train Station
- Heritage Items and Conservation Areas



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