

INTRODUCTION:

Surf Coast Shire Council (Council) invites Expression of Interest (EOI) from suitably qualified and experienced operators for the Sub-lease of the Gherang sand and gravel quarry located on Crown Land at 440 Forest Road, Gherang (Crown Allotment 2004, Parish of Gherang) .

The successful applicant will be responsible for the management and operation of the site including the extraction, processing and sale of quarry materials, in accordance with the relevant Work Authority and all relevant legislative and regulatory requirements.

SITE OVERVIEW:

The site provides a total area of approximately 25.28 hectares.

Location:	440 Forest Road, Gherang
Zoning:	Public Conservation and Resource Zone (PCRZ)
Area:	25.28 hectares
Material Quality:	Clean, well-graded gravel/sand suitable for road base, concrete, and asphalt aggregate.

SITE CONDITION AND REHABILITATION REQUIREMENTS:

The approved Work Authority (WA51) for Crown Allotment CA2004 identifies an estimated 1 million cubic meters of suitable material available for extraction and an anticipated production rate of approximately 120,000t per year.

For WA51, rehabilitation rules govern extraction sequencing and effective resource recovery. A maximum of 10 hectares of disturbed land may remain unreclaimed at any time. Terminal faces must be rehabilitated at a slope not exceeding 1V: 3H, with topsoil placed to a nominal depth of 100mm and revegetated.

Council has prepared an example extraction and rehabilitation plan for the site which is available to applicants., noting:

- Progressive rehabilitation of disturbed or completed extraction areas.
- Conceptual final landform and end-use design.
- Identification of rehabilitation materials available on site.
- Rehabilitation staging, sequencing and milestones.
- Monitoring, maintenance and completion criteria.

Applicants may elect to adopt the principles of the example plan or submit an alternative rehabilitation approach. Any alternative proposal should demonstrate equivalent or improved rehabilitation outcomes and compliance with the relevant Work Authority and regulatory requirements.

Council places a high value on progressive rehabilitation and long-term land stewardship. Applicants should demonstrate how rehabilitation will be integrated into quarry operations throughout the life of the project rather than deferred until site closure.

Disclaimer: all information provided by Council is supplied in good faith and is indicative only.

Applicants are responsible for undertaking their own investigations, due diligence and independent verification of all site conditions, resource estimates and operational constraints.

BACKGROUND:

The land is zoned public conservation and resource zone. Surf Coast Shire Council holds a 21-year Crown Land Lease over the land. The subject site proposed for the sub-lease Crown Allotment 2004 consisting of 25.28 hectares

Gravel extraction and activities are permitted under Work Authorities and are to be compliant with the *Mineral Resources (Sustainable Development) Act 1990* and the *Mineral Resources (Sustainable Development) Extractive Industries Regulations 2019*.

Geotechnical assessments suggest the presence of substantial gravel reserves with layers of clean, well-graded material suitable for:

- Road base and sub-base construction
- Concrete and asphalt aggregate

REGULATORY COMPLIANCE:

The site is Crown Land managed under a 21-year lease by the Council, the Sub-Tenant must operate under strict legal guidelines:

- **Work Authorities:** All extraction must be permitted under specific Work Authorities (WA) which dictate how the land is excavated and rehabilitated.
- **Primary Legislation:** Compliance is required with the Mineral Resources (Sustainable Development) Amendment Act 2023 and the Extractive Industries Regulations 2019.
- **Environmental Oversight:** The land is zoned for conservation and resource use, operations must balance extraction with the protection of the surrounding environment.

OBJECTIVES:

To undertake gravel and sand extraction operations in a manner that ensures the sustainable use of the Crown land resource. All extraction works must be conducted in compliance with all relevant environmental, planning and resource management legislation.

Council is looking for a partner who prioritises **resource sustainability**. This means:

1. **Compliance:** Adhering to all safety and environmental regulations.
2. **Efficiency:** Maximising the utility of the gravel reserves while minimizing the site footprint.
3. **Rehabilitation:** Ensuring the land can eventually be returned to a state consistent with its conservation zoning.

Council requires a strong commitment to progressive rehabilitation, ensuring that disturbed areas are restored in a staged manner throughout the life of the operation, not only at closure.

Council seeks an operator that will actively and efficiently utilise the approved quarry resource throughout the term of the sub-lease while maintaining compliance with rehabilitation and environmental obligations.

ASSESSMENT CRITERIA

The following criteria will be used to assess the EOI submissions:

Non-assessable Requirements

1.	Contact details of organisation representative (phone and email)
2.	Organisation name, ABN and structure (eg. company, partnership)
3.	Insurance – Confirmation of ability to obtain necessary insurance (\$20 million public liability insurance) and workers compensation insurance covering employees.

Assessable Requirements:

Selection Criteria	Weighting
Capability and Experience – Demonstrated experience in gravel extraction, quarrying or similar operations.	30%
Capability to manage environmental and rehabilitation obligations – Proposed environmental management (dust, noise and habitat protection) , demonstrated experience in progressive rehabilitation and site closure.	40%
Evidence of financial capability to fund and sustain operations over the sub-lease term.	10%
Local benefit / content – Demonstrate local benefit such as employment opportunities, use of local contractors and suppliers, capacity to support Council projects, community engagement or a demonstrated local presence	20%

All assessment criteria must be addressed, and applicants are encouraged to attach supporting documentation where appropriate.

OPERATIONAL METHODOLOGY

Applicants should provide:

- proposed extraction methodology;
- expected annual production profile;
- staffing structure;
- plant and equipment to be utilised;
- management of traffic, dust and noise impacts; and
- approach to Work Authority compliance.

REFERENCES

Applicants must provide:

At least two (2) referees from comparable quarrying or extractive operations.

Details of project scale, duration and role undertaken.

COMMERCIAL FRAMEWORK

Indexation – Lease fee and royalty rates will be subject to annual indexation of Producer Price Index (PPI) relevant to quarrying or extractive industries.

Royalty Structure – Royalty submissions must be provided in \$/tonne of extracted material.

State Government Royalty – Applicants must clearly state whether the Victorian State royalty (currently \$0.87 per tonne) is included within the proposed Council royalty or payable separately by the operator.

Minimum Production / Royalty Requirements – The successful applicant will be required to operate under the commercial framework established by Council, comprising:

- Minimum annual extraction volume of 120,000 tonnes;
- Council royalty of \$4.50 per tonne of extracted material;
- Crown royalty at the prescribed Victorian Government rate (currently \$0.87 per tonne);
- Minimum royalty payable calculated on a deemed annual extraction volume of 120,000 tonnes where actual extraction falls below that amount.

Applicants are not required to submit alternative royalty rates, lease fees or minimum production commitments.

TERMS OF ENGAGEMENT –

The preferred applicant will be required to enter a mutually acceptable sub-lease with Council, including the following key terms:

- **Lease Fee:** \$29,000 per annum plus GST
- **Royalty Rate:**
 - **Council Royalty:** \$4.50 per tonne
 - **Crown Royalty:** payable at the prescribed Victorian Government rate (currently \$0.87 per tonne)
- **Minimum Annual Extraction Requirement:** 120,000 tonnes (agreed with the preferred applicant)
- **Term:** 10 years with further term options of 2 x 2 years
- **Nominated Commencement Date:** To be agreed
- **Permitted Use:** Commercial Extraction of gravel
- **Insurance:** \$20 million public liability insurance
- **Sub-Lease Area:** Limited to the area set out in Annexure A

ASSESSMENT OF EOI SUBMISSIONS

All submission lodged in accordance with the above EOI submission requirements will be assessed by a panel of Council Officers in accordance with the assessment criteria and a preferred applicant may be selected or Council Officers may determine that no submissions satisfy the EOI submission requirements.

In initiating and while conducting this EOI process, the Council offers no guarantee that the Council will, as a result of this process, enter into a licence agreement with any applicant or a preferred applicant if selected.

DETERMINATION BY COUNCIL –

Council will determine whether to enter negotiations for a sub-lease with the preferred applicant (if recommended by the panel of Council Officers). Council's *Property Use Agreement Policy* requires Council to

undertake community consultation by advertising intent to enter into a lease agreement with the preferred applicant and seek public feedback.

Council is not under any obligations to enter into a sub-lease agreement with the preferred applicant or any other applicant.

All parties who lodge an EOI submission will be advised of the outcome, if the preferred applicant is approved by Council or if the Council determines that it will not enter sub-lease negotiations.

EOI SUBMISSION CLOSING DATE –

Proposals addressing the EOI Submission Requirements as outlined above should be lodged by electronic mail, in person, by courier or by post to be received no later than 30 October 2026 and marked to the attention of Coordinator Engineering Service and Design.

- **Email:** info@surfcoast.vic.gov.au
- **In person:** Surf Coast Shire Council Office – 1 Merrijig Drive, Torquay
- **Post:** PO Box 350, Torquay, Victoria 3228

ENQUIRIES

Enquires related to this EOI process can be directed to Council's Coordinator Engineering Services and Design via telephone 52610 600 or email info@surfcoast.vic.gov.au

It is the organisations responsibility to ensure that correct lodgement occurs.

Where information included in the EOI is unclear, clarification may be sought from the lodging party.

Council is under no obligation to consider any incomplete submission, submission lodged incorrectly or submission lodged after the closing time.

NO CANVASSING OF COUNCILLORS OR COUNCIL STAFF

Prospective applicant must not approach or request any other person to approach any member of the Council's staff or a Councillor – individually or collectively to solicit support for their submission or otherwise seek to influence the outcome of the EOI process. Any such conduct will cause the applicant to be disqualified from consideration.

ANNEXURE A – Sub-lease Area

