



## **MEDIA RELEASE**

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### **\$30m rail freight terminal will drive industry, mining growth in SA**

**The first stage of a \$30 million major rail freight terminal development will be opened today providing a critical boost to industrial development both in the north of Adelaide and for South Australia's mining industry.**

The rail freight terminal (RFT) will be opened by the Premier, Mr Rann. It has been developed by Australia's largest privately owned rail operator SCT Logistics on a 70ha site in the heart of Greater Edinburgh Parks in the City of Playford.

As the first major industrial development in the 1000ha Greater Edinburgh Parks, it is expected to stimulate the development of a broader logistics precinct in the area. Greater Edinburgh Parks has been identified as SA's major new industrial zone and is already home to facilities that include a \$125 million Coles distribution centre.

City of Playford Mayor Glenn Docherty said the SCT RFT, which would create up to 300 new jobs, would facilitate the growth of resources, industrial and other sectors in South Australia by providing direct access to the national standard gauge rail network and the recently opened Northern Express Way.

"The centre of SA's economic activity is moving north," Mayor Docherty said. "Not only are the defence and advanced manufacturing industries driving this growth but a new era of industrial innovation supported by road and rail infrastructure will secure the future of Northern Adelaide.

"Playford Council has been working with SCT and the state government for almost five years to bring this idea to fruition and we are looking forward to working with more companies that share our vision for the North."

SCT Logistics CEO Geoff Smith said the RFT marked another significant step forward for his company, which over the next year expects freight generation and throughput of 1 million tonnes of rail transported freight. The facility would also facilitate a modal shift from road to rail between Melbourne and Adelaide.

"It will be a vital piece in the jigsaw as Playford and Northern Adelaide becomes the economic and industrial engine room of South Australia," Mr Smith said. "It will also play a key role in enabling the \$9 billion worth of infrastructure being developed in Northern Adelaide, a region that's expected to drive half of Adelaide's industrial development over the next 20 years."

Development of the RFT also coincided with SCT-related company Specialised Bulk Rail Pty Ltd (SBR) entering the bulk rail market in Australia by winning a \$150 million contract with IMX Resources for iron ore rail haulage over 1000km from the Cairn Hill mine near Coober Pedy to Adelaide's Outer Harbour. Stage Two of the contract is expected to see its value grow to \$300 million.

The new facility has been welcomed by local business and the state's mining industry. South Australian Chamber of Mines and Energy CEO Jason Kuchel said the SBR contract with IMX Resources demonstrated how vital rail infrastructure would be to the future development of SA's burgeoning iron ore industry.

"The SCT rail freight terminal will be a valuable addition to the state's overall transport infrastructure and will undoubtedly help strengthen the attraction of South Australia to increased mining and resources investment," Mr Kuchel added.

SCT Logistics CEO Geoff Smith said the first major warehouse currently being constructed at the RFT site was a \$9 million, 10,000m<sup>2</sup> distribution warehouse for the Fosters Group, in addition to a 6000m<sup>2</sup> container park, all constructed by SCT. The site opens opportunities for both existing and potential customers to develop new state of the art distribution centres in South Australia.

The chair of the Elizabeth West Business Forum, Brian Wildman, said this illustrated how the new RFT would provide better access to more effective road-rail transport options, which had been identified as a major priority for the Northern Adelaide business sector.

"It will provide businesses and industry in the Northern Adelaide region an optimum choice of transport options which, combined with road infrastructure development such as the Northern Expressway, will underpin major economic growth in the region," Mr Wildman said.

Mr Smith said the new RFT marked a significant step forward for SCT Logistics, which had already outgrown the terminal it had established in Adelaide's Regency Park in 2001. The company, which was established in Melbourne in 1974, started competing against the National Rail Corporation on the Melbourne to Perth route in 1995 and has now established a national rail terminal and operational network.

Running five trains per week on the east-west corridor, SCT currently runs trains from Melbourne to Adelaide that are limited to 1.5km in length with single-level purpose-built wagons due to height restrictions. In Adelaide the length of each train is increased to the maximum allowed length of 1.8km with the ability to double stack containers on innovative high-cube wagons for the journey across the Nullabor to Perth.

"The expansive footprint of our new site will offer greater flexibility and facilitate the expansion of our maintenance facilities into South Australia as well as configuring our trains to optimise efficiency," Mr Smith said. "Adelaide is in many respects an epicentre for rail in Australia as it is a major intersecting point for rail activity as well as having less inhibitive train height and length restrictions."

He said the efficiency and carbon output of freight trains had improved dramatically over the past 25 years and rail transport was well recognised for its environmental friendliness compared to road transport in addition to reductions in highway and road congestion and maintenance costs, as well as road trauma.

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