



Grain Industry Association of Victoria Moving East Coast Grain

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CONFIDENTIAL

National operations with a local presence

Pacific National operates a national footprint with on-the-ground operations in over 70 locations

Snapshot of Pacific National*

National view



~600
Active locos



~12,000
Active wagons



>3,000
Employees



>70
Locations

Customers

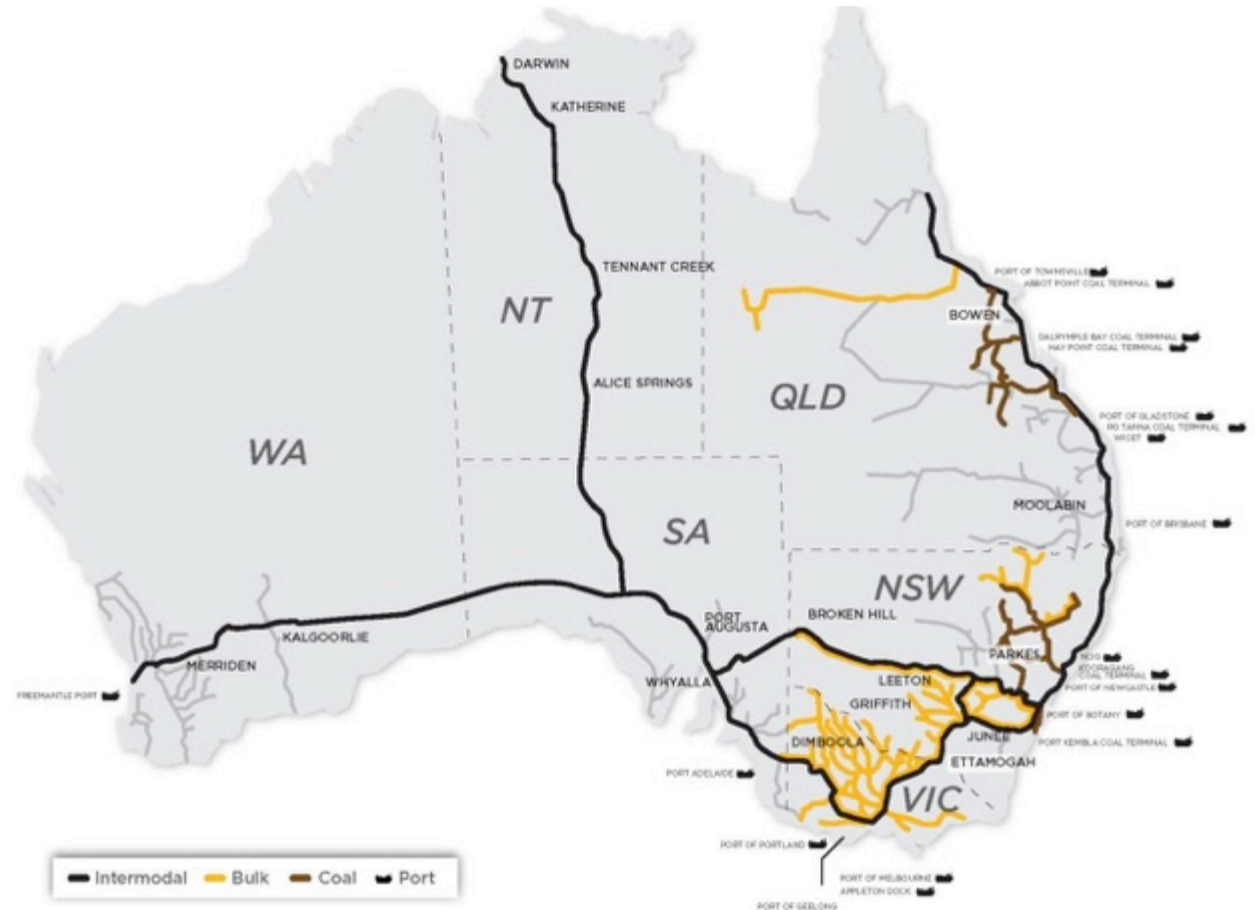


>350
Customers



>800
Weekly revenue
train services

Where Pacific National operates



*as at 31st December 2017

Grain South to North – Bulk Rail

- PN is currently operating ~4 services per week from SA and Mallee to Parkes and Moree.
 - PN has the capacity to do more domestic movements from WA, SA and Vic to NSW
- Capacity
 - 4 trains per week from South Eastern SA or Vic
 - 2 trains per week from North Eastern SA
 - 2 trains per week from WA, utilising the steel or intermodal service
 - Train Capacity limited by up country loading and unloading infrastructure.
 - Day light loading and unloading
 - Bin capacities and siding constrains limitations
 - Longer trains not necessarily more efficient
 - Accumulation of grain should be targeted from more efficient sites
 - 30,000 – 50,000t/wk
 - Equivalent to 1 vessel per week. Handymax will take 5 -7 days to discharge.
 - 2016/17 PN operated 20+ export rakes, in Vic/NSW

Grain South to North – Bulk Rail

- Origins (harvest dependant)
 - South Eastern SA and Vic standard gauge sites, via Geelong, Albury with export trains
 - North Eastern SA via Broken Hill, Parkes with export trains
 - WA via Broken Hill with Intermodal/Steel services
- Destinations
 - Accumulate grain for domestic demand in QLD and NSW
 - Moree, Narrabri, Werris Creek, Parkes, Temora, Junee
 - NSW Ports – Newcastle (GNC, NAT), Port Kembla (GNC, Quattro)
 - Deliver direct to NSW domestic customers

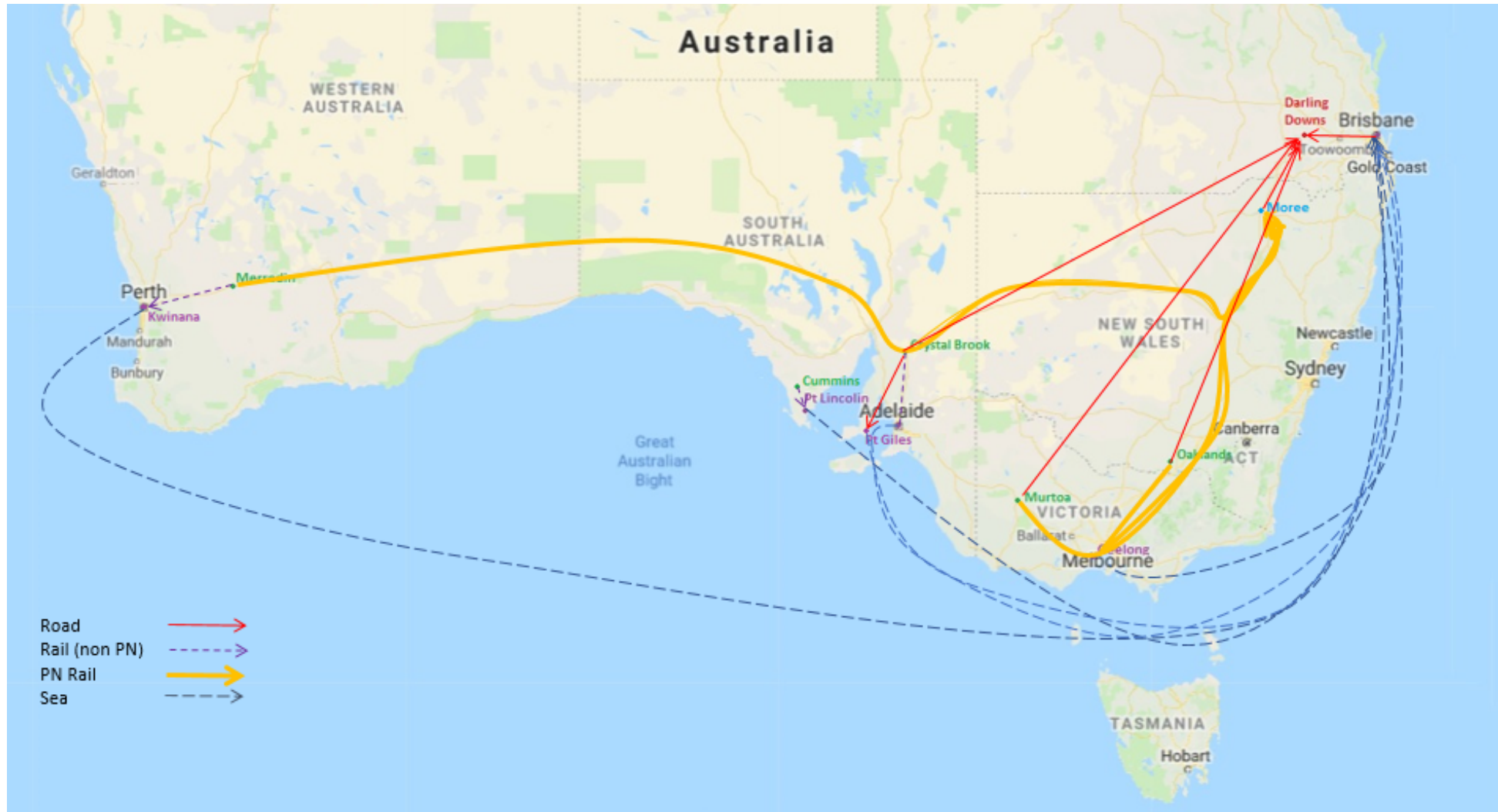


Grain South to North – Bulk Rail

- Limitations
 - Need grain in SA and Vic to move to NSW, Qld
 - Rail agreement
 - Purchase delivered SA or Vic grain at a NSW Sub Terminal
 - Rail limited by below rail infrastructure
 - Grain rail lines are intended for export
 - Tyranny of distance, can be amplified
 - Working with SA BHC and below rail owner to gain access and costs to operate from SA sites.
 - Opportunity for the sites on SG network in Vic, to draw grain from the BG network
- Opportunity
 - Rail is competitive
 - Rail can meet the demand of NSW/Qld
 - It will keep regional crews employed

Likely Grain movement options

The market will dictate the opportunity



Questions:



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