

11 May 2026

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Senate Select Committee on Productivity in Australia

Via email productivity.sen@aph.gov.au

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Senate Select Committee on Productivity in Australia – Questions on Notice

Thank you for the opportunity to appear before the Senate Select Committee on Productivity in Australia and provide Pacific National's (PN) perspective on how freight rail can boost productivity in the Australian supply chain.

Please find below PN's response to the Committee's Questions on Notice:

Questions from Senator McKenzie

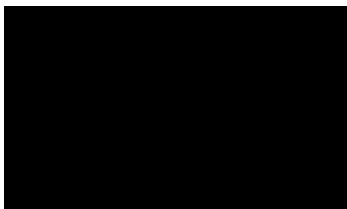
1. Did the Minister or the Department proactively engage with your organisation on the development or implementation of the National Fuel Security Plan?
 - No
2. Have the Government confirmed whether your industry will be classified as a critical sector under Level 4 fuel rationing arrangements? If so, when?
 - No
3. Has the Government given you any assurance that your industry will not be impacted by fuel disruptions or restrictions if Level 4 rationing is introduced? If so, when?
 - No
4. Where in the country are the priority locations that this investment needs to occur to enhance productivity and grow regional areas?
 - Increasing the volume of freight moved on rail in Australia presents a massive latent productivity opportunity. For example, only 20% of the freight between Melbourne and Brisbane is on rail and only 2% of the freight moved between Melbourne and Sydney is on rail.
 - However, productivity gains are offset by the reliability and resiliency of networks. For example, sections of ARTC's East-West rail track through South Australia experienced several outages this summer due to washouts of sections of track from floodwaters. This in turn has resulted in freight customers moving freight from rail to road.
 - To enhance freight rail's productivity, investment across major rail freight corridors is required and PN welcomes the Government's recent announcement to invest an additional \$1.75B in the ARTC's Network Investment Program.

Questions from Senator Grogan

1. What has been your R&D spend over the past 10 years?
 - Rail is not like a technology, medical, or research led business. There is R&D in the rail sector, but that is primarily in the design and manufacturing of rollingstock and other assets (a supplier to the rail operators).
 - PN has facilitated R&D through the procurement of large parcels of next generation equipment. A good example of that is in relation to the UGL 94 class next generation heavy haul locomotive. The purchase of 50 of these engines facilitated on shore innovation to develop this locomotive for Australian conditions and regulatory requirements.
 - Direct R&D activity has resulted in the introduction of locomotive driver advisory systems (ATP2 and HORUS) for our Intermodal Fleet in far north Qld. These systems use real-time data to improve drivers' situational awareness, helping to mitigate overspeed and Signal Passed at Danger events.

2. Has there been any greater investment in innovation since COVID?
 - Since COVID, PN has sought to increase the productivity of its rail operations through the following investments:
 - The purchase of 50 next generation locomotives (as above)
 - Investment in double stacking wells to get more productivity
 - Investment in and use of driving technology to reduce fuel consumption
 - Investment in new terminals to allow double stacking of containers

Kind regards,



Brett Grehan
Chief Executive Officer
Pacific National