AN ECONOMIC HISTORY OF THE OAKEY-COYAR RAILWAY 1910-1969

by Diana J. Beal

The Oakey-Cooyar Branch Railway on the Darling Downs was opened in 1913. Its construction had been advocated for a number of years by local selectors and was approved by the first session of parliament in 1909.

Construction began in September 1910 and by April 1912 the first 17 miles 38 chains [28 km] opened to traffic. This was extended to Peranga [34 km] in November and opened through to Cooyar on 28 April 1913. It was no mean achievement as the second half of the line entered the foothills and finally crossed the Great Dividing Range by means of a tunnel 15 chains [300 metres] long and lined with concrete; it is still in excellent condition today.

This paper chronicles the local agitation to have the line constructed to improve communications and the marketing of produce, and analyses the use and financial results of the line. Economic and social conditions had changed dramatically by the 1960s, and the line was no longer needed. To limit continual deficits, the line was closed beyond Acland on 1 May 1964 and from Oakey to Acland on 8 December 1969.

RURAL CONDITIONS AT THE TURN OF THE CENTURY

The land through which the railway was surveyed was originally part of three pastoral runs, Westbrook, Lagoon Creek (run in conjunction with Jondaryan) and the Rosalie Plains-Cooyar consolidation.

Diana Beal wrote this paper as a final year student in the Graduate Diploma of Local and Applied History at the University of New England in 1990. This is a shortened version. She is now completing her Masters thesis on the landscape history of Rosalie Shire.
By a series of resumptions under various Land Acts, exchanges under the Exchanged Lands Act of 1879 and purchases under the Agricultural Lands Purchase Act of 1894, the government, driven by the politically-attractive ideal of a strong rural yeomanry, opened land for closer settlement.

The selectors in this part of the Darling Downs were predominantly of German origin. German selectors were renowned for their ability to survive, "even thrive on a subsistence level".1 This was not of their choice, but caused by lack of markets, and lack of adequate roads and transport systems. Long travel times on poor roads prevented many farmers from carting their own surplus produce to the regional railheads, Oakey and Jondaryan. Cartage charges by bullock wagon made the marketing of produce uneconomic.

The period 1900 to 1920 was one of branch railway proliferation throughout Australia, to facilitate closer settlement. The Queensland Premier, Arthur Morgan, told a meeting in Warwick Town Hall in 1904:

We (the government) propose to make an experiment in opening up districts where the one essential to closer settlement is railway communication.2

The government believed no selector should be much more than ten miles [16 km] from a rail siding. The investigation into the Goomburra Estate subdivision in 1894 had revealed that 13 miles was too far for profitable agriculture.3

The Commissioner for Railways, James Thallon, told the parliamentary enquiry into the Oakey-Cooyar line in 1909:

It is not possible to go in for intense cultivation in any district unless you have a railway within ten or twelve miles. It does not pay to cart agricultural produce.4

The Railways Minister, W.T. Paget, later informed parliament that there were 1500 acres under cultivation in the district, that prickly pear was getting a hold (and the railway would assist in its control), that the Downs was critically short of timber, and that 18 teams were working full-time carting sawn timber from Cooyar to Oakey and Jondaryan railheads.5

A deputation of settlers had made much of the timber in an interview with the Minister the previous November. They claimed that bullock team haulage from Cooyar to the Main Western Line cost 25 shillings per ton and that there were 500,000 feet of timber lying at Cooyar awaiting transport. They foreshadowed future economic activity by reporting that a water bore in the Silverleigh district had penetrated a seam of coal, thirty feet deep.6 That coal was later to keep part of the line open for five years after the remainder had closed.
Oakey - Cooyar Railway
(1913 - 1964)
showing principal traffic; passengers from all stations and relevant altitudes

10 km
N.G. Bell, Deputy Chief Engineer for Railways was sure the line will pay. It will eventually become a trunk line, connecting with the Central Railway [through the Dawson] . . . That is the reason 61 lb. rails are being used.\textsuperscript{7}

The line was expected to earn £ 7800 per year with working expenses of £ 5010 leaving a surplus of £ 2790 which would pay half the interest bill.\textsuperscript{8} Under the Railways Act of 1906 the ratepayers in the defined benefitted area had to meet any shortfall, but interest was computed at a concessional rate of 3%. With English capital available at 3\frac{1}{2}\%\textsuperscript{9} the government readily endorsed another line fulfilling its agrarian ideals by reducing transport costs for agricultural produce and building materials for the towns. With parliamentarians ever anticipating that the approval of another member's railway might ultimately bring a line to their own electorates, the line was approved on 25 November 1909.\textsuperscript{10}

The benefitted area was defined and published in the Government Gazette of 21 May 1910. Under the Act, 30 aggrieved ratepayers could demand a poll. The Commissioner advised the Minister there “was no demand for a poll”, and construction began in October.\textsuperscript{11} The map shows the route, stations, elevation of the line and major traffic from each station. Stations were located approximately every three miles and, at some, small towns developed.

**EARLY OPTIMISM**

The first four full years of service (1914-18) were years of optimism as revenue exceeded working expenses. The stations raling agricultural produce averaged 174 tons each in 1914, and this grew to 288 in 1917. Only nine of the 13 original station had trucking yards but over 3000 pigs and 5000 cattle were railed annually during this period.

The effect of World War I is difficult to assess as there was only one full financial year of operations prior to the war. Passenger numbers rose about 30\% each year of the war compared with pre- and immediate post-war years. A peak of 1096 horses were railed in 1916, more than double the next best year in that period. Most were destined as war mounts, remounts and gun carriage horses.

The timber trade lived up to its promise in the early years. The peak railings of 14,586 tons in 1914 and 18,918 in 1915 were never seen again.\textsuperscript{12} Timber remained a major commodity on the line, but the early aggregates of over 10,000 tons could not be maintained after 1927. The principal timbers were hoop pine (Araucaria cunninghamii) and bunya pine (A. bidwillii) which were cut out completely from the Cooyar-Nanango area. Most were sawn into the famous ‘Queensland VJ’ tongue-and groove boards four inches by one inch, and used extensively as interior wall linings and ceilings.
Firewood was an added bonus for the line. It was mostly railed from Sabine and Peranga and averaged over 2500 tons per annum in the early years. Most was narrow-leaf ironbark (Eucalyptus crebra) which burnt hotly to a fine ash and was easy to split. Lesser timbers were left in the paddocks to rot or burnt in situ to clear paddocks for cultivation.

Coal, known to exist extensively under the Downs, was railed in large quantities from 1915 onwards. Special sidings were built at Sugarloaf, between Sabine and Acland, and at Balgowan, between Muldu and Plain View. Over 9000 tons were railed in most years.

Despite the above traffic, by the 1916-17 financial year, revenue did not cover working expenses and deficits continued for the next 14 years. In the earlier years revenue exceeded working expenses by an average of £2000 but interest at 3% on capital was nearly £7000. To meet the shortfall, Rosalie Shire Council was required to levy a railway rate on ratepayers in the benefitted area. By 1915, however, so many railways were operating at a loss that the government decided to lessen the burden on selectors. (Many of the men were away at the war, and their wives were struggling to keep the household together and pay the government the annual rent on their selections.) It passed the Railway Act Amendment Act abolishing the guarantee provisions and relieved the selectors of this additional burden. For the years
1918-31 the line did not earn a penny of interest or even cover working expenses.

THE DEFICIT YEARS, 1918-1931

Deficits were characteristic of branch lines, in Queensland, in Australia and indeed in more populous countries like Britain. The extent of the area served, the type of freight carried and the freight charges the goods could bear, the frequency of services, and the extent of track maintenance, as well as the point in the national trade cycle, all had a bearing on profitability.

The Oakey-Cooyar line was 38 miles [61 km] long. The first ten miles, to Acland, was already served by the Western line. Little freight was carried from Wilthorn and Sabine once the firewood was cut out.

Freight rates for 100 miles varied considerably. In 1921, the charge for wool was nearly 57 shillings, compared to 10 shillings and twopence for agricultural produce, 12 shillings and sevenpence for butter and cheese and 14 shillings for coal. The Cooyar branch carried less than ten tons of wool in most years.

Petrol-engined rail motor services were introduced in 1929. They were cleaner, faster and more punctual than the steam-powered mixed trains. Patronage increased 42% in the following year. The rail motor

![Muntapa Tunnel where the Cooyar branch crosses the Great Divide.](image)

E.D. Hills Collection.
ran from Cooyar to Toowoomba and return five days per week taking 2 hours 10 minutes to Oakey and another 45 minutes to Toowoomba. This compared with 4½ hours by mixed train to Oakey and another hour to Toowoomba. Mixed train services were reduced from four to three per week.

The contractionary effect of the 1929-34 depression on national and international trade was reflected in the sales and movements of most types of produce out of the area. Coal, timber, firewood, cattle and sheep sales slumped. Coal demand was affected by the lessened economic activity, timber sales were reduced due to fewer housing starts, and meat sales reduced as household disposable income fell. Pig production and marketing has long been noted by commentators to have a trade cycle all its own, partly due to the short lead time to massive increases in production. One more breeding sow can increase porker output by 18-20 pigs per year. The following table shows the freight forwardings:

<table>
<thead>
<tr>
<th>Commodity</th>
<th>1923 &amp; 1925</th>
<th>1929-1934</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coal (tons)</td>
<td>8843</td>
<td>4264</td>
<td>-52%</td>
</tr>
<tr>
<td>Agric. produce (tons)</td>
<td>3106</td>
<td>3122</td>
<td>0%</td>
</tr>
<tr>
<td>Timber (tons)</td>
<td>12406</td>
<td>4089</td>
<td>-67%</td>
</tr>
<tr>
<td>Firewood (tons)</td>
<td>4414</td>
<td>2723</td>
<td>-38%</td>
</tr>
<tr>
<td>Cattle (number)</td>
<td>4696</td>
<td>3732</td>
<td>-20%</td>
</tr>
<tr>
<td>Sheep (number)</td>
<td>2229</td>
<td>697</td>
<td>-69%</td>
</tr>
<tr>
<td>Pigs (number)</td>
<td>6668</td>
<td>8977</td>
<td>+34%</td>
</tr>
</tbody>
</table>

Maintenance costs were always a problem. For the first 32 years, it varied from £4000 to £6700 annually. This represented 40-50% of working expenses, a very high proportion compared with the whole system. Expenditure Queensland-wide during 1914-30 for maintenance averaged 24% of working expenses, rolling stock maintenance 19%, locomotive power 25%, stations and traffic 29% and head office 3%.

There is no evidence that the track had major maintenance problems; under-use was the problem. The overhead cost of track maintenance was spread over too few revenue-producing ton-miles, a problem common to most branch lines.

The development of petrol engine technology and the rapid adoption of the motor vehicle made serious inroads into the railway market. Prices had been set based on competition with bullock wagons in the expectation the railways would capture almost 100% of the market in their spheres of influence. The Cooyar branch had captured most of the timber transport business early in its life because its freight rate was less than 40% of that charged by bullockies.
The development of reliable motor transport injected competition into the transport market and the branch suffered. In his annual report for 1926, the Commissioner complained:

A new factor seriously affecting the economic working of railways has arisen during the past few years as a result of the rapid development of motor transport. The short branch railway has always presented a financial problem for railway administrators, and Queensland possesses many of these spur lines into sparsely populated country. With motor competition the business done on many of the branch lines tends to decrease rather than to expand, while little, if any, saving can be effected in working expenses, because a reasonable train service for agricultural produce and heavy goods must be provided under all circumstances.

It is to be regretted that the individual overlooks the fact that he is part owner of the railways and avails himself of a small saving in freight charges by patronising motor transport; thereby tending to reduce the revenue of the railways; the loss on which he had to make up in another direction; and pay increased rates for road maintenance.  

The railways were also used during this period as an instrument of social policy. Freight rates were varied by the government to assist industry. For instance, in 1921, the Commissioner was required to reduce freight charges to assist the beef, dairying, sheep and pig industries, making it still harder to run the railways at the profit expected by some members of the government and the public.

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*Rail Motor RM63, halts at Nutgrove in the late years of the Cooyar branch's operations.*

ARHS Queensland Division,  
B. Southcombe collection.
ADAPTING TO THE MOTOR ERA

By 1930, the Commissioner for Railways was tired of trying to earn a 3% return on capital. To keep his staff motivated to do a good job, he advocated a write-down of the capital so that the system could make a reasonable return. He asked his political masters “to relieve this Department of that portion of its capital outlay which may be deemed a reasonable charge against State development.”

In 1931 parliament passed the Railway (Capital Indebtedness) Reduction Act which reduced the state-wide capital balance by £28 million from £64.2 to £36.2 million, or 43%. The line was given a new capital value of £154,000. Three years later the branch achieved its first surplus (of £85) over working expenses and interest charges.

Maintaining the branch kept about 22 men occupied in full-time track maintenance for the 15 years until the Great Depression. As the relief labour schemes of the depression involved railway works, the regular maintenance gangs were reduced from 21 in 1930 to 14 in 1939; this substantially reduced the annual track maintenance expenditure which had been £6330 in 1930.

At the time of the opening of the line, Kulpi, Narko, Nutgrove and Wutul had resident gatekeepers (or station mistresses). Rosalie Plains, Peranga and Cooyar had station masters but the first two were downgraded to lower-paid station mistress positions to reduce costs. The early service involved mixed trains to Cooyar six days a week with special coal trains to the Sugarloaf-Acland-Balgowan mine sidings as required. This aggregated to over 30,000 train miles per year. As freight traffic dwindled in the 1920s and 1930s, the number of trains to Cooyar stabilized at three per week.

The coal train service fluctuated according to demand with as many as three coal trains per day from Oakey to the mine sidings. Each train required three men to work them while a driver or driver and lower-paid porter were sufficient for a rail motor. All together, operation of the line employed about 50 people in the district.

The engines used on the line at first were PB15s and CI6s. The PB15 was introduced to the system in 1899 and most were built by Walkers Ltd of Maryborough. They were extremely successful light engines and worked for about 70 years. The CI6s were introduced in 1903 and continued in service until the 1960s. The CI7s were a super-heated version of the CI6 and were introduced in 1920. Super-heating gave greater fuel efficiency. They were able to haul 275 tons through the Great Divide section and 650 tons over the flats from Sabine to Oakey.
The thirties were a period of relative prosperity for the Cooyar branch. Although interest expense was not covered except in 1935, there was a surplus of revenue over working expenses from 1931 until 1946. A disastrous dip in outward freight in the three years 1932-34 was mirrored on other lines. The Commissioner in his 1932 report quoted a lengthy extract from the Times, London, demonstrating the universal nature of the railways' problem with road competition, admitting that "For the shorter distances, owing to the convenience of door-to-door service, the road has displaced the railway probably for ever. . . What the country needs . . . is . . . a properly co-ordinated system of transportation which will afford the cheapest and most convenient facilities for the community as a whole."

After the worst years of the depression were over, traffic increased. Timber traffic increased every year after 1932 until another decline began in 1937. Coal traffic was relative stable and the rail motor kept passenger numbers at buoyant levels while reducing costs. The surplus over working expenses of £4737 in 1931 rose to an average of £8647 for the three years 1934-36.

In September 1938 a State-wide coal strike began, the disruption lasting nearly six weeks. Coal railage fell 9% for the year, but firewood traffic increased 373% to 2304 tons. Locomotives were fired up on coal and then burned wood for most of the journey.

**THE LINE GOES TO WAR**

Economic activity in Australia in the early years of World War II slowed dramatically as production changed over to wartime pursuits. Outward freight, passenger numbers and revenue on the branch all fell.

After the entry of Japan into the war, traffic increased markedly. Inward freight reached a record in 1943 of 9507 tons, 63% more than the next best year, 1946-47. Passenger movements peaked in 1945 and remained high until 1950. Freight traffic outwards totalled nearly 30,000 tons in 1944, only a few tons short of the record hauls of 1915. Coal, agricultural produce, firewood, cattle and pigs were transported out in large volume.

The factors chiefly responsible were petrol rationing for the civilian population, and the transport of defence forces personnel and material. Petrol rationing lasted until 6 June 1949. After it ceased, passenger figures dropped steadily.

The line was of strategic importance for the northward movement inland of defence forces during the war. Troops and equipment moved north through Narrabri, Goondiwindi, Warwick, Gowrie Junction, Oakey and up the Cooyar Branch. From there the forces were moved by road through the South Burnett to link up with rail again. C16 and C17 engines were used double-headed to haul the heavy traffic
which included a substantial movement of tanks — as efficiently as possible.

The Commissioner reported in his annual report for 1943 that, throughout Queensland, passenger journeys had increased 34% compared with 1938-39, train miles 42%, steam locomotive miles 51% and gross ton miles, 65%. Not only were more trains scheduled, but locomotives worked much longer hours and hauled heavier trains. After the war ended, the system was in a poor state of repair as rolling stock had not been withdrawn for regular maintenance, and manpower and materials were in short supply. After 1946, maintenance costs on the Cooyar branch began to rise in spectacular fashion and contributed to its closure. Regular and unchecked inflation added to the size of the deficits.

TERMINAL DECLINE

The twenty years after the war was a period of relentlessly decreasing tonnages of timber, agricultural produce and firewood.

The year 1948 saw a bitter industrial dispute in Queensland. It began in the railway workshops and train services declined as locomotives and rolling stock became unserviceable. It grew to involve train crews, coal miners and others. A state of emergency was declared by the government and the police were given wide powers. The Cooyar branch

An Australian Railway Historical Society passenger special visits the Acland branch in 1969.
was affected as coal was important to its financial health. Throughout Queensland people learned to manage without railways. The strike which lasted for over two months was a substantial boost to the road transport industry which was able to invest in new equipment and modernise far more quickly than the run-down rail system.

Apart from the strike period, pig forwardings moved to their own rhythms with cyclical peaks every three to five years. From 7,000 to 15,000 were transported each year with an annual average of around 11,000 squealing pigs travelling in L and LJ vans, mainly to bacon factories at Toowoomba and Brisbane.

Cattle numbers decreased from around 6,000 per year at the end of petrol rationing to a bare one thousand in the early 1960s. Farmers found it easier to load cattle onto their own trucks and run them in to Oakey or Toowoomba saleyards or to meatworks direct. Consigning by rail meant carting stock to the station, and as wagon shortages continued post-war, there was no certainty the necessary K-wagons would be provided.

Primary producers could increase their net income by providing the labour to truck the stock to market and not pay rail freight. Farmers could also respond faster to market fluctuations if they carted their own stock. The ever-increasing number of trucks and utilities in Queensland post-war reflected the development of petrol and diesel engine technology, improved roads, the changed economics of vehicle purchase and ownership, social changes and society's expectations. The numbers of trucks and utilities grew rapidly from under 60,000 in 1944 to 150,000 twenty years later when the branch closed.

With the decline in paying traffic post-war and increasing costs of maintaining the line in safe working order, deficits suffered by the branch were large and unceasing. After having nearly covered expenses since the end of the war until 1950, the position worsened steadily and by the middle of the decade revenue was only half the working expenses. In the last ten years before closure from Acland to Cooyar, revenue declined to 30 per cent of expenses.

In 1964 the deficit reached £50,000, having averaged £39,565 for the ten preceding years. The decision to close beyond Acland to Cooyar met with little public comment and certainly not the outcry which had erupted in 1938 when a proposal was made to close uneconomic branch lines. A Royal Commission had been held at that time to investigate branch lines and railway administration.

Coal traffic was by the sixties providing most of the revenue and kept the line open from Oakey to Acland for another five years until the end of steam locomotive operations on Queensland Railways. Coal production on the Oakey Coalfield peaked in the middle fifties when over 110,000 tons were mined annually. As much of this was sold
to the railways — some supplied directly into engine tenders — it does not appear in the annual reports of the commissioner. Paying coal traffic peaked in 1954 at 32,000 tons, hauled to the abattoirs at Oakey and Toowoomba, the Kleinton brickworks, the hospital and Southern Cross Foundry in Toowoomba and to some of the cheese and butter factories in the surrounding area.

Dieselization of the railways ensured the decline and ultimate closure of the Oakey mines. The first diesels were introduced in 1952 and the process was complete in 1969. Railway orders had been the mainstay of many small non-exporting mines, as departmental policy was to refill loco tenders at pithead and to buy its coal supplies locally in each district. Once the major customer slipped out of the market and the efficiency of mining operations became a limiting factor, the Oakey mines began to close. Output was low, with an average of 3.3 tons per manshift on the Oakey field in 1966 compared with 3.5 to 7.0 tons for other underground mines and 6.3 to 13.6 tons for open-cut operations. Balgowan mine closed in 1960, Sugarloaf in 1969, Willeroo in 1970 while Acland lasted — using road haulage — until 1984. With the continual decrease in coal orders and forwardings, and the ever increasing costs of train movements, the section from the grain silos at Oakey to Acland closed on 8 December 1969.

**CONCLUSION**

The Oakey to Cooyar railway was constructed in the bullock wagon era when roads were poor and travel times long. It provided a significant advantage to the travelling public and for the transport of freight. The bullock team took over three days from Cooyar to
Oakey on a good, trouble-free trip while the rail journey took three hours. The cost of timber cartage by bullock wagon was 25 shillings per ton while the rail freight from Cooyar to Oakey was set at less than ten shillings per ton. No wonder the railway enjoyed early prosperity.

Against this background, the rail service expected to gain all the paying traffic, and it did while there was no alternative. Freight traffic was limited only by the selectors' capacity to expand production of cereal grains, milk products, beef cattle and pigs, and the loggers' capacity to cut and sell timber.

As roads and motor vehicle technology improved, public carriers and privately-owned vehicles gradually bit into the railway goods and passenger traffic. The Commissioner complained of political interference when freight rates were changed for social and political purposes; he also noted that rates were set on the premise that the railways would carry all the traffic.

Under-use of the system created economic problems because of the high capital investment in the track. Fixed costs had to be spread over a lesser amount of traffic. The cost of line maintenance proved insurmountable. The political climate did not allow the line to run down to a standard of just one or two slow trains per week.

The post-war period saw the increasing effect of motor competition. Almost all the commodities previously carried on the line were transported more efficiently by road. The exceptions were coal and, to an extent, pigs which also enjoyed a door-to-door service on the railway. The pigs were mostly sent to Toowoomba on direct consignment to the Darling Downs Co-operative bacon factory which had its own rail siding on the Main Western Line. The coal was consigned to customers, almost all of whom were located on rail lines and had their own sidings.

Today there is little of the line for the untrained eye to see. The Western Australian firm of Midalia & Benn lifted the rails quickly after the 1964 closure. Some farmers cleared the ballast and are now growing crops on what was the right of way. Others have left it with its characteristic double fencing as rough grazing. The long tunnel through the Great Dividing Range stands isolated, in good order, and unused except as home for a few bats. An occasional station nameplate, once the pride of the resident gatekeeper, can be seen, paint peeling, nailed to the side of an old shed.

ENDNOTES

Until 1939 the Commissioner for Railways published financial and traffic data for all rail lines in Queensland in great and useful detail. Much detail was omitted during
and after World War II. Traffic details for each station with freight divided into commodities was published until 1963. Personal enquiry to the Secretary to the Commissioner for Railways elicited a helpful response, and financial data for the years 1955 to 1969 were provided along with freight forwarding tables for 1964-69. I express my sincere thanks to the Secretary and Mr. R. Kelleher of Queensland Railways. It would appear that financial data for the period 1940-1954 has been destroyed. However, maintenance costs continued to be kept and published on a branch basis.

8. ibid p.820.
9. Freeman, M. & Aldcroft, D., *The Atlas of British Rail History*, London, Croom Helm, 1985. In the period 1870-1912, 5000 miles of line, or 30% more line, was built in Britain; railways contributed 26% of investment (p.17). Of the capital invested, 28.8% paid over 5% dividend, and 57.5% paid some return, but less than 5%.
11. Letter from Commissioner of Railways to Minister; Queensland State Archives File 1913/1406.
12. The traffic tonnages mentioned here were extracted from the Annual Reports of the Commissioner for Railways published in the *Queensland Parliamentary Papers* (hereinafter A.R.) 1914, 1915, 1916 and 1917.
13. Public Timetable, Queensland Railways, Brisbane, 1929.
17. The interest charge was computed at 3.64%, not the concessional 3% used by the government. The basis for this calculation is the actual rates paid by the government on stock issued when the construction expenditure was made. Oakey-Cooyar expenditure included £32,000 from a £2 million 3.5% 1909 loan maturing in 1945; £120,000 from a £2 million 3.5% 1911 loan maturing in 1950 and 1970; and £70,000 from three loans in 1912 and 1913 maturing in 1940, 1950 and 1960 with interest rates of 3.75, 4 and 4%. PP 1918, I, p.560.