

**REFORMING QUEENSLAND RAIL'S LONG
DISTANCE PASSENGER RAIL SERVICES**

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ABSTRACT

Long distance passenger services operated by Queensland Rail entered into a state of decline as people began buying private automobiles and selecting air as their preferred mode of long distance travel. Faced with significant operating costs and a Government reluctant to eliminate passenger services, Queensland Rail has turned to tourism as a means of revitalising passenger rails services. This article examines the reasons for decline, the strategies adopted to reinvigorate passenger rail services and the potential for the future

Keywords: Railway, long distance passenger rail, marketing, heritage.

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Introduction

'There was a romance about railways in the days of steam that caused the trains and the men who ran them to appear larger than life, to become legends' (Adam-Smith,(1983), p10).

In an era where time is money and speed is everything, a small but growing niche market is emerging for tourist rail travel. China's Orient Express is promoted as a 'trek of sheer luxury' that carries just 49 people through the splendour of China's imperial past. Rovos Rail's Edwardian Train Safari affords its passengers a '*unique steam safari through some of the most spectacular scenery in africa..... 'reliving the romance and the adventure of the pioneers, slave traders, ivory hunters and gold prospectors who dared to conquer the region over the century ago'* (Rovos Rail (1996), p2). Whilst neither professing to have an impressive Imperial past or a zoo of wild game residing beside the steel track, Queensland Rail (QR) has seized on the idea of developing train travel as a tourist experience and has rapidly developed a suite of rail experiences that unashamedly aims to capture the tourist dollar and in doing so, enhance the organisation's return from otherwise sagging sales of long distance rail tickets. This paper will examine the issue of the railway-tourist interface by focusing on recent tourist initiatives undertaken by Queensland Rail after a short discussion on the decline of rail as a major long distance mode of passenger travel. The paper will also examine the success of recent QR initiatives in the tourism area by assessing patronage and revenue performance.

In western society at the close of the twentieth century, the notion of train travel, as distinct from commuting by rail, tends to conjure up images of the nostalgic past with wood panelled carriages, the clack of steel rails and the billowing smoke of the steam engine. It is precisely this image that many of the recent tourist orientated rail journeys such as the Eastern and Orient Express and Rovos Rail's Edwardian Train Safari have sort to capture. Other rail journeys that have gained widespread tourist appeal are essentially long haul passenger trains re-imaged to develop a tourist appeal. In a recent paper on the topic, Dann (1994) painted some interesting images of the resurgence of interest in rail travel using themes based on tourists perceptions of the nostalgia of rail. Themes suggested by Dann were:

- *Land of hope and glory; the imperial quest.* Train travel in this instance allows passengers to immerse themselves in the glorious days of the long past Empire.
- *Travelling first class; living above one's situation.* Some trains such as the 'Orient Express' allow passengers to become a King or Queen for a day (Gottlieb, (1982)).
- *The pain of the train; travel by rail.* Building on the original term for travel, 'travail', train travel can be a task filled with discomfort yet providing a journey of discovery.

- *Tracking back to childhood; playing at trains.* Evoking an adventurous past, train travel might recall childhood memories and fantasies.
- *Window gazing; the voyage of voyeurism.* Travelling by train allows one to come face to face with a variety of harsh environments whilst cocooned in relatively comfort of rail carriage.

Dann (1994) explored the concept of travel by rail by tying it very closely to the concept of nostalgia which is becoming recognised as an important element in heritage tourism (Swarbrooke (1994)). Taylor ((1983), p31) on the other hand suggested that the essential characteristics of trains that made them attractive to users, who include tourists as well as others, are speed, smoothness, comfort, commodiousness, amenities, sociability, safety, the view from the train and cheapness. Kusters ((1992), p187) suggested that although trains are an interesting alternative way of travel they were not relevant for most holiday makers. This paper will explore the subject from a different perspective and examine how a profit motivated, government owned, rail corporation has attempted to breath new life into a declining long distance passenger rail network by tapping into the rapidly expanding tourism industry and packaging its services as tourist attractions. Taylor ((1983), p47) reports that QR is not alone in attempting to revive the fortunes of rail, citing examples such as British Rail's success in retaining inter-city traffic in the face of stiff airline competition and the recapture of first class business traffic by European carriers such as TEE and Inter-City trains. It is somewhat ironic to ponder rail's rediscovery of tourism after an interlude of 150 years from the time when Thomas Cook, the father of the modern tourism industry, used rail to carry the first organised tour on 5 July, 1841.

Rail in Queensland - A Short History

Queensland's first rail track was built in 1865 by the state's colonial government to service the colonies' rural sector. Although limited private rail operations were sanctioned from time to time, the state government has generally shouldered the burden of rail network development. In the herculean days of early rail building, the colonial government concentrated on building a rail network that linked the state's rural interior to coastal ports. Linking coastal ports together by rail had a low priority and it was left to shipping to provide freight and passenger services to the colonies' northern settlements including Townsville, Cairns and Mackay. Gold discoveries hastened rail's development although emphasis was given to developing port-to-mine networks over the construction of lines that linked coastal ports. Inland railways stretched out from coastal ports such as Townsville and Rockhampton, to service rapidly growing mining towns including Charters Towers, Cloncurry and Mt Morgan. The first long distance passenger services commenced in 1885 when the Mail Train began operating services on the western line between Brisbane and Mitchell. Later, sleeping carriages and dining cars were added. In 1935 a new generation of passenger train, the Sunshine Express, commenced operations.

The relatively high costs of rail building and the long distances that needed to be built resulted in the colonial government opting to build a narrow gauge track. Other Australian states adopted either standard or wide gauge, preventing the effective development of a national rail system based on a common gauge. As a consequence Australia has never had an integrated national passenger rail service.

In an era where the horse and cart was the only practical method of travel on the state's poorly maintained road system, rail travel offered comfort, security and speed and quickly became the most popular form of land transport available. When rail lines were finally built to connect coastal towns, train travel was rapidly substituted for sea travel, no doubt assisted by a number of tragic shipwrecks such as the passenger ship S.S. Yongala which sank with the loss of 131 lives in 1911 during one of the many tropical storms that frequently lash the Queensland coast.

Rail became a way of life for many Queenslanders. In the state's far flung isolated rural communities, the railway station was often the only imposing structure in the district and according to Adam-Smith ((1983), p11) '*was the greatest meeting place Australia has ever had. Here all classes mingled for a time and news was exchanged*'. As the railways continued to move westward to service the rich mining and pastoral settlements of the inland, coastal line building continued until 1924 when the Brisbane-Cairns line was finally completed. Rail was then able to compete with coastal shipping services for both passenger and cargo traffic, quickly becoming the dominant mode of transport. Road networks were poor in that period and of little threat to rail's position as the major mode of intrastate or interstate travel until the years following World War Two. For a short time, rail became the predominate mode of long distance passenger travel in Queensland.

During World War Two the seeds were sown for rail's decline as the dominant long distance passenger provider. In the period 1939-45, the nation's war effort funded considerable investment in road infrastructure and large numbers of civilian soldiers were taught how to drive and service trucks, build the roads that the trucks travelled on and more importantly, the war demonstrated how effective road was as a means of passenger and freight transport. The post war business community quickly saw the advantages offered by road. Road offered speed, flexibility and escape from the heavy hand of a state owned, bureaucratic monopoly that rail laboured under. At about the same time, an increasingly affluent working class came to aspire, and then expect, ownership of a private car as a matter of right. State politicians, always quick to sense the ever shifting mood of public opinion, were only too willing to embark on expensive road building programs, primarily as a method of vote buying but also as a stimulus for economic development. The desire to own an automobile saw ownership levels soar, at the expense of travel by train. Queensland Rail fought back, although not altogether seriously, by investing in a new series of air conditioned passenger trains known as the 'Lander' series. Gradually, rail succumbed to the expansion of car ownership. The previously extensive network of passenger rail services declined as frequencies were reduced, lines closed and services cancelled. Expenditure on roads was politically popular and funds that could have been used to refurbish rail infrastructure and rolling stock were spent on road building.

Paralleling developments on the nation's roads, air services expanded rapidly after World War Two. Drawing on the some pool of expertise fostered by manpower training for the war effort, air services grew rapidly in popularity, particularly as the real cost of travel fell following the introduction of new generations of aircraft such as the turbo prop followed by the jet. Within a period of a little more than 15 years, air and the private car won the battle for both long haul interstate and intrastate passenger travel while road also captured the largest share of urban commuting.

In the decades after the World War Two, passenger rail services in Queensland lost popularity in terms of both percentage of market share and actual passengers carried. As a consequence rail became the preserve of those who did not own a car or could not afford to travel by air. The increasing age of passenger rolling stock provided declining levels of service. That passenger rail was not dispensed with altogether bears testimony to the forceful agitation of the state's non-metropolitan population to retain long distance rail passenger services, even if the principal agitators rarely used rail services, except in an emergency!

Over the years, Queensland Rail fought many battles to reduce rail services, usually generating intense local opposition. In one recent example the closure of daily rail-motor services from Helidon to Brisbane (the state capital) generated considerable local agitation from local government authorities, community groups, the University of Queensland Campus located adjacent to the line and local politicians, always eager to appear concerned for the welfare of their constituents. In reality, the considerable local opposition must be judged against local patronage - save for the odd occasion when the parents of the author of this paper used the rail motor service, total passenger numbers rarely exceeded the number of railway employees crewing the rail-motor.

Factors In The Decline Of Passenger Rail Services

In many western countries the widespread post war trend towards private car ownership lead to a rapid demise in rail passenger services. By 1994 Australian car ownership levels had reached one car for every 1.87 persons (BTCE (1995)).

Rail became regarded as increasingly irrelevant with each passing decade. By 1994 domestic travel by train in Australia had fallen to 2%, down from 4% just a decade earlier. (Domestic Tourism Monitor, (1995)) A similar pattern of decline was observed in Europe where rail has less than a 5% share of the market for tourist transport (Kosters,(1992), p181). The move to car based travel has seen a change in the locational patterns of tourist infrastructure. Prior to the widespread adoption of cars, tourist attractions and infrastructure such as hotels and restaurants, were closely tied to transport points of entry such as railway stations or passenger ship terminals. With the car came motels, and the pattern of accommodation provision changed dramatically, allowing accommodation providers to move away from rail and port terminals. New attractions were located either adjacent to or in close proximity of the rapidly expanding highways. Queensland Rail, in common with other publicly owned rail organisations, was unable to complete with the mobility

afforded by the car and experience a sharp fall in passenger traffic. Tourist's quickly adopted the car or plane as their preferred mode of transport, regarding the train as an out of date curiosity.

Queensland Rail did not allow these changes to occur unchallenged. Although not a particularly new innovation at the time of its introduction, the first air-conditioned passenger train, the Sunlander, began running in June 1953 replacing the previous Sunshine Mail. Two further 'Lander' series passenger trains followed in 1954; the Midlander, travelling from Rockhampton to Winton and the Inlander, travelling from Townsville to Mt Isa. Over the years other improvements were introduced to stem the defection of passengers to road. New dining cars were introduced to replace the old system of railway dining rooms located at many stations. Later, car carrying wagons were introduced on the Sunlander, allowing passengers to take their cars with them, and in recent years club cars have been introduced to supplement dining cars.

The vast size of Australia, its low population density and decline in urban public transport services, also impacted on the demand for long distance rail services. As car ownership increased, and the demand for public transport fell, services were cancelled, standards fell and service frequency declined. Other factors leading to the decline in the demand for passenger rail were:

- *Train travel was slow.* Much of QR's investment in track had been aimed at increasing the geographic spread of its network rather than achieving high train speeds. As a consequence, large lengths of track can not handle high speed travel. Moreover, Queensland's system was almost entirely single track and as a result passengers often spent lengthy periods on passing loops as other trains passed in the opposite direction. In 1995 travel by air from Brisbane to Cairns took 2 hours 30 minutes compared to 32 hours by Sunlander.
- *Services were not frequent enough.* Even in 1956 only five Sunlander services operated each week, increasing to six in 1961. Several years later the number was again reduced to five to provide sufficient carriages for a new service, the Capricornian, running between Rockhampton and Brisbane. By 1995 scheduled Sunlander Services had fallen to three per week.
- *Passenger carriages were designed to last for many decades.* What was regarded as a fashionable and modern design when first introduced, came to be regarded as old fashioned or even antiquated several decades later. The recent trend towards frequent changes in fashion and design was not therefore reflected in rail design. The Sunlander still retained its 1954 shape and colours four decades later.
- *The car provides a level of flexibility unmatched by trains.* Use of a car confers on its owner the opportunity to leave at a convenient time and travel by a route optimised to provide the greatest opportunities for participating in tourist experiences along the route. In this way car users are able to obtain a level of independence not possible when a traveller is tied to inflexible public transport timetables and route options.

- *Image.* In Queensland, successive governments granted recipients of old age welfare pensions certain concessions for train travel, including two free trips annually in economy class seats. On services such as the Sunlander, the demand for seats by concession holders is so intense that seats are generally booked within hours of becoming available for sale, usually three months before the scheduled time of operation.
- *Lack of Investment.* After the initial injection of funds into the construction of new rolling stock in the period 1953-56 when the 'Lander' services of trains were built, very little was spent on upgrading existing rolling stock or developing new technology. Similarly, the capacity of the track was not upgraded, resulting in very low average speeds. Investment during the decades 1950 to 1980 was directed primarily to revenue-generating coal and mineral lines, including extensive electrification of central Queensland coal lines. The first new passenger train to be commissioned after the 1950's 'Lander' services were electric passenger trains to replace the Capricornia. Towards the end of 1997 new technology tilt trains, based on a Japanese design, will be introduced on this section, cutting travel times from Brisbane to Rockhampton from 9 hours 25 minutes to 7 hours.
- *Lack of Promotion.* Until recently, railway operations in Queensland were based on the public sector model of bureaucratic organisation rather than on commercial principles. Only after a record loss of AUD\$114 million in 1982-83 (Kerr, (1991), p219) were decisions taken to change the public service attitude that pervaded QR management. The appointment of PA management consultants in 1982 to overhaul rail management, initiated a decade of rapid and turbulent management change which included recognition of the need to engage in active marketing. A direct result of the PA report was the creation of the first head of sales position, titled Assistant Commissioner (Commercial). This appointment generated considerable controversy, especially as the appointee was from the commercial road transport industry; the very competitor which was held responsible by many rail employees for many of the ills suffered by Queensland Rail after World War Two. However, in spite of creating the new Traveltrain group in 1995 to market long distance rail services, promotion has remained ineffective. Even as late as 1996 QR long distance rail tickets were not marketed widely through retail travel agencies and few such outlets carried any literature advertising QR travel trains.
- *Reliability.* Until recent investments in track upgrading, communications systems and signals equipment generated considerable improvements in operational reliability, services were often delayed and became the subject of much derision by users. The widespread perception of rails' inability to abide by published timetables did much to create a negative perception of rail services.
- *Long distance rail travel was expensive.* An economy rail seat on the Sunlander, for the round trip Brisbane to Cairns to Brisbane, cost \$298 plus meals in 1995. (First class prices for the same journey were \$486). Readily

available discount air tickets for the same journey cost \$309 whilst the standard long distance coach fare was \$248. Many long distance travellers prefer other modes of travel due to the lengthy time and relatively high cost of rail travel.

The Tourism Era-Selling Rail

Against the backdrop of ever declining passenger numbers, mounting losses and politically damaging fights whenever rail lines were closed, QR reassessed its commitment to long haul passenger rail in the 1980's and elected to undertake a wholesale revitalisation of passenger rail services. As part of the reorganisation of rail services long distance passenger rail was assigned to new group, Traveltrain, which was given the task of developing and managing new services as well as undertaking promotion of long distance rail services. The Queensland State Government's decision to corporatise QR effective from 1 July,1995 added a sense of urgency to the need to arrest the large losses made by long distance rail services. QR had some experience with tourism dating back to 1962 when it commenced regular daylight rail tours for tourists. Running between Brisbane and Cairns in the far north, the tours consisted of a rail journey during the day with overnight halts at coastal cities such as Bundaberg, Rockhampton, Mackay and Townsville. Short bus tours are organised at various points along the route and at night passengers were accommodated in hotels or motels.

Almost by accident, one of QR's passenger services, the Kuranda Scenic Railway, evolved into one of Australia's most popular tourist trains. Opened in 1891, the line from Cairns to Myola on the Atherton Tablelands, traversed spectacular gorges and was literally carved through virgin rain forests and passed through the little known jungle village of Kuranda. Tourists visiting far north Queensland had always found the trip from Cairns to Kuranda a highlight of any vacation in Cairns and over the decades, the popularity of the service grew. As demand increased, QR operated special tourist trains on the route alongside of the scheduled rail motor services which eventually ceased operations, giving way to a tourist only service. The explosion in demand for rail tours from Cairns to Kuranda in the 1980's pointed out to QR management the potential of rail as a tourist attraction and a number of initiatives were undertaken to promote the Kuranda rail service as a tourist attraction. Initiatives included franchising out the sale of seats and the private operation of a disused railway station at Freshwater near Cairns by Freshwater Connection Pty Ltd. By 1994 the popularity of the Kuranda Scenic Railway was such that 500,000 passengers travelled on the service and in the same year it became Australia's 16th largest international tourist attraction, attracting even more international visitors than the Great Barrier Reef.

Non-urban passenger rail services have rarely produced a profit in Queensland because of the long distances travelled. By 1991 the situation had reached a critical level. In a 1991 report, the Industry Commission examination of rail transport in Australia reported that in Queensland *the patronage on western services was so low the overall cost recovery was less the 10%. The revenue from their services failed to even pay the fuel bills for the operation of these trains'* (Industry Commission, (1991), p225). The Westlander, running from Brisbane to Charleville, had a cost recovery of just 7% and incurred a loss of \$314 per person in 1990 (Industry

Table 1 Queensland Rail Traveltrains 1995

Name	Date of Introduction	Length of Service Km.	Time of Journey	Cost Economy AUD\$ 1995	1st Class Sleeper AUD\$ 1995	Facilities	Services per week	Types of Service
The Queenslander (Brisbane/Cairns)	1986	1681 km	31 hours	N/A	489	Restaurant, Lounge car, Roomettes	1	Tourist
Sunlander (Brisbane/Cairns)	1954	1681 km	32 hours	159	243	Dining car, Club car	3	Tourist/ Scheduled passengers
Kuranda Scenic Railway (Cairns/Kuranda)	1891	35km	1.3 hours	23	N/A	Commentary	26	Tourist
Spirit of the Tropics (Brisbane/Cairns)	1994	1681 km	32 hours	135	129	Disco, Dining car	2	Tourist/youth
Inlander (Townsville/Cairns)	1954	977km	19 hours	125	192	Dining car	2	Passenger
Westlander (Brisbane/Charleville)	1954	777km	16 hours	107	172	Club car, Dining car	2	Passenger
Spirit of the Outback (Brisbane/Longreach)	1993	1325km	24 hours	158	226	Club car, Dining car	2	Tourist
Savannahlander (Mt Surprise/Forsayth)	1994	121km	5 hours	35	N/A	Commentary	2	Tourist
Gulflander (Normanton/Croydon)	1891	152 km	4 hours	35	N/A	Commentary	2	Tourist
Spirit of Capricorn (Brisbane/Rockhampton)	1989	639km	9.5 hours	67	N/A	Light refreshments	9	Commuter
Sunshine Rail Experience	1962	1681 km	6 days	1199	N/A	Club Car	19 per year	Rail tour

Commission,(1991), p226). Overall the report noted that the cost recovery for country passenger services was 33%. The other Australian states recorded cost recovery levels in excess of 50% in the same year, 1990. Although wishing to close these services, QR was directed by the Government to retain long distance services as a Community Service Obligation (CSO).

In a major redirection of policy, QR began developing a number of new tourist trains from 1986 onwards. Recognising the significance of nostalgia as a selling point, QR introduced an entirely new tourist themed train, the Queenslander, in 1986. The success of the Queenslander and the need to reduce losses by the other long distance passenger trains, resulted in the introduction of a second new train based on the nostalgia theme, The Spirit of the Outback, in 1993. These trains proved popular and were complemented by the Spirit of the Tropics, featuring the world's first disco on wheels in 1993 and the Savannahlander in 1995. Table 1 outlines the range of traveltrain services operated by Queensland Railway in 1995. The quality of the tourist experience offered by these trains is reflected by the success that QR has had in state tourism awards with the Spirit of the Outback, Queenslander, and Gulflander all winning tourism awards in the last few years.

Cost Recovery

In overall revenue terms long distance passenger services have generated considerable losses and in the period 1989-94 operational costs of AUD\$435m were offset by direct sales revenue of AUD\$116m as illustrated in Table2.

Table 2 Costs And Receipts For Long Distance passenger Rail Services 1989-90 To 1993-94 (AUD\$ 000,000)

	1989-90	1990-91	1991-92	1992-93	1993-94
RECEIPTS					
Ticket Sales Revenue	22	20	22	24	28
<i>From Government</i>					
Concession	*	*	12	12	14
Reimbursement					
Subsidies ^a .	0	0	0	0	43
COSTS	69	77	91	95	103
DEFICIT/SURPLUS ^b.	-48	-57	-57	-59	-62

Notes * Less than \$0.5 million

a. All "Subsidies" received by QR are for explicitly identified CSO activities

b. The deficit/surplus equals fares plus concessions less costs. Other revenue is counted in the total figure

Source: BTCE Information Paper 40 (1996)

On these figures it can be argued that in spite of efforts to increase the appeal of long distance rail the continuing high level of losses does not justify retention of any long distance passenger services at all. However there is some scope for optimism as revealed in Table 3 which indicates that cost recovery is increasing based on revenue per passenger Km. In comparison to other rail operations in Australia, QR has the second worst cost recovery for long distance passenger rail services. Only Victoria has a lower rate of recovery at \$0.19 for each dollar of operational costs. Australian rail services with better performances are Australian National (\$0.61), State Rail Authority of New South Wales (\$0.76) and Westrail of Western Australia (\$0.67). However when the total length of long distance passenger rail is factored into the equation the situation can be seen from a different perspective. Queensland has Australia's longest passenger rail services, a fact that contributes to the high cost of travel. In revenue terms the Sunderland contributes about 34% of gross revenue followed by the Kuranda Scenic Rail service which contributes 19% of gross revenue.

**Table 3 QR Long Distance Passenger Rail Revenue and Costs
1989-90 to 1993-94**

	1989-90	1990-91	1991-92	1992-93	1993-94
Revenue (cents per passenger km)	7.40	6.76	11.46	11.68	13.72
Costs (cents per passenger km)	23.76	25.78	30.68	30.75	33.40
Cost recovery per passenger km (cents)	31.11	26.22	37.35	37.98	41.08

Source: BTCE Information Paper 40 (1996)

Promotional Themes Adopted By QR

Conscious of the need to reverse declining revenues from long distance rail services, QR has upgraded the image of the older 'Lander' series of passenger trains by marketing them as a tourist experiences. It is possible to discern a number of market segments in the existing range of QR non-urban passenger rail services. These are:

- *Long Distance Rail Passenger Services.* QR's Sunlander, Westlander and Inlander services carry on the tradition of scheduled long distance passenger services, first initiated in the nineteenth century. Pensioner concessions, including free rail travel, are still widely available by these services, accounting in part for the heavy losses incurred on these services. Recognising that in the existing political climate there was little possibility that these services could be cancelled or entitlements to free travel or concessional travel eliminated, some efforts were made to refurbish rolling stock commencing with a AUD\$ 2.8m upgrade of the Sunlander in 1995. New concepts introduced include themed

carriages, new interior design and public entertainment carriages. Marketing of this services reflects QR's attempts to re-image its original long distance passenger trains. A quote from marketing material used to promote the Sunlander illustrates how a new image has been created for a traditional service. *'Macrossan's Lounge - A romantic echo of a bygone era, replete with its colonial touches. Waterways Restaurant - A magnificent tribute to Queensland's coral-fringed coast, rivers and inland waterways. Tropics Club - A vibrant entertainment area for a social drink or snack'* (Great Journeys of Australia, (1995), p3).

- *Luxury on Wheels.* First introduced in 1986, the Queenslander was aimed specifically at the tourist market. Only minimal concessions were made available to prevent the revenue drain that has occurred on the 'Lander' services over recent decades. To quote QR's advertising on the Queenslander, it is *'like a luxurious ocean liner on rails, a mobile first class hotel where the breathtaking view from every window is constantly changing. The Queenslander is a unique travel experience unlike any other in Australia, where the romance of the rail weaves its spell every twist and turn of the way'* (Great Rail Journeys of Australia, (1995), p1). QR is currently refurbishing a number of 1920's style timber carriages to create a world class Heritage train to supplement the Queenslander. Due to commence services in 1997 the train will be marketed internationally.
- *Nostalgia.* Falling patronage and escalating financial losses incurred by the Midlander services from Rockhampton to Winton, resulted in a reassessment of the service in the early 1990's. After refurbishing the carriages and adding new dining cars, QR relaunched the Midlander as the Spirit of the Outback in 1993. Following the pattern established by the Queenslander, free tickets for pensioners were not available and concessions were very limited. In its marketing of the train, QR have made heavy use of nostalgia. The train's interior designer, Denise Cocoran stated that *'we want passengers to feel a part not only of the scenery they are travelling through, but the heritage and folklore which developed here with the Australian pioneers'* (The Outback Times, (1994), p1).
- *Youth/Budget Market.* In an innovate move to tap into Queensland's growing backpacker market, estimated to number 250,000 in 1993, QR introduced the Spirit of the Tropics in 1994. Running from Brisbane to Cairns, the train features a disco carriage. Advertising states *'Fun is the order of the day and night, with non-stop raging at the fully licensed Club Loco, complete with dance floor'* (Great Rail Journeys of Australia, (1995), p3).
- *Trains as Tourist Attractions.* Commencing with the Kuranda Scenic Railway previously discussed, QR has added two additional train attractions, the Gulflander and the Savannahlander.

Opened in 1891, the railway line from Normanton to Croydon line was built to service the rich Croydon gold mining fields in the state's north. Although

standing in complete isolation from the remainder of the rail network, the service was retained as a community service, proving particularly valuable during periods of extensive flooding when roads in the area might be cut for weeks at a time. During the 1970's, tour operators servicing the expanding Cairns tourist industry began operating bus tours that included a trip on the Gulflander as part of the itinerary. Eventually QR recognised the potential for the service and developed its appeal to the stage where the line won a Queensland Tourism Industry Award for Heritage Tourism in 1994.

Building on the success of the Gulflander, QR decided to introduce a similar type of rail experience in 1995 when it introduced the Savannahlander between Mt Surprise and Forsayth. Prior to 1995 a weekly goods train operated between Cairns and Forsayth and included two old style timber passenger carriages for residents of the area wishing to travel to the coast. Although never promoted as a tourist service, the train attracted considerable attention and began to become popular as a tourist experience. During 1994 the goods train was deleted as part of QR's economy drive but a new passenger service was instituted using a 1960's style railmotor rather than the wooden style in carriages used in the original service.

Marketing of both the Savannahlander and Gulflander encompasses a mix of nostalgia and heritage themes. For example, the Savannahlander is described in the following terms, '*it will take you on an unforgettable trip through some of Queensland's most picturesque country..... Here you will retrace the steps of our pioneers who mined for gold, copper and precious gems, in much the same adventurous style as they travelled.*' (Great Rail Journeys of Australia, (1995), p3). Of the Gulflander, the trip '*is described as a land that time forgot. If you're ever wanted to travel back in time, take time to catch the Gulflander, one of the last great characters of railway travel*' (Great Rail Journeys of Australia, (1995), p3).

- **Rail Touring.** Commencing in 1962 the Sunshine Rail Experience, previously referred to, has been operating rail tours along the Queensland Coast between Brisbane and Cairns. Utilising Lander series passenger carriages, the tour is operated by the Queensland Tourist and Travel Corporation as a commercial, rail themed tour. Rail is used for transport during day light hours only with motel accommodation used at night. In spite of considerable potential to expand the concept, only one tour itinerary is currently operated.
- **Urban Rail Services.** The discussion of QR's Tourism drive would not be complete without analysis of the tourist activities undertaken as part of the urban passenger services operated in Brisbane. Marketed as Citytrain, the extensive urban rail system network does allow access to a number of tourist sites located outside of the CBD area. Unfortunately, in its apparent zest to tap into the tourist dollar, QR produced a map of tourist attractions accessible by rail that was entirely misleading. For example, the list of attractions includes two football stadiums which are used once or twice a week, are some distance from the nearest railway station and do not rate the classification of tourist attraction.

Of some 25 tourist attractions listed in the Citytrain network map only 9 could be accurately described as tourist attractions. It is highly unlikely that "Sherwood Pokies", "North Pine Markets" (operated only on weekends), and several horse racing tracks stand out as points of significant tourist interest. Perhaps facilities and events such as these should be advertised under a different heading, such as sporting and recreational facilities.

Success Of QR's Tourism Ventures

Following corporatisation in 1995, the Corporation's Board was tasked to reorganise QR so that it became a commercial Government owned Business Enterprise, able to repay all its debts, pay all government fees and taxes, and return a profit. The only Government monies available to the Corporation were funds that were paid to QR to operate Community Service Obligation (CSO's) which the Government had deemed necessary from a public welfare perspective. CSO's were to be operated on a commercial fee for service basis to avoid becoming a disguised subsidy. As a corporatised organisation, QR's management will have significant responsibility to ensure that rail tourism ventures are profitable. On current indication, returns from existing tourism ventures have not appreciably reduced the operational losses made by long distance rail services. This may in part be attributed to QR's failure to adequately market its tourist services. Until recently, sales were made through railway ticket offices not travel agents. However this conservative approach to marketing appears to be changing with wholesale alliances recently being made with travel groups such as Jetset and American Express. Queensland Rail's 1994/95 Annual Report set a series of goals for 1995/96 that include repositioning travel trains products to include them in the tourist sector, a development of a professional sales team and development of links with preferred travel agents. The urgent need for QR to improve its marketing strategies is evident in the 1994/95 Annual Report which indicated that in the previous 12 month period revenue from long distance trains had increased by only AUD\$1652. In the same period total patronage on traveltrains fell by 5.6% or 30 094 persons.

Queensland Rail is not alone in attempting to tap into the growing tourist industry as a means of boosting revenue. Other rail organisations such as New Zealand's Tranz have successfully developed tourism trains. However in the case of QR no attempt has been made to distinguish between tourist products or activities and the remainder of the operation which is essentially the provision of scheduled long distance passenger services. These services operate in a very competitive environment against cheaper long distance coaches and airlines. Each operation services very different groups of customers. Private rail tour operators such as Rovos Rail own their rolling stock and operate successfully over publicly owned rail track. Perhaps there is a case to be made for QR hiving off its tourist services in to a separate division free to operate without the constraints it currently endures.

Future Opportunities

An interesting parallel can be drawn with recent developments in Canada. VIA, the national railway operator, discontinued passenger operations on the Vancouver to Calgary line in spite of obvious scenic attractions along the route such as Banff National Park, The Rocky Mountains and Hell's Gate Canyon. A private company was established and, operating as Rocky Mountaineer Rail tours, commenced operating a very successful tour program over VIA's track. Based on a rail journey of two days, with an overnight stop at Kamloops, Rocky Mountaineer Rail tours offered a program of 21 tours in 1995 which combined the rail tour with a range of options including coach tours, rental car tours and cruises. In Queensland QR has not ventured beyond the actual rail component of tour packages, leaving packaging of rail tours to other travel firms such as Sunlovers, the wholesale arm of the Queensland Tourist and Travel Corporation. While the Sunlovers packages offer a range of tour opportunities in conjunction with rail tours, the scope is limited and fails to include options such as fly/rail, or other tour combinations such as rail/cruising, rail/coach or rail/hire car. Whilst such combinations are readily available on an as requested basis, there is ample scope for these combinations to be packaged both for the domestic and international markets.

Conclusion

In terms of traditional scheduled passenger services, rail in Queensland has little to offer the travelling public. It is comparatively slow, expensive and operates on a very limited timetable. From the tourism perspective however, rail services in Queensland have much to offer. Once rail sees itself as a tourist experience, there is enormous scope for QR to expand on the existing range of both tourist specific and general scheduled passenger services such as the Inlander. Seizing on the concept of selling a rail experience, QR services can be variously marketed to appeal to the nostalgia, heritage and adventure markets. However the success of QR's venture will ultimately be reflected in its revenue stream. To date QR has failed to generate sufficient interest in its product range to even retain its patronage levels for the 12 month period 1994/95. To translate tourism potential into profit will require greater efforts to expand patronage through enhanced marketing as well as a commitment to improve the level of inboard service offered to customers.

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