TRANSPORT SYSTEMS IN A 'COVID-19 NORMAL' WORLD

TOURISM & TRANSPORT FORUM

Tourism & Transport Forum Australia (TTF) is the peak industry group for the Tourism, Transport and Aviation sectors. A national member-funded CEO forum, TTF advocates the public policy interests of the leading corporations and institutions in these sectors.

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INTRODUCTION

The pandemic has changed all our lives in ways that were unimaginable just a year ago. The Tourism & Transport Forum has developed this paper to review how COVID-19 changed transport usage, including public transport and private cars. COVID-19 is here to stay for some time yet and transport planners need to prepare and consider options for both the short-term and the coming decade.

The first section of the paper reviews what happened when the initial lockdowns were imposed in late March, when schools were closed, and many people started to work from home. How did transport usage patterns change once these lockdowns started to be eased in May? Excluding Victoria, which had to deal with a second outbreak, most Australian jurisdictions are now operating under 'COVID normal' conditions that will be largely in place until a vaccine is established. What are transport patterns like now, especially the contrast between public transport and private car use?

The changes in travel habits has both short and longer-term implications for transport planning over the next decade.

The second section identifies several policy areas that transport policymakers need to consider in the next

12 months, as we learn to live with COVID-19. In the short-term, this allows transport planners to understand and adjust the type, frequency and price of transport services that need to be delivered over at least the next 12 months.

The third section of the paper looks at the issues transport planners need to review for the coming decade. In the medium-term, the adjustments in trips and modes allows transport planners to step back and evaluate the pipeline of projects currently in infrastructure plans.

We have also incorporated the results of a national consumer survey of 2,300 Australians conducted in November 2020 to gauge the sentiment of the community towards public transport in the era of COVID-19 including their willingness to travel on the network and their support for mandatory measures like face masks to help prevent transmission.

Having dealt with the immediate threat of the virus in Australia, it is now time for governments to turn their attention to how we learn to live in a COVID-normal world. This includes planning and adjusting the transport system we will need both in the immediate future and over the next decade.

SECTION 1: WHAT HAPPENED?

INITIAL LOCK-DOWN IMPACTS (LATE MARCH TO MID-MAY)

The arrival of COVID-19 in Australia in early 2020 saw Australian governments impose a nation-wide lockdown which was broadly consistent across all States and Territories. The closure of schools, childcare, offices and many public and community buildings meant a large proportion of trips were no longer made.

Other businesses switched operations to delivery-only (e.g. food & beverage and non-essential retail and personal services) which again meant a few people were moving about a lot, but most people were staying home.

Trips by private car also declined over the initial lock-down period, with most capital cities recording between 30% and 60% of usual private car trips in April.

There was even a decline in active transport during the initial lock-down period – down 30% to 50% in most capital cities – despite exercise being one of the reasons to leave home.

The Uber Movement Index also showed a shift in the travel patterns for point to point transport. The afternoon commute peak shifted earlier in all capital cities in April 2020, indicating the impact of more flexible work policies. Sydney-siders were the last to leave around 5pm.

Working from Home (May 2020)
- **68%** of workforce was working remotely
- **81%** started doing so since COVID-19
- **88%** of businesses have required employees to work from home during COVID

Across all the capital cities public transport patronage in late March to mid-May dropped to **10-30%** of normal activity

Ferries experienced the largest fall in passenger numbers of any transport mode in Sydney – down to **9%** of usual customers volumes in April

Transurban toll road usage in dropped as much as **50-65%** in Sydney, Melbourne and Brisbane in early April

Active transport was down **30-50%** in capital cities

LOCK-DOWN EASING PERIOD (LATE MAY – LATE JUNE)

In late May restrictions started to be eased across Australia. People began to slowly return to the physical location of work, school, the shops and recreation activities. This corresponded with a rise in transport usage.

But transport systems did not return to 'normal'.

The nature of the virus meant people were more comfortable in their cars than returning to public transport, which remained below pre COVID-19 patronage levels. There are also still restrictions on passenger numbers on services to allow for social distancing.

In contrast, the level of Australians driving returned to near January levels in all cities except for Melbourne. Uber data indicates point to point transport habits were almost back to pre COVID patterns by July, with the pattern of demand on Friday and Saturday nights mirroring this time last year. The exception to this was Victoria.

ABS May Survey:
59% uncomfortable with travelling to work by public transport

NSW public transport was only running at **50%** of usual patronage in June

By June, data from Transurban toll-roads showed Sydney's average daily traffic was just **9%** below 2019 levels

Image courtesy of Manly Fast Ferries.

'COVID-NORMAL' TRANSPORT PATTERNS

Health restrictions have been significantly eased across Australia, with Victoria the last to emerge due to the second wave of infections that started in late July. Major health restrictions that are being progressively eased include:

- Gathering sizes – especially for major events, sport, festivals, cinemas and nightclubs but also in the family home.
- Internal borders – these are progressively opening, but some remain.
- International borders – non-Australian citizens are unable to enter Australia unless granted an exemption.

The timetable for changes in some of these restrictions is unclear and uncertainty will remain, but it is arguable that Australia is operating under what could be termed 'COVID-normal' conditions.

But even when most areas of Australia are operating under 'COVID-normal' conditions, transport patterns have not returned to the pre COVID patterns.

This is being driven by three key factors

- Lower use of public transport
  - » Social distancing limits on passenger numbers in some cities.
  - » Community concern about using public transport.
- Fewer work-related trips, with not having to commute being the most popular nominated benefit.
- Fewer leisure-related trips, especially to major events.

These changes in transport use patterns have implications for both short- and medium-term transport planning.

Only Adelaide had seen public transport patronage numbers return to pre COVID levels by August

Share of people concerned about using transport for business/ leisure during the next year:

	Business	Leisure
Bus	51%	42%
Plane	47%	42%
Tram	44%	n/a
Train	43%	38%
Uber	38%	40%

An International Labor Organisation (ILO) study found **76%** of workers who can, will choose to work from home at least one day per week in the future

MI Associates survey of 2,300 Australians found:

- Of those people who are able to work from home almost **75%** prefer to continue to work that way
- Just over a third have no concerns about returning to the CBD

Public transport patronage numbers declined sharply before beginning a gradual recovery in most Australian cities

Indexed public transport demand*, by city (January-October 2020)
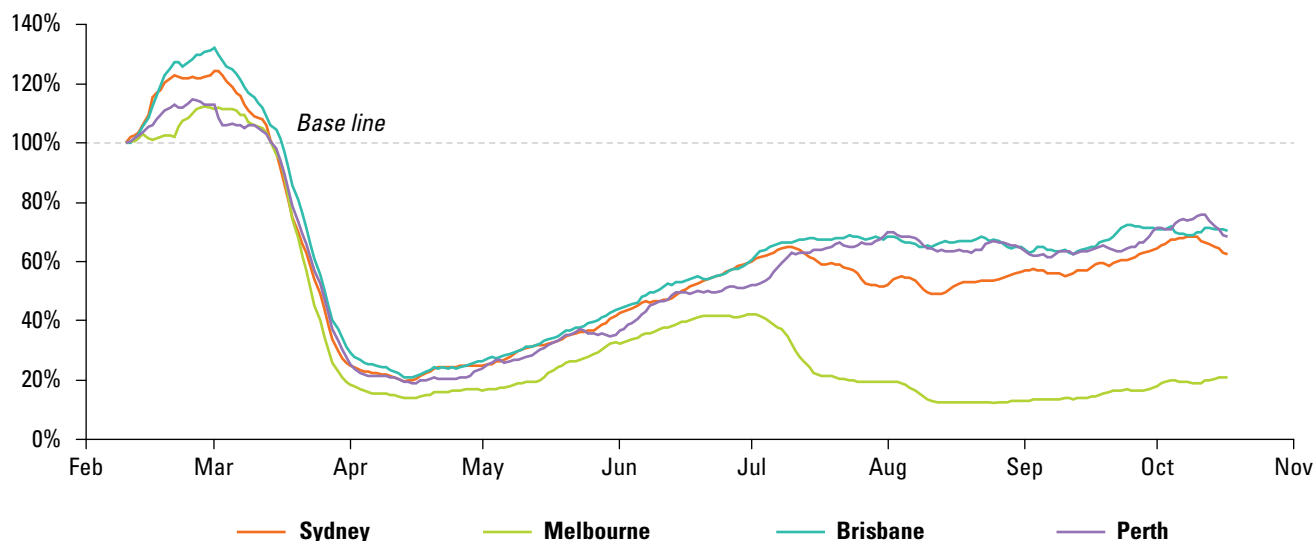
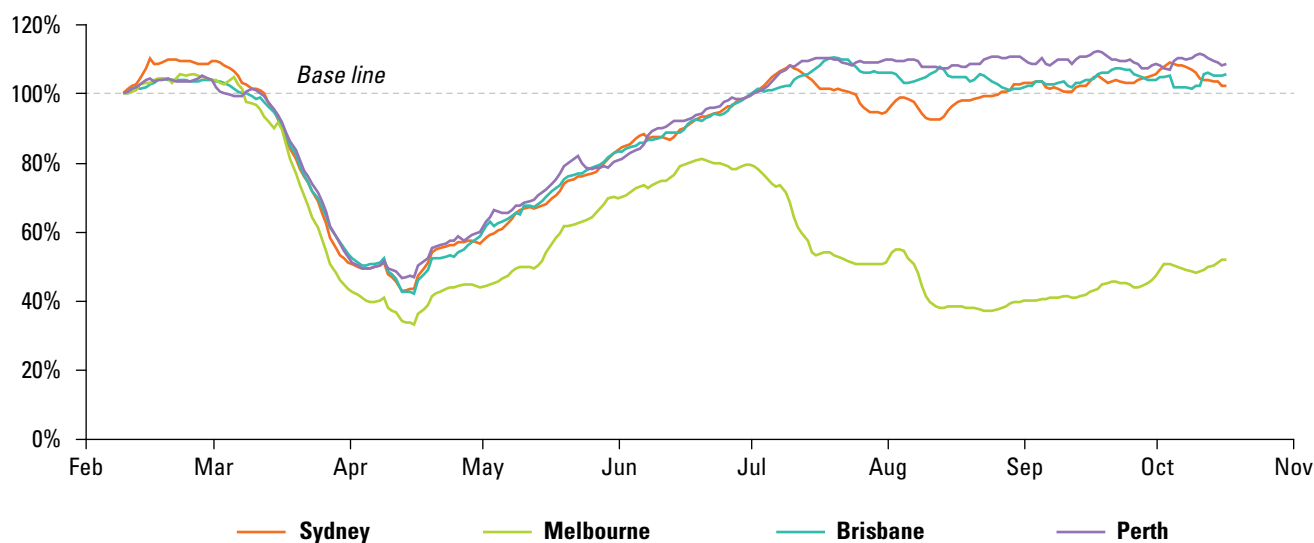Percentage of baseline demand, 7 day rolling average

Sydney   Melbourne   Brisbane   Perth

The level of Australians driving has returned to near January levels in all cities with the exception of Melbourne

Indexed private vehicle demand*, by city (January-October 2020)

Percentage of baseline demand, 7 day rolling average

Sydney   Melbourne   Brisbane   Perth

SECTION 2: SHORT-TERM IMPLICATIONS (NEXT 12 MONTHS)

Looking ahead, transport planners need to respond to these 'COVID-normal' conditions and deliver a transport system that reflects consumer preferences and modal trends. The shift in transport usage patterns and travel into and around CBDs highlights that cities are not returning to what they were before the pandemic. Increased working from home trends, fewer major events and festivals and ongoing restrictions around entertainment venues have fundamentally changed CBDs and the sense of place in cities. This will require new transport models to deliver the optimal results around revenue and service contracts and still deliver high-quality services for tourists, leisure travellers and commuters.

This will have implications for both public and private transport systems over the next 12 months.

EVALUATE SERVICE LEVELS, GIVEN PATRONAGE LEVELS

During the early months of the pandemic, governments were focused on keeping services going, especially for essential workers who still needed to use public transport to get to work. As cities return to 'COVID-19 normal' operating levels CBDs are not operating in the same way as they were pre COVID-19. There have been declines in public transport usage, the timing of the commuter peak has shifted and there are fewer events on weekends and in the evenings. This means governments need to evaluate these service levels to find the balance between protecting public transport systems so they can continue to operate at the same time as ensuring the public transport subsidy is returned to a more sustainable level.

SUSTAINABLE SOCIAL DISTANCING OPTIONS

Social distancing via restricting passenger numbers on buses and trains will be hard to sustain over the long term. Part of the service evaluation process also needs to look at alternative ways of protecting passengers when social distancing is not possible. This includes considering making masks mandatory on public transport. A survey of 2,300 Australians commissioned by TTF and conducted by research and management consultancy MI Associates, found over **70 per cent of Australians believe face masks should be compulsory on public transport**. Not surprisingly Victorians led the way with 87 per cent of respondents from that state supporting the mandatory measure followed by NSW (74 per cent), WA (60 per cent) and Queensland and South Australia both 57 per cent.

INCREASE CONFIDENCE IN THE SAFETY OF PUBLIC TRANSPORT

It is clear from both patronage numbers and passenger surveys that there remains a reduced level of confidence in the safety of public transport. The consumer survey also found that **86 per cent of Australians believe public transport poses a moderate to high risk of COVID-19 transmission**. In addition, three out of five Australians say COVID-19 is discouraging their use of public transport to travel to the CBD. Transport planners need to look at ways to address this. Alongside mandatory masks, other policies which may help include quick track-and-trace responses when cases do emerge and prominent public messaging reminding passengers to social distance if possible and maintain hygiene practices. **Over 60 per cent of respondents to our survey also believe there needs to be a public awareness campaign to encourage public transport use that highlights the COVID safety measures in place**.

OPPORTUNITIES FOR ACTIVE TRANSPORT INFRASTRUCTURE PIVOTS

There is a risk that lower patronage on public transport will result in higher car use, and thus more congestion, as more people return to work and undertake recreational activities. To avoid this, transport planners should be looking at ways to encourage active transport such as pop-up cycleways, more bike storage facilities and the development of footpath/walkways. These projects are often low cost and can be implemented quickly, especially in the period before car usage returns to normal e.g. converting car lanes into cycleways.

PEAK TRAVEL MANAGEMENT TRIALS

The reduced use of cars in the initial months of the pandemic presents an opportunity to trial congestion-reduction strategies in a period when there are less cars on the road – hence less disruption. This is especially true for peak traffic management trials, while working from home rates are still high. Commuters had to adjust their behaviors around the initial months of the pandemic and so are more likely to be receptive to having their peak travel patterns further adjusted than they previously were.

ROLE OF POINT TO POINT TRANSPORT

Reduced use of mass public transport presents an opportunity for considering how to better integrate point to point transport into the public transport system. There is a risk that without an increase in point to point transport use the alternative will be greater private car use and a resurgence in congestion and parking challenges.

COVID-19 IMPACTS ON OTHER MAJOR CITIES GLOBALLY

Public transport patronage suffered significant drops in patronage globally as a result of COVID-19 according to Moovit, an international Intel company which is a leading Mobility as a Service (MaaS) solutions provider and creator of the world's number one urban mobility app.

The App has 840 million users worldwide offering services in 106 countries and 3,400 cities. Data from the App showed public transport usage dropped by 48 per cent in New York/New Jersey, 51 per cent in London and 47 per cent in Madrid between February just before the pandemic had spread globally up until August. In APAC the drop varied between Singapore at 24.9 per cent Kuala Lumpur at 47.9 per cent and Bangkok at just 1.4 per cent.

SECTION 3: MEDIUM/LONG-TERM IMPLICATIONS (NEXT 2-10 YEARS)

It is not yet clear how long Australians will need to live in COVID-normal conditions. This suggests transport policy planners will need to review their longer-term plans to check if they are still relevant, given changing work and transport use patterns.

FARE STRUCTURES

Fare box takings have never covered the cost of running public transport systems in Australia, but COVID-19 means a larger subsidy may be needed to cover the lower patronage levels. Transport planners need to review current fare levels and evaluate the level of subsidy governments are prepared to provide and any subsequent changes that may be needed to fares.

PEAK DEMAND MANAGEMENT

Managing peak demand is a key focus on transport planners but changes in work patterns will require a review and improved understanding of new travel patterns. Even after the pandemic some trends, such as more people working from home for at least part of the week, are likely to remain. This could have a longer-term impact on the timing and extent of the peak demand.

IMPACT OF CONGESTION MANAGEMENT

Increased reluctance to use public transport is likely to have implications for congestion management, especially in capital cities. Transport planners will need to look at how they can smooth car usage across the day and avoid congested peaks. This could include numerous policies from congestion charging schemes through to demand management response such as staggered work and school days.

TOLL ROAD IMPLICATIONS

Most state governments have partnered with private companies to build major toll roads around capital cities. The financial modelling for these projects has been done based on pre COVID-19 transport patterns and usage. Transport planners will need to understand what the implications are for toll collections, including those that were planned under old transport movements but are either currently under construction or only recently opened.

FUTURE PIPELINE OF PROJECTS

Changing travel patterns will require planners to review current infrastructure pipelines to evaluate if projects are still needed in the current timeframes, if they can be delayed or if they need to be fast-tracked. Governments should be considering the opportunity to use transport projects as stimulus measures to restart the economy.

OPPORTUNITY TO FAST-TRACK INNOVATION AND LIFT PRODUCTIVITY

Major shocks, such as the pandemic, present an opportunity for significant, rather than incremental, productivity improvements. In normal times it can be hard to encourage innovative shifts but when systems experience a major shock then more change could be possible. The re-evaluation of transport systems longer term should include considering ways to lift performance and productivity such as new fuel options (e.g. zero emissions buses), new transport types (e.g. trackless trams), new fare structures, new customer service structures and new ticketing options.

Image courtesy of Keolis Downer

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