



TTC's Fare Compliance Action Plan

Audit Risk Management Committee - July 15, 2024



Background

The Auditor General's Office conducted an audit of the Toronto Transit Commission's Revenue Operations in 2019 and provided 27 recommendations to address fare evasion and reduce the estimated loss of passenger revenue.

Attachment 2 of the Fare Compliance Report has the status of the Auditor General's 27 recommendations.

To date, 8 recommendations have been successfully closed, and 19 are in progress, with full completion expected by Q4 2025.

Mode	2018 AG		2019 ARC		2023 ARC	
	Fare Evasion Rate	Revenue Loss	Fare Evasion Rate	Revenue Loss	Fare Evasion Rate	Revenue Loss
Streetcar	15.20%	\$12.2M	15.90%	\$23.0M	29.60%	\$30.2M
Bus	5.10%	\$30.1M	6.30%	\$34.4M	12.90%	\$67.1M
Subway	3.70%	\$18.4M	2.40%	\$12.9M	6.30%	\$26.5M
Total	5.4%*	\$60.7M	5.7%*	\$70.3M	11.9%*	\$123.8M**



Fare Compliance Actions by Mode – Response to ARC

Note:
Phase 1 – Immediate Response
Actions (49)
Phase 2 – Strategic Review
Actions (32)

\$140.9M

(\$123.8M ARC Fare Evasion Study + \$17.1M Partial Fare Analysis)

		Status				
		All Modes	Completed	In-Progress	Future	Total
Impact	High	5	7	7	19	
	Medium	3	5	4	12	
	Low	4	1	4	9	
	Total	12	13	15	40	

Bus



\$76.2M

Did Not Pay



\$67.1M

Fare Box



\$9.1M

		Status				
		Bus	Completed	In-Progress	Future	Total
Impact	High	0	3	4	7	
	Medium	0	3	1	4	
	Low	1	0	1	2	
	Total	1	6	6	13	

Station



\$34.5M

Crash Gate



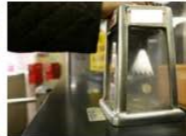
\$14.2M

Fare Gate



\$12.3M

Fare Box



\$8.0M

		Status				
		Stations	Completed	In-Progress	Future	Total
Impact	High	2	6	2	10	
	Medium	3	0	0	3	
	Low	2	0	1	3	
	Total	7	6	3	16	

Streetcar



\$30.2M

No Proof of Payment



\$30.2M

		Status				
		Streetcar	Completed	In-Progress	Future	Total
Impact	High	3	1	2	6	
	Medium	5	0	0	5	
	Low	0	1	0	1	
	Total	8	2	2	12	

Fare Evasion Benchmarking

Societal Causes

Metro systemic causes

Societal Causes		Metro systemic causes		
Cultural Factors	Socioeconomic circumstances	Station design and protection	Security and enforcement	Fare structure, ticketing, complexity
Acceptability of fare evasion	Deprivation	Number of entrances and exits	Surveillance and CCTV	Flat / zonal / distance based fares
	Income		Staff presence	
Criminalisation of fare evasion	Crime	Presence of fare gates	Nature of enforcement	Availability of smart / mobile payments
	Employment			

Motives – Understanding Who and Why

Type of Fare Evader	Explanation
The opportunistic evader	<p>The Customer who evades when they see others evading or a lack of enforcement i.e. not paying at the back door of buses, using the crash gate when there's a crowd.</p> <p>May take the opportunity to mimic behaviour of determined evaders</p>
The determined evader	<p>This category includes the Customer who simply is determined not to pay, regardless of subsidies, educational messages or other nudges.</p>
The student evader	<p>Students who fare evade because the perceived risk of getting caught as low compared to the cost of purchasing a ticket as well as opportunistic fare evading when in larger groups of students.</p>
The economically stressed evader	<p>The Customer who evades the fare because paying it is a true financial hardship.</p>
The frustrated evader	<p>Customer who does not pay due to technological issues i.e. unable to load PRESTO card, Machines are out of order etc.</p>

| Fare Compliance Action Plan

An Action Plan requested by the Board is in attachment 1 of the Board Report.

The Fare Compliance Action Plan is divided into four categories:

- Education
- Environment
- Enforcement
- Equity

Immediate Response Actions – 49

Timelines

Education

Environment

Enforcement

Equity



Fare Compliance Action Plan

Phase One: Immediate Response to fare compliance in the current network using *current resources*, comprising of 49 actions

Phase Two: Strategic Review to assess the implications of system-wide fare compliance strategies on service delivery and customer experience and opportunities to use technologies and other innovations

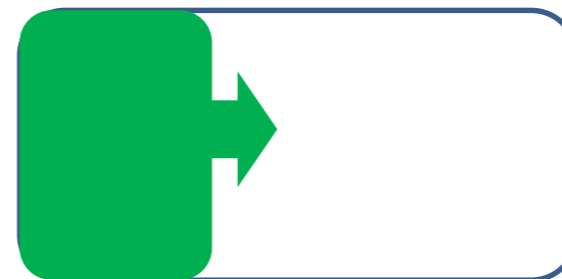
PHASE ONE



Goal:

- **Stem current fare evasion**
- **Assess impact of actions**
- **Establish reporting**

PHASE TWO



Goal:

- **Establish key strategic policy Service and fare compliance directions**
- **Revenue targets informed by directions.**

Immediate Response Actions

EDUCATION	ENVIRONMENT		ENFORCEMENT		EQUITY
	PHYSICAL INFRASTRUCTURE	FARE COLLECTION / MODERNIZATION	FARE INSPECTORS	FARE VALIDATION ROLES	
Enforcement Awareness	Faregate	Equipment Uptime-Frustration	Resume Ticketing	Strategic Deployment of CSAs	Use of Discretion Policy
Media Awareness Campaign	Fare Gate Gaps	Equipment Variation - Frustration	Mobile Ticketing	Strategic Deployment of SCs	Fair Pass Program Expansion
Promote Ease of Payment	Fare Gate Height	Modernize Payment Options	Recruit Complement	Operators - Fare Dispute Button	Fines and ByLaw Update
Middle / High Schools Program	Fare Gate Tolerance	Fare box Flaps (Station & Buses)	Analytical Deployment		Presto Retail Expansion (phase 1)
Special Constables Community Engagement	Bus Bay Access - Hotspot Plan (CSA / SC)	Annualize Child & Youth Cards	Policy and Technology Training		Presto Retail Expansion (phase 2)
Back to School Media and Communication	Bus Bay Signage	Legacy Fares Sunset	Technology - Handhelds		Admin Monetary Penalty System Review
Field Trip Education	Close Crash Gates	Harmonize Cash Concession Fares	Technology - Body Worn Cameras		Review 2-hour Transfer Policy for Cash Payments
TTC / School Administrators Forum		Machine Readable Transfers	Establishing Reporting of Inspection Activities		
Grade 10 Civics Program		Registered Fare Box Review	Fare Inspector Reduced Travel Times		
Post Secondary Back to School		Proof of Payment	Fare Enforcement at Bus Interchanges		
Education Announcements on all modes					
Multilingual Fare & Transfer Information					In Progress
					Future



Fare Compliance Program Schedule – Education Initiatives

	Initiatives	2022	2023				2024				2025				2026				
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Education	Enforcement Awareness	Completed / Operationalized	Completed / Operationalized	Completed / Operationalized	Completed / Operationalized	Completed / Operationalized													
	Media Awareness Campaign				Completed / Operationalized	Completed / Operationalized	Completed / Operationalized												
	Promote Ease of Payment				Completed / Operationalized	Completed / Operationalized	Completed / Operationalized	Completed / Operationalized	Completed / Operationalized										
	Middle/High Schools Program	In Progress	In Progress	In Progress	In Progress	In Progress	In Progress	In Progress	In Progress	In Progress	In Progress								
	Special Constables Community Engagement	Completed / Operationalized	Completed / Operationalized	Completed / Operationalized	Completed / Operationalized	Completed / Operationalized	Completed / Operationalized	Completed / Operationalized	Completed / Operationalized	Completed / Operationalized	Completed / Operationalized	Completed / Operationalized							
	Back to School Media and Communication						In Progress	In Progress	In Progress										
	Field Trip Education						In Progress	In Progress	In Progress										
	TTC / School Administrators Forum						In Progress	In Progress	In Progress	In Progress									
	Education Announcements on all modes								Future	Future	Future								
	Multilingual Fare & Transfer Information								Future	Future	Future								

Completed / Operationalized
In Progress
Future



Fare Compliance Program Schedule – Environment Initiatives

Initiatives	2022	2023				2024				2025				2026			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Faregate						Completed	Completed										
Faregate Gaps						Completed	Completed						In Progress				
Faregate Height						Completed	Completed										
Faregate Tolerance						Completed	Completed										
Equipment Uptime - Frustration						Completed	Completed										
Equipment Variation - Frustration						Completed	Completed										
Fare Box Flaps (Stations & Buses)						Completed	Completed	In Progress	In Progress								
Expansion of Open Payment Options				In Progress	In Progress	Completed	Completed	In Progress	In Progress								
Bus Bay Access - Hot Spot Plan (CSA / SC)							In Progress	In Progress	In Progress	In Progress	In Progress						
Annualize Child & Youth Cards							In Progress	In Progress									
Legacy Fares Sunset		In Progress	In Progress	In Progress	In Progress	In Progress	In Progress	In Progress									
Align Cash Concession Fares		In Progress	In Progress	In Progress	In Progress	In Progress	In Progress	In Progress	In Progress	In Progress	In Progress						
Machine Readable Transfers						In Progress	In Progress	In Progress	In Progress	In Progress	In Progress	In Progress					
Registered Farebox Review						In Progress	In Progress	In Progress	In Progress	In Progress	In Progress	In Progress	In Progress				
Bus Bay Signage								Future	Future	Future							
Close Crash Gates								Future									
Fare Validation at Stations								Future	Future								

Completed / Operationalized
In Progress
Future
CSA Customer Service Agents
SC Special Constables



Fare Compliance Program Schedule – Enforcement Initiatives

	Initiatives	2022	2023				2024				2025				2026				2027				
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Enforcement	Resume Ticketing (end of taps over tickets)						■																
	Mobile Ticketing						■	■															
	Recruit Complement				■	■			■	■			■	■			■	■				■	■
	Analytical Deployment				■	■	■	■	■														
	Policy and Technology Training		■	■	■	■	■																
	Technology - Handhelds				■																		
	Technology - Body Worn Cameras (phase 1)							■	■	■	■												
	Establishing Reporting of Inspection Activities						■	■															
	Strategic Deployment of CSAs / SCs						■	■															
	Operators - Fare Dispute Button							■	■	■													
	Fare Enforcement at Bus Interchanges									■	■	■	■										

■	Completed / Operationalized
■	In Progress
■	Future
CSA	Customer Service Agents
SC	Special Constables



Fare Compliance Program Schedule – Equity Initiatives

	Initiatives	2022	2023				2024				2025				2026				2027			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Equity	Use of Discretion Policy		■	■	■	■	■	■														
	Fair Pass Program Expansion			■	■						■	■										
	PRESTO Retail Expansion (phase 1)		■	■	■	■	■	■	■													
	PRESTO Retail Expansion (phase 2)									■	■	■	■	■	■	■	■	■	■	■	■	■
	Administrative Monetary Penalty System Review								■	■	■											
	Fines and ByLaw Update								■	■												
	Review 2-hour transfer policy for cash payments								■	■	■	■	■									

■	Completed / Operationalized
■	In Progress
■	Future

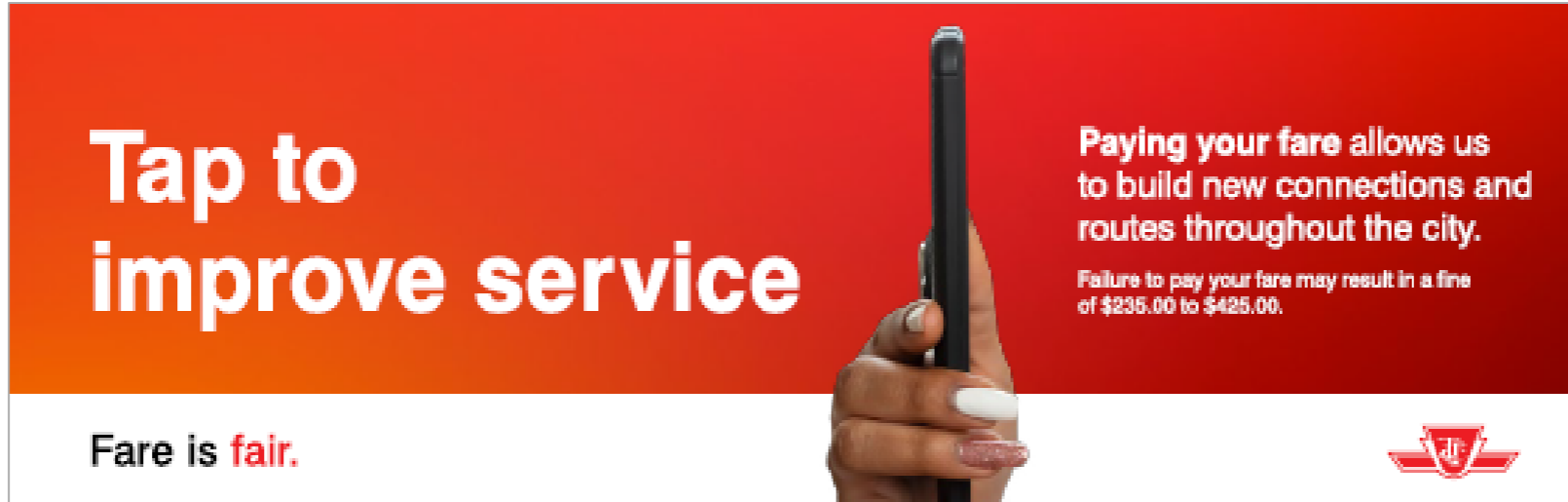


Fare Compliance Program Schedule – Strategy Initiatives

	Initiatives	2022	2023				2024				2025				2026				2027			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Strategy	Annual ARC Audit		Completed / Operationalized								In Progress									In Progress		
	Leverage Faregate Data for Fare Compliance				Completed / Operationalized	Completed / Operationalized	Completed / Operationalized	In Progress	In Progress													
	Leverage Fare Dispute Key Data for Fare Compliance					Completed / Operationalized	Completed / Operationalized	In Progress	In Progress													
	Fare Inspection Handheld Analysis			Completed / Operationalized	Completed / Operationalized	Completed / Operationalized	Completed / Operationalized	In Progress	In Progress													
	Youth Innovation Challenge (internal)					Completed / Operationalized		Completed / Operationalized														
	Workshops: Staff and Bus Operators					Completed / Operationalized		Completed / Operationalized														
	Establish Fare Compliance Action Plan					Completed / Operationalized	Completed / Operationalized	Completed / Operationalized														
	Fare Evasion Motives Study						In Progress	In Progress	In Progress													
	Legacy Fares Sunset	In Progress	In Progress	In Progress	In Progress	In Progress	In Progress	In Progress														
	Harmonize Cash Concession Fares						In Progress	In Progress	In Progress	In Progress	In Progress											
	Establish Fare Compliance Strategy									Future	Future	Future	Future									
	Engage Consultant							In Progress	In Progress		Future	Future										
	Assess Service Delivery vs. Evasion										Future											
	Establish Benchmarking										Future											
	Assess mix of Fare Enforcement Roles										Future											
	Rear Door Boarding - Bus										Future	Future	Future	Future								
	Rear Door Boarding - Streetcar										Future	Future	Future	Future								
	Cash Fares Sunset Review										Future	Future	Future	Future								
	Proof of Payment Whole Network										Future	Future	Future	Future								
	Establish Targets and Annual Review Process										Future	Future	Future	Future								
	Innovation										Future	Future	Future	Future								
	Engage Academia / MaRs / CoE Partnerships										Future	Future	Future	Future								
Return with Broader Strategy																					Future	



Customer Fare Compliance Campaign




Tap to improve service

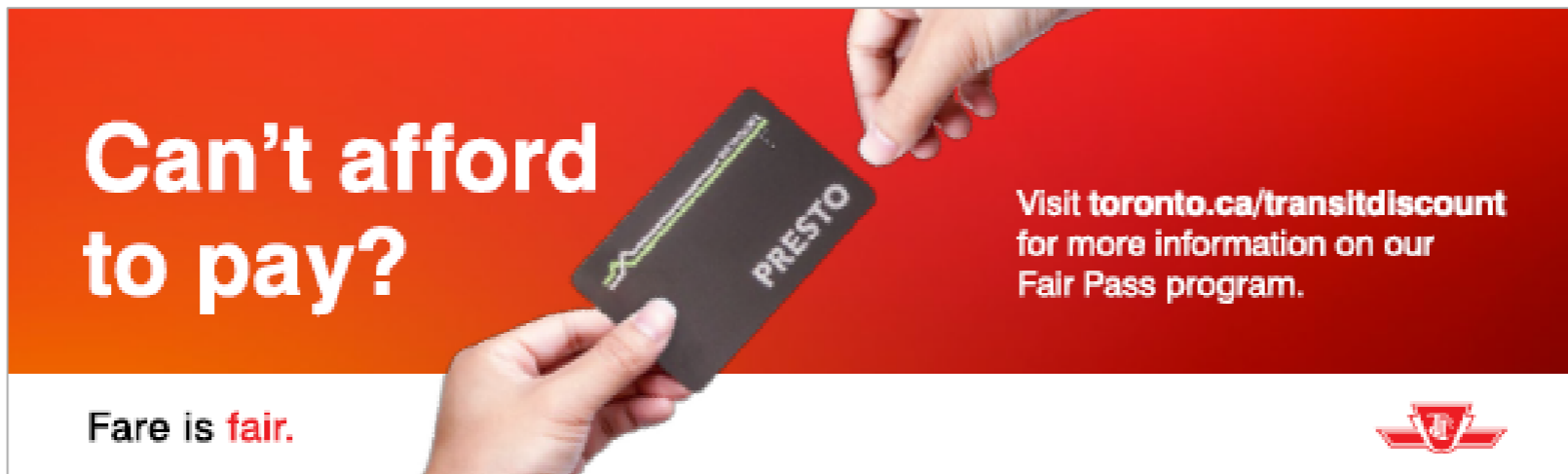
Paying your fare allows us to build new connections and routes throughout the city.

Failure to pay your fare may result in a fine of \$235.00 to \$425.00.

Fare is **fair**.




A hand holding a smartphone against a red background.



Can't afford to pay?

Visit toronto.ca/transitdiscount for more information on our Fair Pass program.

Fare is **fair**.



Hands holding a Presto card against a red background.