



2023 Fare Evasion Study Overview

Audit, Risk and Compliance (ARC)

March 18, 2024



Agenda



Fare Evasion Study History



Overview & Methodology



Summary of Results



Observations



Management Response



Questions & Answers



Fare Evasion Study History

Auditor General's
Fare Evasion Study
(2018)



ARC Tapping
Behaviour Study
(2019)

ARC Fare
Evasion Study
(2019)



COVID-19
Pandemic

ARC Fare
Evasion Study
(2023)



Fare Evasion in the News

METROLINX

Toronto

GO Transit fare evasion nearly doubles in recent weeks: Metrolinx

Ontario transit service wants inspectors to fine 6,000 train riders a month for fare evasion



TRANSPORTATION

As crime rises, fare evasion enforcement signals a desire for civil order

OC Transpo

Ottawa

Union calls on OC Transpo to crackdown on riders not paying transit fares

Ottawa

More than \$1,900 worth of fare-dodging fines issued per day on OC Transpo

Metro Transit

LOCAL

Fare evaders, beware: Metro Transit is checking, and enforcement is yielding results



Transport for London: Fare dodgers cost network £130m a year

BBC NEWS | BBC

Transport for London cracks down on fare dodgers

TECHNOLOGY FARE COLLECTION

MTA is ready to combat toll and fare evasion with Blue Ribbon Panel recommendations



MTA: Fare Evasion Expected to Top \$700M in 2023

ARC 2023 Fare Evasion Study Methodology



Methodology

- + Statistical fare evasion study across all modes of transportation during regular service to observe and measure the impact of TTC customers not paying a fare.
- + Fieldwork: 25,730 observations made from April 2023 to October 2023.
- + Inspections were completed by plain-clothed Transit Fare Inspectors (TFIs).
- + Routes and stations were randomly selected based on ridership volume and testing occurred on weekdays and weekends from 6:30 AM to 1 AM.
- + All customers in a selected vehicle or station was inspected regardless of status and demographic during the specified time.
- + All selected bus and streetcar routes were inspected from the start of the route to the end of the route.

ARC 2023 Fare Evasion Study Methodology



Enhancement to Fare Evasion Study – Partial Cash Fares Analysis

- + Assess annual financial impact of customers depositing partial cash fares the fare box.
- + Analysis was excluded from the 2018 AG and 2019 ARC Fare Evasion Studies.



Scope Limitations

- + Illegal customer entry through bus bays.
- + Wheel-Trans and Blue Night Network (night bus) observations.



Fare Evasion Overview



\$123.8M

Estimated total revenue loss
due to fare evasion¹



11.9%

Weighted fare evasion rate²



25,730

Total observations in
ARC's 2023 Fare Evasion
Study



~2x

Increase in fare evasion rate
compared to ARC's 2019 Fare
Evasion Study

¹ Estimated total revenue loss due to fare evasion in ARC's 2019 Fare Evasion Study is approximately \$70.3 million

² Weighted fare evasion rate in ARC's 2019 Fare Evasion Study is approximately 5.7%



Fare Evasion by Mode



Streetcar

29.6%

Fare Evasion Rate

- Estimated \$30.2M revenue loss.
- 7,063 observations.
- Inspected all streetcar routes.
- 15.9% fare evasion rate in ARC's 2019 Fare Evasion Study.



Stations

6.3%

Fare Evasion Rate

- Estimated \$26.5M revenue loss.
- 14,597 observations.
- Inspected 42 stations.
- 2.4% fare evasion rate in ARC's 2019 Fare Evasion Study.



Bus

12.9%

Fare Evasion Rate

- Estimated \$67.1M revenue loss.
- 4,070 observations.
- Inspected 52 bus routes.
- 6.3% fare evasion rate in ARC's 2019 Fare Evasion Study.

| 510 Streetcar



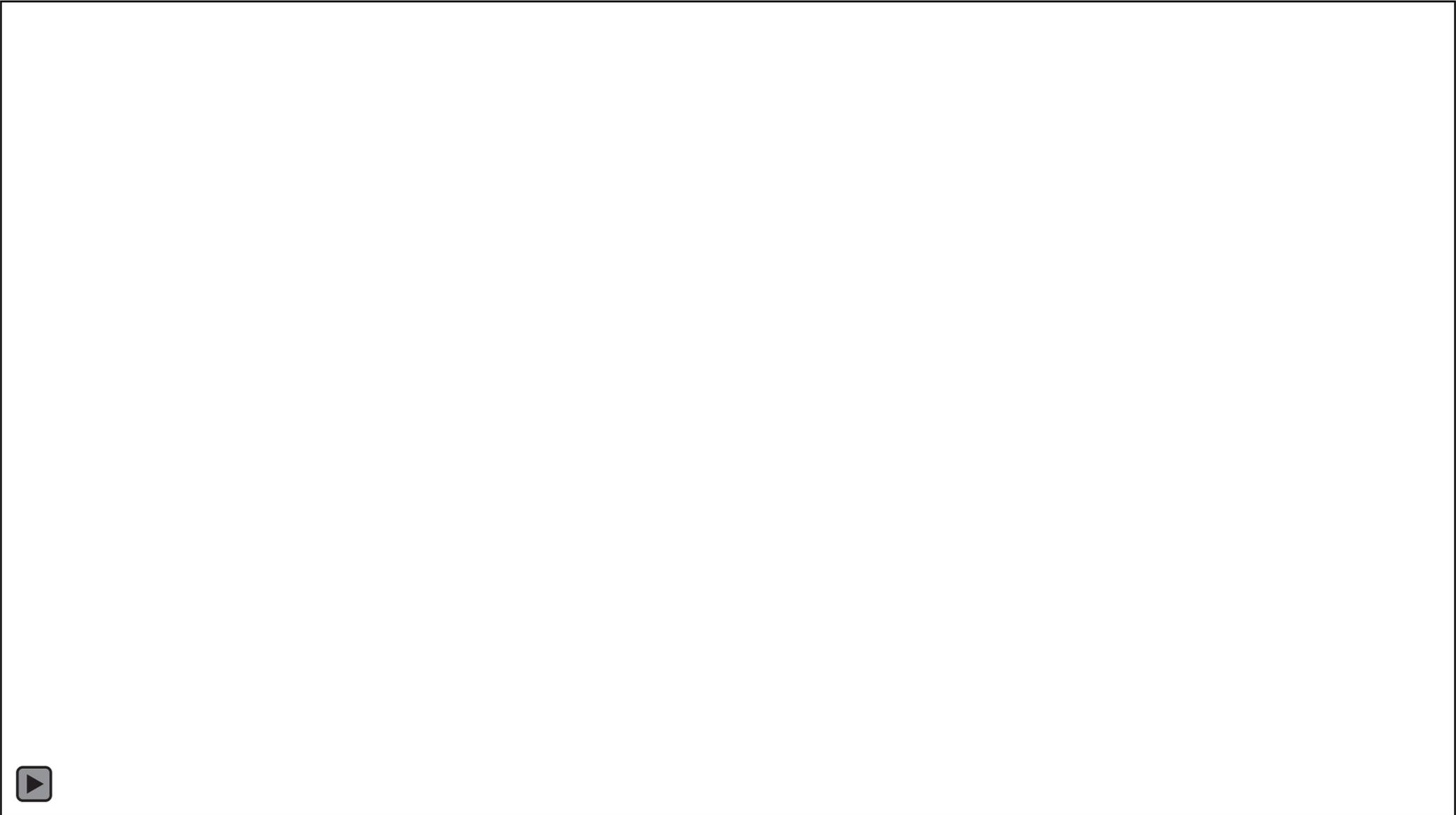
| York Mills – Crash Gate



| Dufferin – Jumping the Gate



| Victoria Park – Squeezing through the Fence



| Victoria Park – Breaking through the Gate



| Islington – Tailgating



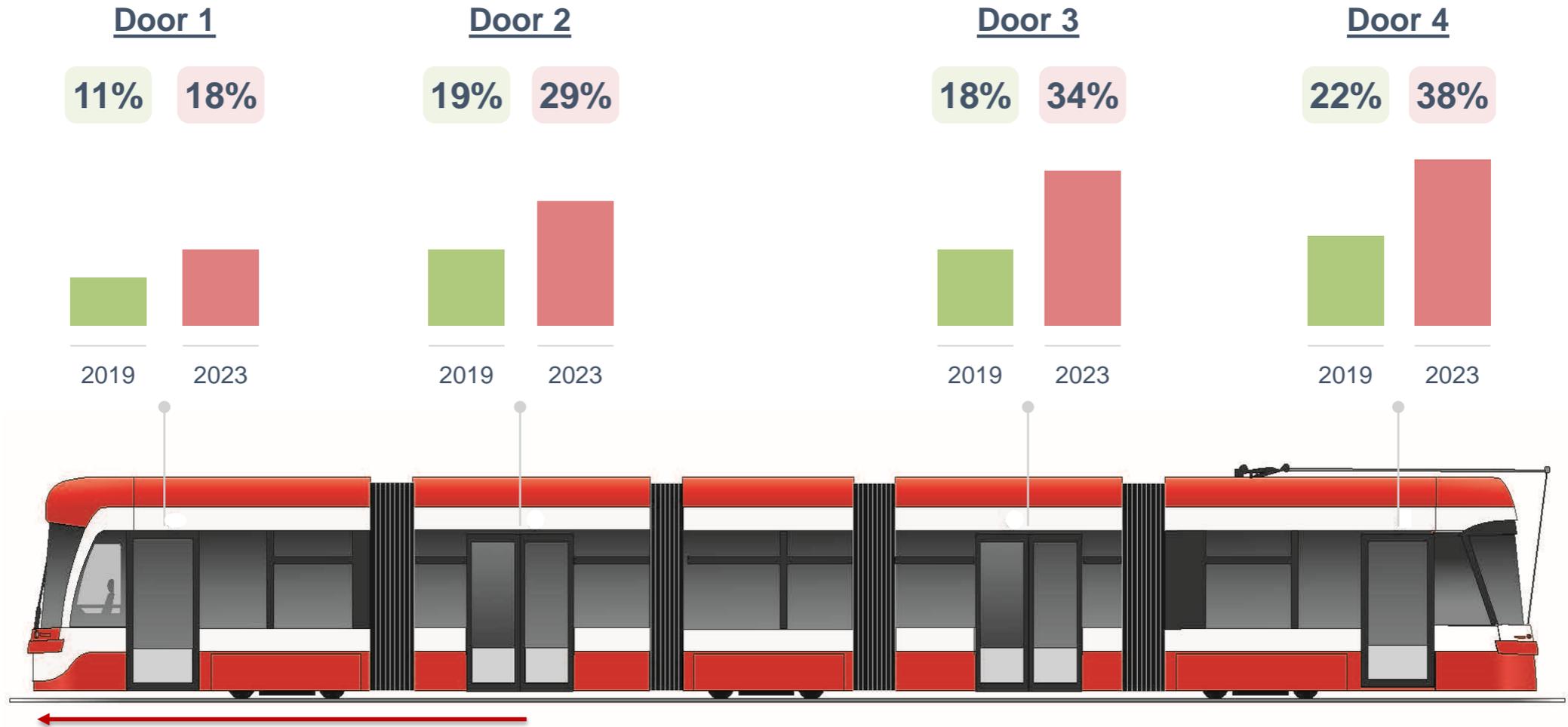
| Bus – Students



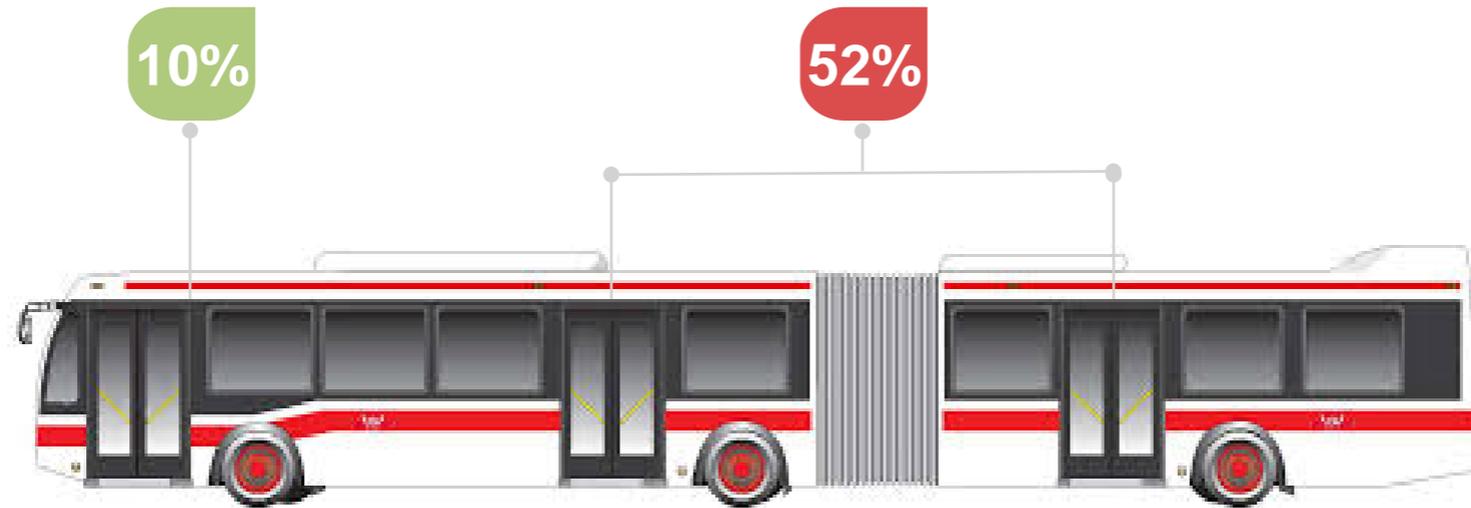
| Bus – All-Door Boarding



Streetcar Fare Evasion by Door



| Bus Fare Evasion by Door



Station Fare Evasion by Location



Fare Line

3.2%

Fare Evasion Rate

- Estimated \$12.3 million in revenue loss
- 13,477 total fare line observations



Crash Gates

44.3%

Fare Evasion Rate

- Estimated \$14.2 million in revenue loss
- 1,120 total crash gate observations

Child Card Fraud

Almost all children that appeared 12 & under did not use a child card.

84%

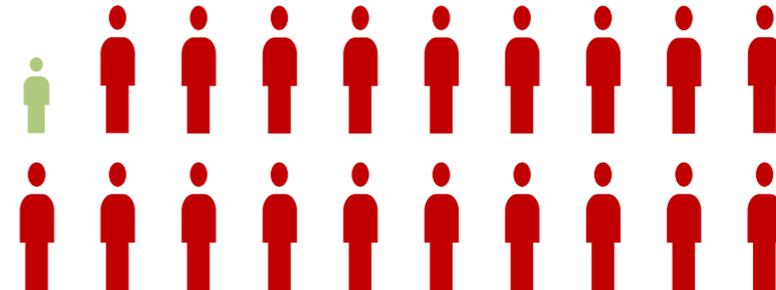
Reduction in the number of child cards used.

Child Card Usage

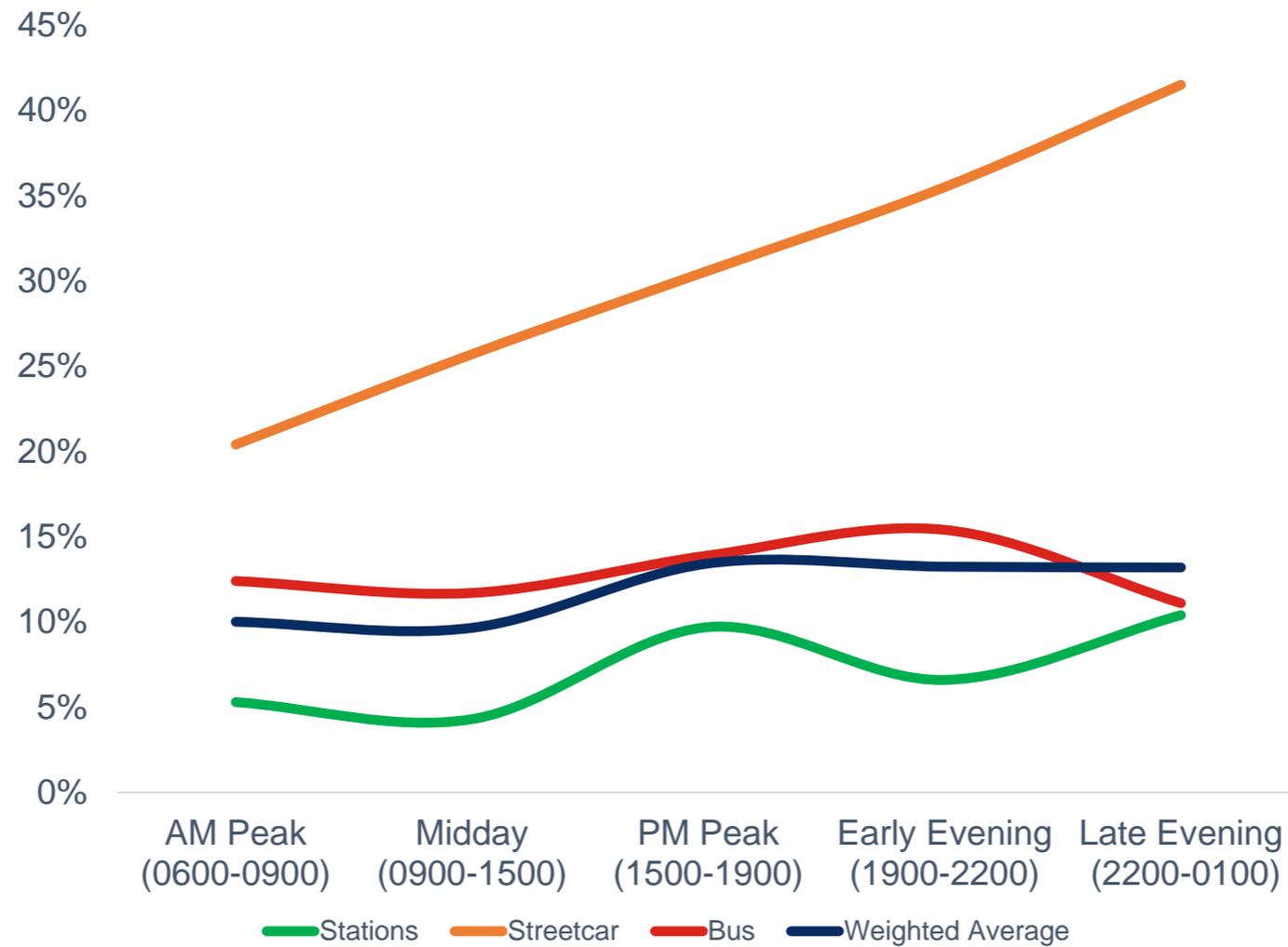


94%

Fraudulent use of child cards.



Fare Evasion Rate by Time of Day and Mode



Enhancement to Fare Evasion Study – Partial Cash Fares Analysis

\$17.1 M Estimated annual revenue loss due to partial cash fares in the fare box



\$9.1 M Bus



\$8.0 M Stations

\$140.9M

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

Bus



\$76.2M

Station



\$34.5M

Streetcar



\$30.2M

Did Not Pay



\$67.1M

Fare Box



\$9.1M

Crash Gate



\$14.2M

Fare Gate



\$12.3M

Fare Box



\$8.0M

No Proof of Payment



\$30.2M

Fare Inspection



Only TFIs Enforce Fares

- The introduction of low-floor streetcars in 2014 isolated Operators from customers.
- Bus Operators and Collectors were asked to not enforce fares to enhance safety in 2015.

1



Fare Enforcement only on Select Modes

- All customers must have valid Proof of Payment (POP) when travelling on the TTC.
- POP may be requested when transferring between a bus, streetcar or the subway.
- POP is required on all streetcar routes.

2



Education Fare Enforcement Strategies

- No fare enforcement during COVID-19 pandemic.
- TFIs historically applied an educational fare enforcement approach. Prefer to accept fare payment over issuing ticket.
- Approximately 50% of customers who do not pay, choose to pay after inspection.

3



TFIs Expressed Hesitation to Enforce Fares

- Fare Inspector & Special Constable complaints (FISCC) and delayed resolutions.
- Complex TTC by-law resulting in varying fare evasion ticket infractions and costs.
- Sense of low morale and a general need for increased management support.

4

Environment (Infrastructure & Technology)



Crash Gates

- 44.3% fare evasion rate, estimated annual revenue loss of \$22.2M (crash gate: \$14.2M, partial cash fares: \$8.0M).
- Crash gates are required as TTC policy still accepts legacy fare media.

1



Partial Fares in the Fare Box

- Annual loss due to partial cash fares is estimated to be \$17.1M (bus: \$9.1M, stations: \$8.0M).
- Flaps in fare box removed preventing cash and legacy fares from being inspected and verified.

2



Stations Fare Evasion

- Tailgating and breaking through fare gates account for 33% of all fare evasion in stations amounting to an estimated \$8.6M annual revenue loss.

3



Fare Evasion at the Rear Doors of Buses and Streetcars

- Fare evasion increases the further away the door is from the front of the vehicle.
- TTC policy states front door boarding on buses and all-door boarding on streetcars.
- Temporary all-door boarding on buses during pandemic.

4

Customer Experience



Complex Legacy Transfers

- PRESTO provides an easy to understand 2-hour unlimited travel transfer, whereas the legacy transfer is difficult to understand due to varying rules.
- 5 visually distinct legacy transfers.

1



Varying Vending and Payment Machines

- 8 types of vending machines dedicated to facilitating payment transactions or loading funds onto PRESTO cards.
- Each machine is distinctly different in terms of their appearance, acceptable forms of payment, and the type of transfers they dispense.

2



Bus Bay Safety

- Customers avoid paying a fare by walking through areas where buses are moving and are susceptible to being hit.

3



Fare Evasion and Security

- Potential relationship between fare evasion and security incidents suggested by GOAL North American Light Rail Systems Benchmarking Group and other transit agencies.
- Fare enforcement may reduce customer safety risks.

4

Governance & Oversight



Varying Fare Evasion By-law Offences

- From March 2023 - December 2023, 1,153 fare related Provincial Offence Notices and Summons were issued and charged against 9 different sections in the by-law. Of these tickets, 73% were issued for \$235 and 27% for \$425.

1



Customers Aged 13 - 19

- Youths are difficult to enforce due to age-related restrictions in the Provincial Offences Act, the TTC's appetite to enforce fares on youths, and their behavior.
- Youths under 16 can only receive a summons to court.

2

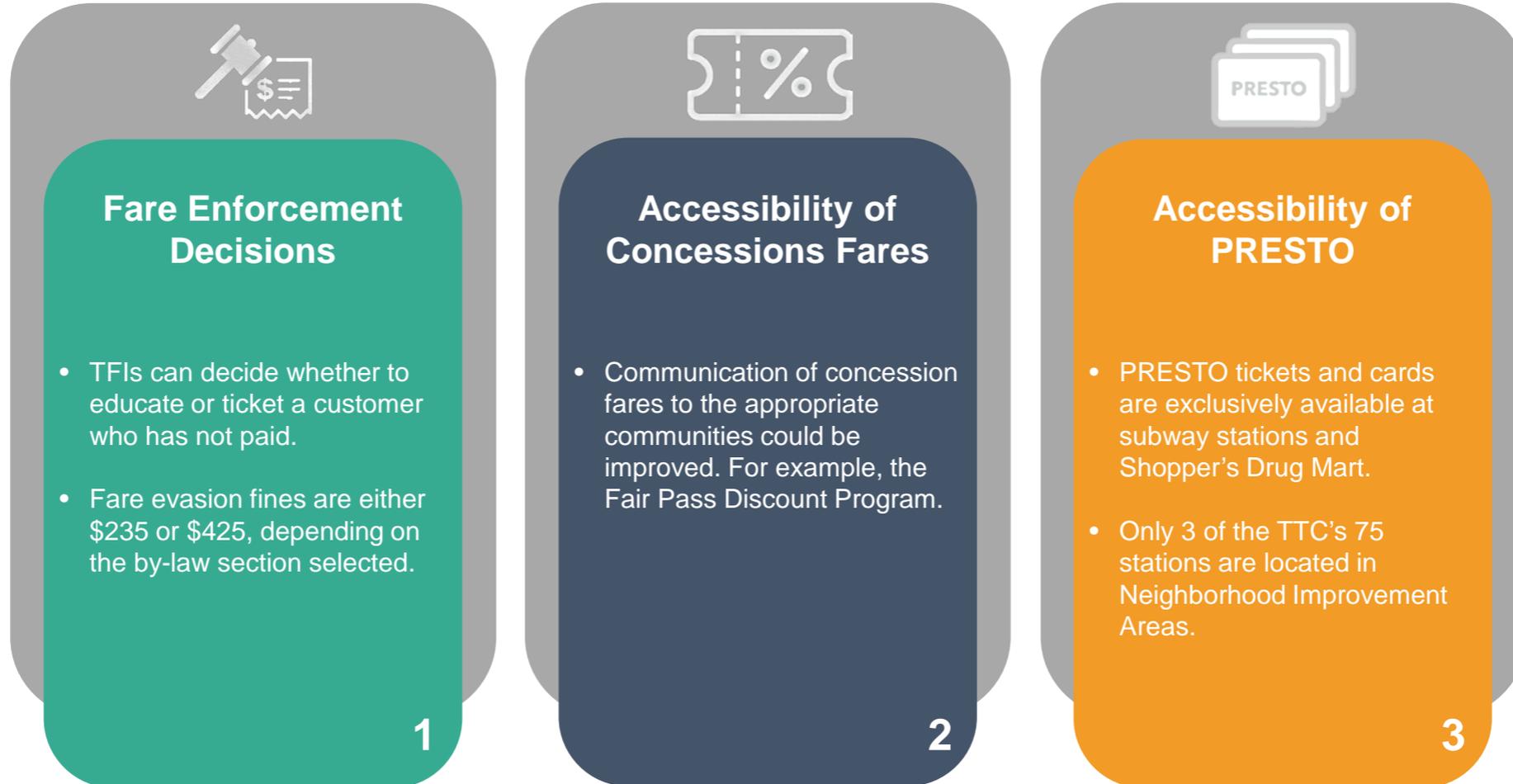


Free Concession Oversight

- There are free concessions that do not have a distinct audible and visual indicator, and share similar risks to the child concession prior to its audio and visual change. For example, concessions for Canadian National Institute for the Blind, Support Person Assistance Card, TTC employees and non-revenue concessions.

3

Equity



Recommendation



Fare Evasion Information

- 1 2023 ARC Fare Evasion Study
- 2 2019 ARC Fare Evasion Study
- 3 2018 AG Fare Evasion Study



Fare Evasion Reduction Strategy

- 1 Internal Workshops
- 2 Measure Initiative Impact
- 3 Monitor & Report

