



## **Resumption of Ticketing**

Date: February 28, 2023  
To: TTC Board  
From: Chief Strategy and Customer Officer

### **Summary**

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In March 2020, in response to the Provincial COVID-19 State of Emergency and measures necessary to comply with physical distancing requirements, the TTC ceased ticketing customers for fare evasion. During the pandemic, fare inspection efforts have been focused on the streetcar network to inspect, educate and inform customers about fare payment.

As of December 2022, approximately half of the Fare Inspectors deployed daily have been placed on special assignment to support safety efforts by providing high-visibility presence on the subway system to serve as a resource for employees and customers. The plan is to redeploy those Fare Inspectors from this special assignment back to their primary duties of fare inspections once ticketing resumes.

As ridership increases, fare evasion rates on streetcars remain at an estimated 13%, based on Fare Inspector reported inspection data.

The success of a Revenue Protection Strategy is highly dependent on building a fare compliant culture. Specifically:

- A culture shift towards fare compliance;
- A reset of social norms to disrupt negative customer behaviour; and
- Educating our customers and emphasizing the importance of tapping and paying proper fares while providing equitable service to all transit users.

In addition, Fare Inspectors issuing tickets for fare evasion can positively impact customer behaviour, deter fare evasion and address concerns from fare-paying customers.

Accordingly, as part of the overall fare recovery strategy, the Revenue Protection Department intends to resume ticketing, effective late-March 2023.

### **Recommendations**

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It is recommended that the TTC Board:

1. Receive for this report for information.

## **Financial Summary**

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The 2023 Operating Budget, approved by the TTC Board on January 9, 2023 and City Council on February 15, 2023, includes an anticipated \$6.0 million gross, and \$5.7 million net, increase in passenger revenue based on a resumption in ticketing for fare evasion and the resulting expected reduction in the fare evasion rate.

With the planned return of ticketing in 2023, the fare evasion rate is targeted to return to its pre-COVID level which is the basis for the increased passenger revenue incorporated into the 2023 Operating Budget. Fare evasion rates will be monitored monthly, through Revenue Protection's inspection data, with associated passenger revenue recovery monitored against budgeted expectations.

The Chief Financial Officer has reviewed this report and agrees with the financial summary information.

## **Equity/Accessibility Matters**

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The TTC is continuing its implementation implemented a comprehensive Anti-Racism Strategy following the review by the Ombudsman Toronto of the TTC's investigation of a 2018 incident where a young Black man was forcibly detained on a streetcar platform by three Fare Inspectors.

To address this, and past findings, the Revenue Protection Department is undergoing transformative internal and external change to demonstrate a commitment to accountability, transparency, building public trust, addressing regulatory concerns and ensuring bias-free service delivery. The department has considered critical recommendations from various third-party reports, expert stakeholders and industry benchmarking, while focusing on the essential priorities of transit safety, security and maximizing revenue protection.

To instill an effective culture change, Revenue Protection has taken a holistic approach by examining and addressing people, processes, training and technology. The Revenue Protection Culture Change Program (RPCCP) pillars provide a framework to guide all work within the department.

### **Culture Change Program**

The RPCCP has been the foundation for all work carried out in 2021 by departmental staff. The objective of the RPCCP is to have safety, security and revenue protection services that are customer-focused and founded in respect and dignity for customers and employees.

In order to achieve this goal, improvements are required to the manner in which work is done, taking into account recommendations from various third-party reports, expert and community consultations, the TTC's External Advisor on Diversity and Inclusion, Arleen Huggins, and industry benchmarking with our peers.

Key third-party reports used as inputs into the Culture Change Program include:

- 2017: Ombudsman Toronto Report: An Investigation into the Toronto Transit Commission's Oversight of its Transit Enforcement Unit;
- 2019: Ombudsman Toronto Enquiry Report: Review of the Toronto Transit Commission's Investigation of a February 18, 2018, Incident Involving Transit Fare Inspectors;
- 2019: Auditor General's (AG's) Report – Review of Toronto Transit Commission's Revenue Operations: Phase One – Fare Evasion and Fare Inspection;
- 2020: Dr. Wortley – Ontario Human Rights Commission (OHRC) – reports on racial profiling and racial discrimination of Black persons by the Toronto Police Service, Use of Force by the Toronto Police Service report (Peer report).
- 2021: Dr. Owusu-Bempah and Dr. Wortley – Toronto Transit Commission Racial Equity Impact Assessment: Interim Report.

In 2019, the TTC retained Dr. Akwasi Owusu-Bempah and Dr. Scot Wortley from the University of Toronto to conduct a review of historical race-based data collected by Fare Inspectors and Special Constables around enforcement activities, and provide a Racial Equity Impact Assessment (REIA). In April 2021, the TTC Board received the results of Phase I of this work, which included a review and analysis of the TTC's historical enforcement data, including examining data quality issues and identifying additional data insights. This work also included information sessions and focus groups with TTC Special Constables and Fare Inspectors to ensure that their voices were included. The TTC is continuing to work with Dr. Wortley and Dr. Owusu-Bempah to deliver on Phase II of REIA. This work was ongoing throughout 2022 and will continue. The scope includes the following:

- Focus group discussions with community groups to focus on their experiences with Special Constables and Fare Inspectors; and
- Public town halls that focus on community experiences with Special Constables and Fare Inspectors, including perceptions of racial bias, opinions with respect to race-based data collection and ideas with respect to eliminating bias and improving the TTC's community relations.

In June 2021, the new Fare Inspector and Special Constable Complaints (FISCC) Office was launched to investigate complaints (including public complaints) related to the conduct, policies and services of employees in the Revenue Protection and Special Constable Service departments (including Fare Inspectors and Special Constables). With the launch of the FISCC Office, new streamlined, accessible, public complaint procedures were also posted on the TTC website.

In addition, Revenue Protection continues to work with the TTC's Diversity and Culture group on a variety of matters relating to policy, training, customer complaints and employee conduct. As part of Revenue Protection's culture change, various policies and frameworks have been examined to inform the approach to fare enforcement, including: TTC Anti-Racism Framework, TTC 10-Point Action Plan on Diversity and Inclusion, Five-Year Diversity and Human Rights Plan, TTC Diversity and Inclusion Policy and TTC Respect and Dignity Policy.

See: ["Diversity and Culture 2021 Annual Report"](#).

The results of this ongoing work will be shared with the TTC Board.

## **Decision History**

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At its May 18, 2017 meeting, City Council adopted a report from the Ombudsman Toronto entitled, Ombudsman Toronto Report: An Investigation into the Toronto Transit Commission's Oversight of its Transit Enforcement Unit. City Council requested the TTC to implement all of the Ombudsman's recommendations.

[Ombudsman Toronto Report: An Investigation into the Toronto Transit Commission's Oversight of its Transit Enforcement Unit \(City Council, April 26-28, 2017 and TTC Board, May 18, 2017\)](#)

At its July 10, 2018 meeting, the TTC Board received the Investigation Report dated June 28, 2018 regarding the Investigation into Incident dated February 18, 2018 Involving Transit Fare Inspectors.

[Investigation into Incident dated February 18, 2018 Involving Transit Fare Inspectors \(TTC Board, July 10, 2018\)](#)

At its meeting on July 16, 17 and 18, 2019, City Council had before it the Ombudsman Toronto Enquiry Report: Review of the Toronto Transit Commission's Investigation of a February 18, 2018 Incident Involving Transit Fare Inspectors. City Council adopted the recommendations contained within the Ombudsman Toronto report, and further directed the TTC to adopt the Toronto Action Plan to Confront Anti-Black Racism and work with the Confronting Anti-Black Racism Unit to address racism through ongoing learning and development initiatives. In addition, City Council requested that the TTC Board direct the TTC Chief Executive Officer to report to the Executive Committee in Q1 2020 on the status of implementation of the Ombudsman's recommendations.

[Ombudsman Toronto Enquiry Report: Review of the Toronto Transit Commission's Investigation of a February 18, 2018 Involving Transit Fare Inspectors \(City Council, July 16-18, 2019\)](#)

At its meeting on February 26, 2019, the TTC received 27 audit recommendations from the Auditor General. The implementation of these recommendations was expected to contribute to decreasing the TTC's fare evasion rates, increasing passenger revenue and improve the effectiveness and efficiency of the TTC's fare inspection program.

[Auditor General's Report - Review of Toronto Transit Commission's Revenue Operations: Phase One – Fare Evasion and Fare Inspection \(Audit & Risk Management Committee, February 26, 2019 and TTC Board, February 27, 2019\)](#)

At its meeting on September 24, 2019, the TTC Board had before it the TTC Status Update – Ombudsman Recommendations report. City Council received a summary of the TTC's initial steps taken towards developing a work plan to proactively enhance the TTC's efforts to combat all forms of racism, including anti-Black racism, anti-Indigenous racism, Islamophobia, Anti-Semitism and other forms of racism against racialized groups, through a comprehensive, system-wide Anti-Racism Strategy. In addition, the report outlines the interim steps the TTC has taken towards implementing the Ombudsman Toronto's recommendations under the July 9, 2019 Enquiry Report. These

steps included simplifying the Transit Fare Inspector complaint process and strengthening the independence of complaint investigations.

[TTC Status Update – Ombudsman Recommendations \(TTC Board, September 24, 2019\)](#)

At its meeting on February 25, 2020, the TTC Board received an update on the TTC's development of its Anti-Racism Strategy and progress on the Ombudsman's recommendations. Included on the February 25, 2020 agenda was an update on the TTC's Revenue Protection Strategy, on which a number of motions were made seeking to balance transit equity with approaches to addressing lost revenue. Going forward, status updates for the Revenue Protection Strategy will be presented at the same time as the Ombudsman Toronto Enquiry Report regarding the February 2018 Transit Fare Incident.

[TTC Status Update – Anti-Racism Strategy and Ombudsman Recommendations \(TTC Board, February 25, 2020\)](#)

At the same meeting on February 25, 2020, the TTC Board received, for information, the February 11, 2020 Audit Risk and Compliance Group's (ARC) Fare Evasion Study (2019).

[Audit, Risk and Compliance: Fare Evasion Study \(2019\)](#). TTC Board, February 25, 2020.

At its meeting on May 13, 2020, the TTC Board received information on complaints received from customers in 2019 involving TTC Special Constables and Fare Inspectors. The report described the enhancements made to the TTC Special Constable and Fare Inspector public complaint processes.

[TTC 2019 Annual Report – Public Complaints Involving Special Constables and Fare Inspectors \(TTC Board, May 13, 2020\)](#)

## **Issue Background**

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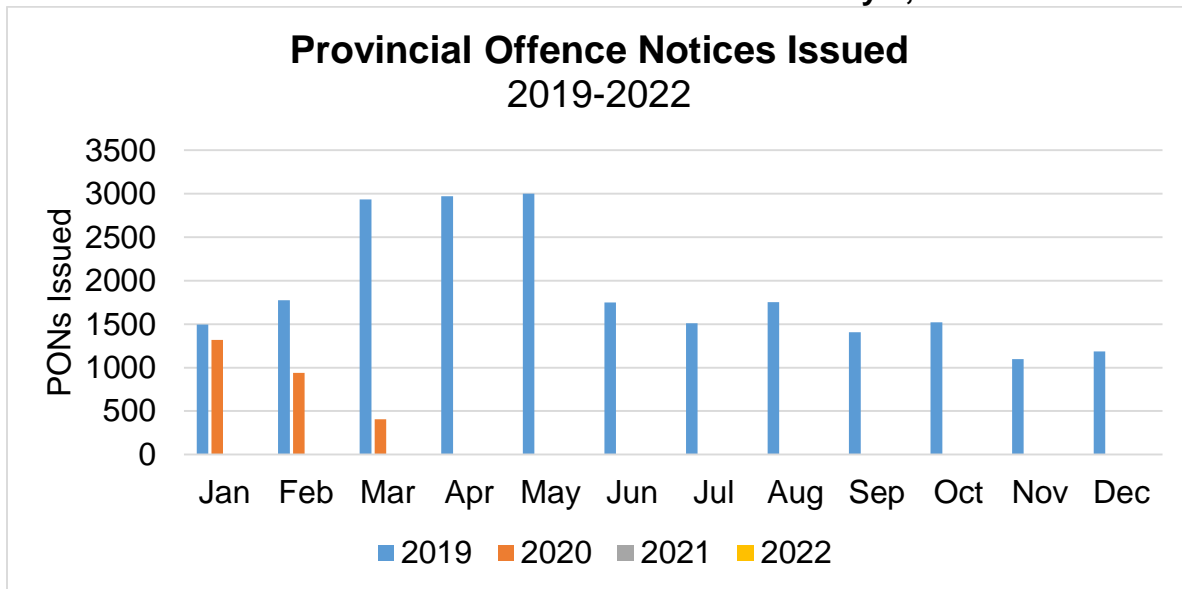
### **Current State**

The decision to temporarily stop ticketing in March 2020 was made in acknowledgement of the uncertainty of the pandemic as well as health-related concerns around close contact between TTC employees and customers. Despite the temporary pause, it was always intended for ticketing to resume as fare enforcement remains an important aspect to address fare evasion.

From June 2019 to February 2020, Fare Inspectors issued an average of 1,800 Provincial Offence Notices (PON) per month. Due to the Culture Change that Revenue Protection is undergoing, with a goal to focus on preventing fare evasion through education and customer information, it is anticipated that the number of tickets issued will decrease significantly moving forward.

Chart 1 summarizes the Provincial Offence Notices Issued since January 1, 2019, noting that no PONs have been issued since March 2020 and through the COVID-19 pandemic:

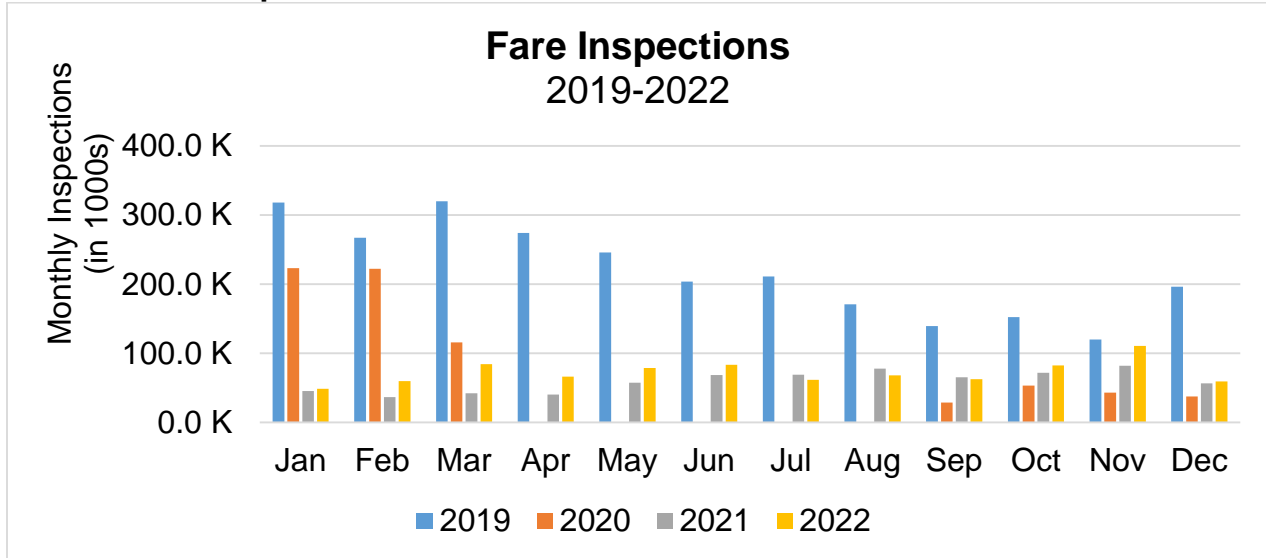
**Chart 1: Provincial Offence Notices Issued Since January 1, 2019**



In instances of fare evasion, Fare Inspectors continued to educate customers on proper fare payment.

As shown in Chart 2, from 2019 to 2022 Fare Inspectors conducted more than 4.9 million inspections:

**Chart 2: Fare Inspections Conducted 2019-2022**



The TTC continues to work on implementing the 27 recommendations set out in the 2019 Auditor General’s Report - Review of Toronto Transit Commission’s Revenue Operations: Phase One – Fare Evasion and Fare Inspection. The implementation of these recommendations will contribute to decreasing TTC's fare evasion rates and increasing passenger revenue.

The TTC will also continue to improve the effectiveness and efficiency of TTC's fare inspection program. In recent years, actions have been taken that have successfully reduced fare evasion on the TTC. Of significant note, an update to the PRESTO display screen was made in fall 2021 so that when a child PRESTO card is presented, a different light and sound is activated. This change led to a reduction in fraudulent Child PRESTO card usage by approximately 90%.

## **Change in Revenue Protection Approach**

As part of the culture change, the approach to fare evasion has shifted to one focused on educating riders, and encouraging “taps over tickets”, i.e. asking individuals to tap their PRESTO cards and/or pay their fares rather than issuing tickets. This supports a model where the TTC can immediately recuperate revenue and contributes to resetting social norms (i.e. reinforcing a culture to “tap every time”).

## **Comments**

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### **1. Revenue Protection Deployment Strategy**

On streetcars, Fare Inspectors currently use a *Moving On-Board* inspection method. The routes are based on ridership data and streetcar deployment with all customers inspected as Fare Inspectors move through the vehicle with the goal of getting customers to pay their fare.

*Stationary Off-Board* inspections have been paused and will resume on these routes once the new hand-held point of sale inspection devices are in use (Q2 2023).

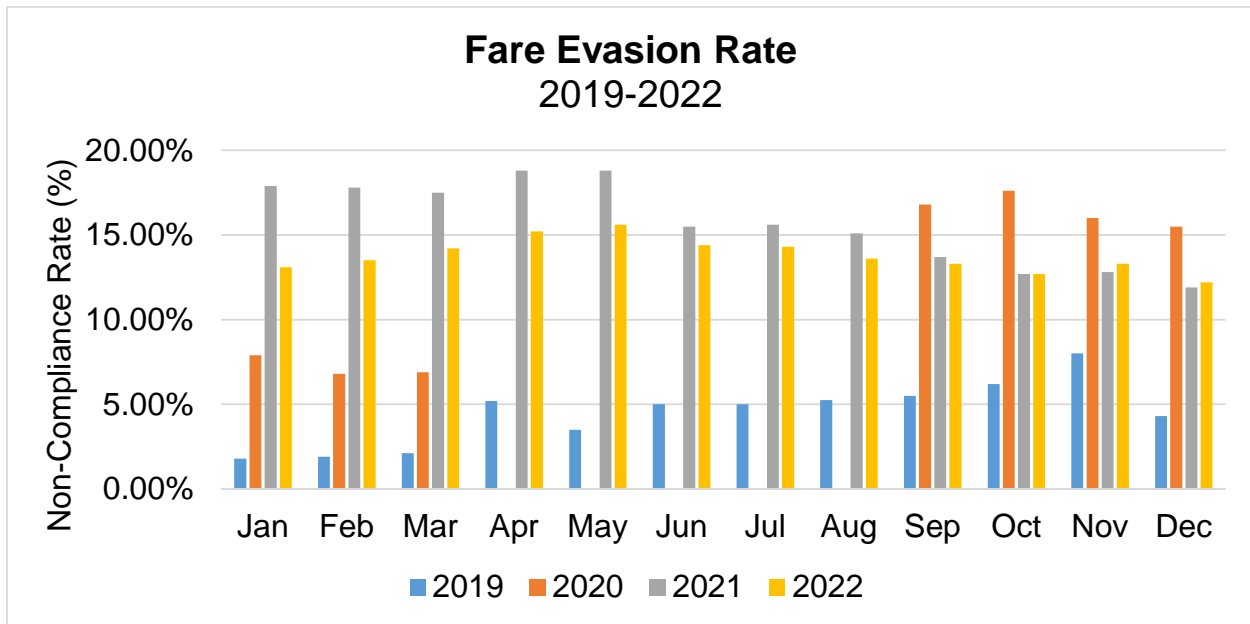
In subway stations, deployment will be based on passenger flow and fare evasion events data received from Revenue Operations.

### **2. Change in Revenue Protection Fare Calculation Method**

In January 2020, the fare evasion calculation was revised to include two additional metrics: *Inspection Avoidance* and *Paid*. The change in calculation methodology resulted in the perceived increase of fare evasion from 2019-2020 and beyond. The change in methodology provides a more accurate depiction of fare evasion and allows Revenue Protection to measure fare recovery through Fare Inspector intervention. One aspect to reduce fare evasion is to resume ticketing for fare-related offences, which is anticipated to begin in late-March 2023.

Chart 3 is a visual representation of the fare evasion rates from 2019-2020:

**Chart 3: Fare Evasion Rate 2019-2022**



The current data collected by the Revenue Protection Department suggests that fare evasion rates remain static at approximately 13%. Addressing fare evasion requires a multi-pronged approach, including the following methods:

- Customer communication, education and awareness; and
- Leveraging new technology (see subsequent section).

The next step to further address fare evasion is to resume ticketing for fare-related offences, which is anticipated to begin in late-March 2023.

### **3. Stakeholder Engagement**

Extensive consultation with internal TTC departments was undertaken on the Resumption of Ticketing Strategy holistically, and the Use of Force Policy specifically.

In addition, the TTC has retained Dr. Akwasi Owusu-Bempah and Dr. Scot Wortley, researchers with the University of Toronto, to independently review the historical customer data derived from the TTC’s Fare Inspector and Special Constable Service activities and provide ongoing consultation and training. As mentioned, Drs. Owusu-Bempah and Wortley also deliver Day 1 training for the Fare Inspectors in preparation for the resumption of ticketing.

### **4. Policy Revisions**

In support of the resumption of ticketing, the TTC is finalizing a new Use of Discretion Policy and Use of Force Policy for the Revenue Protection Department and Special Constable Service in partnership with internal stakeholders. The development of these policies also fulfills a recommendation from the May 18, 2017 Ombudsman Toronto Report: An Investigation into the Toronto Transit Commission’s Oversight of its Transit Enforcement Unit (see: Decision History).



The majority of Fare Inspectors have already received a two-day training course promoting the following:

- Day 1: Anti-Racism practices and race awareness, particularly with respect to disproportionately impacted groups, including Black and Indigenous peoples (facilitated by University of Toronto Professors Dr. Akwasi Owusu-Bempah and Dr. Scot Wortley).
- Day 2: Procedure and guidelines for the collection of demographic information when issuing a Provincial Offence Notice or Customer Caution, and practical policy scenarios.

In order to support the development of the Use of Discretion Policy and supporting guidelines, the TTC has initiated comprehensive consultations with expert stakeholders, including members of the Black and Indigenous communities and Arleen Huggins, the TTC's External Advisor on Diversity and Inclusion. Initial consultations have been held with:

- City of Toronto – Confronting Anti-Black Racism Unit and Indigenous Affairs Office;
- Dr. Owusu-Bempah and Dr. Wortley;
- Office of the Ombudsman Toronto; and
- TTC's Advisory Committee on Accessible Transit (ACAT).

## **5. Resumption of Ticketing**

Fare inspection is one of the key elements in reducing fare evasion. The TTC has a fare inspection program that includes 110 Fare Inspectors positions. The fare inspection program is primarily focused on the streetcar routes, with a mandate to effectively and safely enforce TTC By-law No.1.

The success of a Revenue Protection Strategy is highly dependent on building a fare compliant culture. Specifically:

- A culture shift towards fare compliance;
- Reset of social norms to disrupt negative customer behavior; and
- Educating our customers and emphasizing the importance of tapping and paying proper fares while providing equitable service to all transit users.

In addition, Fare Inspectors issuing tickets for fare evasion can positively impact customer payment behaviour, deter fare evasion and address concerns from fare paying customers.

Passengers need to be made aware of the impact of fare evasion on the TTC. One of the goals of the Fare Inspectors is to provide passengers with information and education on how the PRESTO card payment process works, the Proof-of-Payment system, and the consequences of a \$235 ticket if found to be evading the TTC fare.

## **6. New Technology and Equipment**

To support the Culture Change Program and the resumption of ticketing, Revenue Protection is collaborating with the TTC's Information Technology Services Department

to procure new technology for Fare Inspectors. Specifically, mobile ticketing and body-worn cameras are planned to be piloted in 2023. The implementation of new technologies will provide public transparency, demonstrate accountability and satisfy third-party recommendations, including the 2019 Auditor General Revenue Operations recommendation to “explore ways to increase actual inspection time by Transit Fare Inspectors, including automating the manual ticketing process” and to “take steps to improve the speed, reliability and functionality of PRESTO hand-held devices for fare inspections”. (Please note: the technology implementation dates as outlined below are subject to change.)

The body-worn camera (BWC) project reinforces the TTC’s commitment to building public trust and ensuring bias-free service delivery. Through the use of body-worn cameras, Fare Inspectors will record their interactions with the public. The cameras will also contain a microphone that will capture situational and ambient sounds. BWCs will provide a factual account of interactions for disclosure and evidentiary purposes.

The BWC pilot program will be initiated in Q2 2023 and will include Revenue Protection and Special Constable Service participants. The BWC pilot will include the use of 40 cameras, while full rollout will be comprised of 210 cameras. A report for TTC Board approval is scheduled in Q2 2023.

The implementation of mobile ticketing will increase accuracy and efficiencies by allowing Fare Inspectors to use a smartphone mobile application and a hand-held mobile printer to create and print Part I Provincial Offence Act Notices. Creating efficiencies with the inspection process will address the 2019 Auditor General Revenue Operations audit recommendation to “explore ways to increase actual inspection time by Transit Fare Inspectors, including automating the manual ticketing process”.

The mobile by-law ticketing pilot will start in Q2 2023 for six months. The pilot will include 30 participants from Revenue Protection and Special Constable Service. The full implementation will consist of multiple deployment waves to support 250 users from both Revenue Protection and Special Constable Service.

In addition to the upcoming public-facing pilots, Revenue Protection has been collaborating with PRESTO to replace the existing Hand Held Point of Sale (HHPOS) devices.

The new HHPOS device procured will be a portable device forming part of the PRESTO system that can be used for fare payments, validation of paid fares, sale and reloads of PRESTO media, and accessing information about TTC customers’ account status. The new HHPOS device will decrease inspection times and allow Fare Inspectors to process fares on vehicles when connectivity is down, providing virtually no downtime to the TTC’s fare payment system. The new HHPOS device delivery is anticipated in Q2 2023. Device replacement will address a 2019 Auditor General Revenue Operations audit recommendation to “take steps to improve the speed, reliability, and functionality of PRESTO hand-held devices for fare inspections.”

## 7. Data Collection

The TTC Anti-Racism Strategy, TTC 10-Point Action Plan on Diversity and Inclusion, and TTC Respect and Dignity Policy reflect the TTC's commitment to a more diverse and inclusive organization. A key part of the TTC's commitment to equity and transparency is the collection of customer demographic information (racial background, gender identity and age).

Under the authority and in accordance with the *City of Toronto Act* and the *Anti-Racism Act*, Fare Inspectors will collect customer demographic information when issuing tickets and customer caution forms. The demographic data collected will help the TTC identify racial disparities that may exist in enforcement practices, processes and decision making. The data collected is intended to serve as a tool to help the TTC identify trends that contribute to professional development and organizational improvement and to eliminate systemic racism.

In response to recommendations from the Ombudsman Toronto to “establish a formal process to identify and monitor complaint trends for TEOs and TFIs”, an Early Intervention System (EIS) is being developed. The goal of the EIS is to capture and flag any patterns or trends regarding complaint investigations, use of force, body-worn camera non-compliance and ticketing involving Fare Inspectors. With the EIS, Fare Inspectors who display patterns of problematic conduct are identified using a number of performance indicators. Once the EIS is implemented, customer demographic information collected by Fare Inspectors will be analyzed by the department's Compliance Specialist to identify any potential trends of systemic racism, racial bias and discrimination. When required, intervention will be provided to employees in the form of training, retraining and/or coaching. Revenue Protection compliance data is reported to the TTC Board on an annual basis.

## 8. Next Steps

Prior to the resumption of ticketing, customer communications on the policies and the resumption of ticketing will be delivered through the following channels (to begin three weeks prior to the resumption of ticketing):

- Digital and Social Media Communication.
- PA Announcements in Stations.
- Internal TTC TV Messaging.
- Stations Platform Video Screen Announcements.
- POP Information Pamphlets distributed to customers (in progress).
- Distribution of PRESTO Cards (in progress).
- Establish a process for fare evasion monitoring and reporting.

In addition, Audit, Risk and Compliance (ARC) will work with Revenue Protection in 2023 to perform a focused fare evasion review. With the anticipated resumption of ticketing and the remediation of a number of findings from both the Auditor General and ARC fare evasion reviews, there is an opportunity to review the change in the fare evasion rate and process.

Revenue Protection intends to provide an update to the TTC Board on fare evasion metrics and related data in 2024.

## **Contact**

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Amrita Sidhu, Head, Revenue Protection  
416-472-2230  
amrita.sidhu@ttc.ca

## **Signature**

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Scott Haskill  
Chief Strategy and Customer Officer (Acting)