
2016 OPERATING BUDGET BRIEFING NOTE

All Door Boarding on Streetcars - Proof of Payment (POP) – Fare Inspection Requirements

Issue/Background:

- The City Budget Committee has directed “*That the Chief Executive Officer, Toronto Transit Commission, provide a budget briefing note on the business case for hiring additional fare inspectors.*”
- The initiative to provide all door boarding on streetcars supports the:
 - City of Toronto Strategic Plan to develop a frequent transit network which connects residents to City services and improve community wellbeing;
 - The Official Plan which encourages Torontonians to travel by means other than cars, in order to reduce pollution and congestion from low-occupancy private automobiles.
 - TTC Five-Year Corporate Plan’s objective of growth via an affordable expansion program that matches capacity to demand.
- All-door boarding on streetcar routes was approved by the TTC Board in 2014 and results in reduced dwell time at stops, ultimately providing faster streetcar service, using the same number of vehicles. Prior to all-door boarding on streetcar routes, up to 20% of customer journey time on streetcars was due to customer loading and off-loading.
- In order to adequately support all-door boarding on all streetcar routes, 20 additional Proof-of-Payment positions are required. The need for these positions was originally identified in the 2015 budget process, but was subsequently deferred to 2016 to reduce the TTC’s 2015 requested operating subsidy requirement.
- The 20 additional positions will result in a combined group of 80 positions.

Key Points:

- The addition of the 20 Fare Inspection positions will reduce the risk to the proper collection of fares.
- Each 1% increment of non-pass fares represents approximately 2.2 million rides which approaches \$6 million in lost revenue.
- Industry Standard for Fare Inspection – 4-5% of ridership should be inspected, balancing customer perception of harassment and due diligence.

- Inspection rate with current staff = 3.2 % (243K inspections/7,480K riders/month)
- Inspection rate with proposed staffing = 4.6 % (343K inspections/7,480K riders/month)
- Lack of proper enforcement of our fare policies will lead to the growth of fare evasion and the resulting risk to revenue.

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