For Action
with Confidential Attachment

Fare Collection Update

Date: October 6, 2025
To: TTC Board
From: Chief Strategy and Customer Experience Officer

Reason for Confidential Information

This report contains information about a position, plan, procedure, criteria or instruction to be applied to any negotiations carried on or to be carried on by or on behalf of the City or local board.

Recommendations

It is recommended that the TTC Board:

1. Adopt the recommendations in Confidential Attachment 1; and

2. Authorize the information in Confidential Attachment 1 to remain confidential until such time as the final negotiations have been completed and all necessary agreements have been executed.

Summary

The purpose of this report is to provide the TTC Board with a status update on the TTC-Metrolinx Master E-Fare Collection Outsourcing Agreement.

The 2012 TTC-Metrolinx Master E-Fare Collection Outsourcing Agreement (the “Agreement”) has an initial term of 15 years, which expires on November 28, 2027, subject to various terms and conditions relating to renewal options as set out in the Agreement.

As the Agreement comes closer to term, the TTC will have the opportunity to realize its vision for its future automated fare collection system – one that emphasizes innovation and technology, delivers cost-effective solutions, fosters collaborative partnerships, enhances the customer experience, and strengthens the TTC’s ability to manage and mitigate operational risks.

Diversity, Equity, and Inclusion Matters

Equity, Diversity, Inclusion, and Accessibility are key principles of the TTC’s Corporate Plan and remain central to the TTC’s fare modernization strategy. As a proud leader in providing accessible public transit in Toronto, we are committed to ensuring reliable, safe, and inclusive transit services for all our customers. This is supported through leveraging PRESTO technology and engaging with the City of Toronto's Poverty Reduction Strategy Office and the TTC's Advisory Committee on Accessible Transit (ACAT).

The TTC and Metrolinx have been working to proactively identify potential barriers to transit equity and access in joint fare modernization efforts to ensure that no customer segments or equity-deserving groups experience barriers within the fare modernization process. Since the last update, the TTC and Metrolinx are continuing to work on improving access to fare media through a growing third-party network and installing PRESTO fare vending machines (FVMs) at major intersections in Neighbourhood Improvement Areas to make it easier for people to purchase fare media and pay for transit. A FVM was installed in 2025, with plans for three more installations in fall 2025.

Advancements in fare collection technology have further enabled the TTC and the City of Toronto to implement new policies that significantly benefit customers, including the two-hour transfer on PRESTO and the City's Fair Pass Transit Discount Program. The launch of Open Payments, enabling customers to pay with contactless debit or credit cards, and PRESTO in Google and Apple Wallets, have further expanded payment options and made it easier for customers to pay their fare. The TTC and Metrolinx are still working on enabling concession fares (senior, youth, post-secondary) on debit and credit cards, which will make paying for transit even more accessible.

Furthermore, the TTC's new 5-Year Accessibility Plan (2024-2028) includes actions and initiatives to improve fare payment processes for customers. These include:

- A PRESTO-enabled Support Person ID Card to enable customers travelling with support persons to independently access subway fare gates.
- Co-ordinating with ACAT to explore future accessibility improvements for PRESTO.

Metrolinx is currently improving the existing PRESTO system, moving from card-based technology to account-based technology through PRESTO's Transition program (PRESTO 2.0). The upcoming PRESTO 2.0 system will expand payment and account management options, including improved concession fare capabilities, enhanced customer support, and instant card loads. While expanding payment options, the TTC will continue to make physical PRESTO cards and limited-use PRESTO Tickets available. These options provide the most protection from banking fees associated with debit and credit transactions, which may particularly impact those who are unbanked or under-banked and have low or volatile income. It is currently expected that cash transactions will continue a shift towards widely accessible fare vending machines, retailers, and on-line purchases.

Corporate Plan Alignment

Fare collection, including future automated fare collection systems are important to meeting customer experience expectations and the TTC's financial sustainability objectives. Specifically, this initiative supports Action 2.2.6: *Provide Customers with a World-Class Fare Collection System* by continuing to modernize the TTC's automated fare collection systems in alignment with the TTC's Fare Policy.

Additionally, this modernization broadly supports Strategic Direction 5: *Address the Structural Fiscal Imbalance* by providing the technology to efficiently and effectively collect fares that the TTC relies on to provide service, and the ability to advance fare policy innovations.

Financial Impact

The 2025 Operating Budget, approved by the Board on January 10, 2025, included a total of $0.8 million to fund additional temporary resources and external services to support efforts to modernize the TTC's fare collection system. The 2025 Operating Budget also included a corresponding planned withdrawal of $0.8 million from the TTC Stabilization Reserve.

With the due diligence work completed in Q2 and Q3 2025, TTC staff are currently updating the cost estimates for this project to reflect the revised temporary resources and external services deemed essential for the TTC's success moving forward.

Any incremental funding requirements for the project will be requested through the 2026 Budget process.

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

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Attachments

Appendix 1 – Decision History
Confidential Attachment 1

Appendix 1 – Decision History

At its meeting on July 17, 2024, the TTC Board received the report, Fare Modernization Annual Update. Previous decision history is available in this report.

At its meeting on January 27, 2025, the TTC Board received the report, Fare Collection Update. The TTC Board adopted the recommendations contained in Confidential Attachment 1.