



Office of the Commissioner
Transportation Services Department

MEMORANDUM

To: Members of Committee of the Whole

From: Ann-Marie Carroll
Acting Commissioner of Transportation Services

Date: August 13, 2021

Re: York Region Transit 5-Year Fare Policy and 10-Year Fare Collection Outlook Update

This memo updates Council on the York Region Transit (YRT) 5-Year Fare Policy and 10-Year Fare Collection Outlook and outlines the emerging insights from work completed to date.

York Region Transit is developing a customer-focused Fare Policy and Collection Outlook

In [September 2020](#), Council approved an update to the YRT fare age categories to align with the other Greater Toronto and Hamilton Area (GTHA) Transit Agencies. This alignment was the first step towards fare integration. The YRT fare age category changes were implemented July 1, 2021. The current and previous fare charts for the GTHA are shown in Attachment 1.

The YRT fare policy was last updated in 2016 and requires revision to reflect the new fare age categories. In addition, as a next step towards fare integration between the 905 and 416 area, staff are working with the Toronto Transit Commission (TTC) and 905 transit agencies to complete a comprehensive review of industry fare policies and collection practices. In [April 2021](#), Council was advised the review would lead to a broad Fare Policy Strategy and Fare Collection Outlook. The 10-Year Fare Collection Outlook will be guided by the 5-Year Fare Policy to ensure that all YRT and TTC travellers are provided with a seamless and accessible way to pay fares, including integration with neighbouring transit agencies.

The Fare Policy and Fare Collection Outlook is divided into three phases:

- Phase 1: Situational Analysis – September 2020 to March 2021 - Identify the current state of fare policies and collection systems (complete)
- Phase 2: Future Direction – March 2020 to July 2021 - Using information from Phase 1 to identify how to integrate fares and services across the GTHA (complete)
- Phase 3: Development of Policies/Strategies – July 2021 to October 2021 - Outlining what will be required to achieve the future direction, inclusive of a Fare Policy and recommendations to the existing fare collection systems (in progress)

Full details of the 5-Year Fare Policy and 10-Year Fare Collection Outlook projects can be found on the [YRT website](#).

Consultations were a key element to understanding how fare policy and fare collection affect the customer experience

Consultations were held with internal and external stakeholders as part of the project to seek input, emerging ideas and gauge support of fare policy goals. Workshops, focus groups, Town Hall meetings and interviews were held to better understand the impacts of current fare policies and fare collection systems on customers across the 905 and 416 transit agencies. The key themes that emerged include:

- The extra cost of crossing a fare boundary can be a financial burden
- The existing fare structure for cross-boundary trips is confusing and inconsistent
- Extra fares for premium services like the TTC's downtown express routes are not justified
- Distance-based pricing would be beneficial for short trips; however, a flat fare is more equitable for customers who make long trips across the city
- The two-hour transfer helps make transit more affordable
- More customers should be eligible for fare discounts for equity reasons
- Frequent customers chose transit as their primary choice of travel because it was the most cost-effective, based on fares, travel time and service frequency
- Less frequent riders thought they would take transit more if fares were lower and service frequency increased

The key themes identified from public and stakeholder engagement were used to develop the fare policy project goals (Attachment 2). These will help balance the need to attract customers and ensure fiscal sustainability is maintained with other community objectives, such as equity and economic opportunity. The goals will also guide fare pricing and fare structures to maximize customer's positive experience and provide convenient and affordable transit.

Modelling and testing potential fare structures, concessions and pricing provided insight into the potential costs and implications of implementing a combination of fare options

While the focus of the policy is to improve customer experience and better meet customer needs, recovering costs through fare revenue is also in focus. Findings from the modelling of potential fare structures will be presented to stakeholders and local municipal staff for feedback during phase 3 and summarized and shared with Council in 2022.

A Fare Collection Outlook is in progress in parallel with the Fare Policy review

A Fare Collection Outlook is being completed at the same time as the Fare Policy review to understand future fare collection requirements for both YRT and TTC. As part of the first phase of the Fare Collection Outlook, an industry scan provided insight into the current PRESTO system, worldwide fare collection best practices and identified technologies available to transit agencies that can currently be implemented. Key findings from phase 1 include:

- Establishing strong governance, simplifying fare policies and strong project management is essential to ensuring business processes and policies implemented are successful and reflect lessons learned and industry best practices
- Technological considerations for fare collection solutions should include implementing a modernized system with the ability to add, upgrade and change software easily, applying a customer-focused approach and self-service functions

Peer agency reviews were conducted alongside the industry scan to understand the current fare collection technologies in use

Interviews were conducted with six peer agencies across North America as part of the agency reviews, and topics of discussion were grouped into two elements:

- Program lifecycle - Procurement, implementation, operations, reducing cash and regional integration
- Fare collection system features – Including the ability to add, upgrade and change software easily, use payment methods such as a credit card or mobile phone rather than a single-fare card, account-based implementation, mobile payments and capability to integrate “Mobility as a Service”

Trends and key themes resulting from the peer agency reviews include:

- Focusing on fare policy before designing a technological solution
- Ability to add, upgrade and change software easily to provide the transit agency with flexibility and opportunities

- Essential to have a comprehensive transition plan and good communication between departments
- Engaging with key stakeholders across a diverse cross-section of the agency when highlighting requirements for fare collection is critical for planning and implementation

The key themes identified in phase 1 helped guide the work for phase 2, which included identifying the future direction of fare collection and understanding what types of fare collection systems are available to transit agencies.

Fare collection vendor demonstrations held in July 2021 showcased fare collection technology currently available to transit agencies

The 10-Year Fare Collection project team requested presentations from vendors who responded to the January 2021 Fare Collection Request for Information. The vendor demonstrations assisted with developing final recommendations for the 10-Year Fare Collection Outlook by identifying solutions to the phase 2 trends and key themes identified during the peer agency reviews. The demonstrations included:

- An approach to add, upgrade and change software easily, with relevant examples demonstrating the tools available for third parties to integrate with vendor systems
- Demonstrations of vendor customer-facing mobile applications
- Demonstration of existing fare inspection solutions
- Overview of innovative features of vendor systems and features for possible future implementation
- Overview of modern fare equipment, illustrating the overall size, look and feel, and innovative features that set the hardware apart from others

Next Steps and Upcoming Deliverables

Phase 3 of the 5-Year Fare Policy and 10-Year Fare Collection Outlook is underway. Recommended Fare Policy and Fare Collection options will be presented to key stakeholders as part of the final public consultations. The proposed 5-Year Fare Policy and 10-Year Fare Collection Outlook strategy are anticipated to be presented to Council in 2022.



Ann-Marie Carroll
Acting Commissioner of Transportation Services



Bruce Macgregor
Chief Administrative Officer

Attachments (2)
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