

2020 ANNUAL REPORT & BUSINESS PLAN



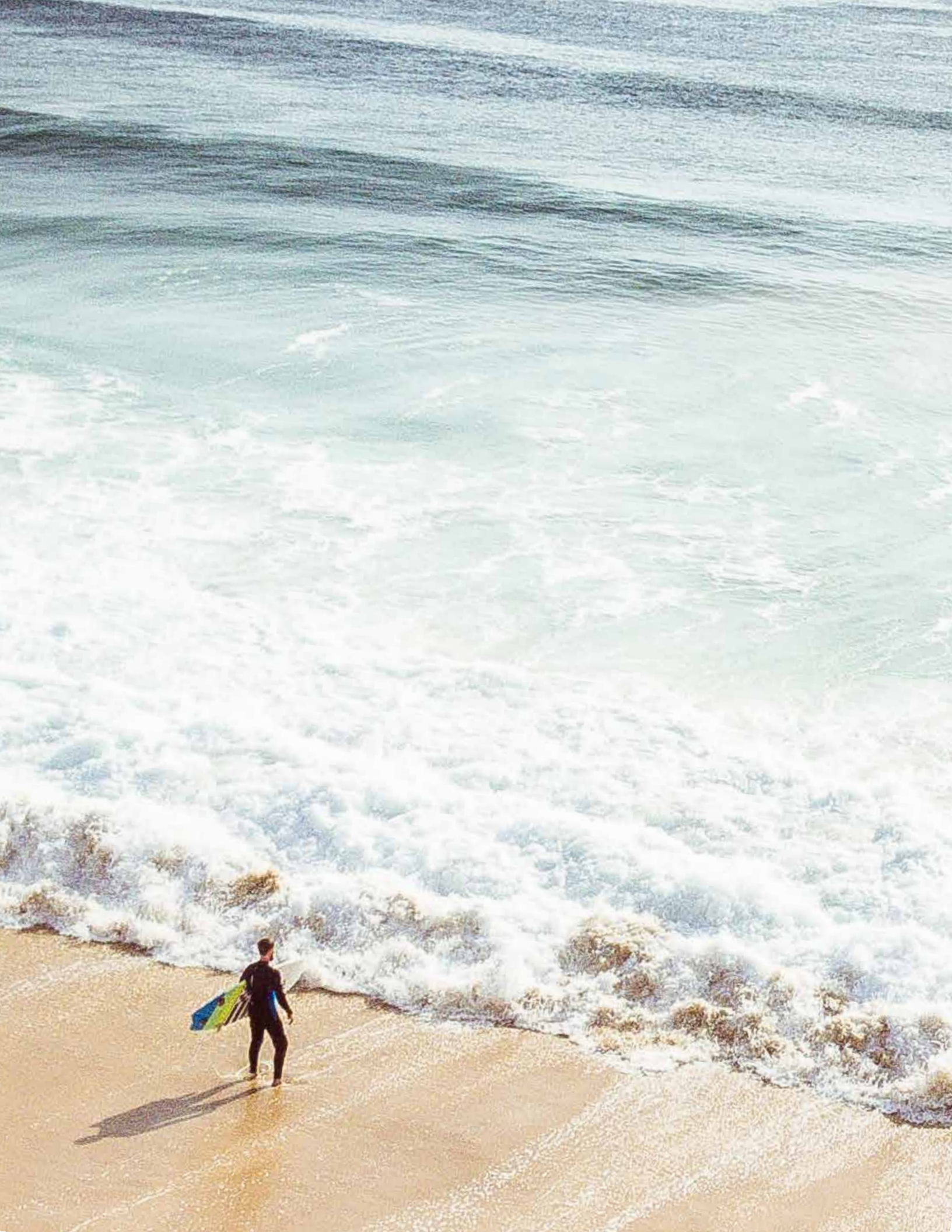


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MESSAGE FROM THE CHAIR



JEAN HÉBERT

September 17, 2020

Honourable Lisa M. Thompson
Minister of Government and
Consumer Services
777 Bay Street, 5th floor
Toronto, Ontario
M5B 2H7

Dear Minister Thompson,

It is with a sense of duty fulfilled that I report to you on the activities and accomplishments this past year for Ontario's travel regulator. And it is with great pride that I summarize, in my final report, my 5-year tenure as TICO's Board Chair, a responsibility I have been honoured to hold.

Last year

In the last year we maintained our focus on contributing to positive enhancements to the regulation under the *Travel Industry Act, 2002*, aimed at reducing both financial and administrative burden on the industry and improving the overall consumer protection model.

I have appreciated your understanding of the industry facing important challenges and your constant collaboration to help TICO to implement positive changes. These changes aim to protect the consumer and strive to not be burdensome to Ontario registrants while supporting a changing marketplace, and a modern and efficient regulator.

As 2019 ended, we could not have imagined that the new year would change the world irrevocably. The COVID-19 pandemic has had a devastating health impact and human toll. The unparalleled impact on the travel industry, and many other industries, has left few unscathed. We acknowledge the extensive collaboration amongst all stakeholders to work together to navigate through this pandemic.

As a result of COVID-19, I understand that the Ministry of Government and Consumer Services is reassessing the regulatory proposals under the *Travel Industry Act, 2002* that were under consideration before the COVID-19 outbreak, including regulating travel salespersons, and other enhancements for the travel industry sector and consumers. It is also understood that any further regulatory proposals under the *Travel Industry Act, 2002* identified in the ministry's December 2019 announcement are currently on hold. We appreciated the quick action taken by the Government of Ontario on March 30th, with TICO's guidance and recommendations, to immediately decree much-needed regulatory changes for burden reliefs. The support measures in short course have been well received by registrants looking to survive despite little to no revenues and no assurances of financial recovery.

In a working continuum to constantly enhance consumer protection, and since we have started the work on the comprehensive review of the TIA four years ago, we have also continued to evaluate how we could expand the consumer protections available to travellers. I have appreciated the opportunity to continue an open dialogue with the government concerning TICO's recommended changes to the act and compensation fund framework.

The last five years

I recall that in my first meeting with TICO employees after being elected Chair, my key word was 'Modernization'. I saw my new oversight role as an opportunity to contribute to the reshaping and modernization of many aspects of the organization, especially the following:

- » Governance – the Board has transitioned to a strategic and policy model and have implemented a long list of the best governance practices; its accomplishments include a more streamlined and efficient Board structure which has been evolving its risk management practices and a more focused, performance-based organization
- » Increasing our focus on consumer protection and expanding our consumer awareness and value proposition through digital means
- » We have contributed significantly to the modernization goals of underlying consumer protection legislation and frameworks
- » Technology – we have leveraged a cloud-based network which has added greater synergies and a more safe and secure operating environment
- » Funding – we have raised the challenges of TICO's funding model and begun the process to consider more modern and effective models in support of TICO's mandate
- » Building enduring relationships by fostering a positive and collaborative relationship with government and our stakeholder groups

A lot has been accomplished due in no small part to the strong leadership of TICO's Board of Directors, a talented and committed Leadership team, and an engaged and committed staff, including the transition and growth of our CEO who joined TICO five years ago. The long-term financial sustainability of the organization remains an important issue and a work in progress. I am confident the Board and Leadership Team are ready to continue to work with your team on this.

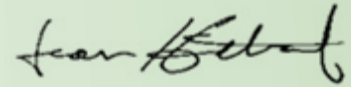
What lies ahead

Although my tenure with TICO is coming to an end, I foresee no end to our collaborative relationships with government and industry, relationships we have worked hard to nurture and advance. Our continued engagement with consumers and support of the travel industry has encouraged change at a time when we've needed to adapt, and be innovative, in order not just to survive, but to also 'raise-the-bar' towards and even more modern and progressive regulator. That resolve and resiliency will serve us well while facing the challenges and opportunities that no doubt lay ahead. Those relationships will be vital as we focus our efforts on rebuilding consumer trust and confidence in a post pandemic world and doing an even better job of protecting consumers and staying true to those we serve.

We also have a vital role to play in providing guidance and direction in the recovery of the travel industry, acting as a channel for trusted and meaningful information and education. The fact of the matter is, the world is a changed place, but the arduous road to recovery begins now and I believe TICO is poised and ready to contribute to that recovery.

I would like to recognize and thank all individuals who have served on TICO's Board of Directors over my tenure and provided me guidance and unwavering support. Without their expertise and dedication to TICO's Vision, we could not have achieved all that we did. To all the staff at TICO, I would also like to extend my sincere appreciation for all your hard work and commitment. Your dedication to TICO's consumer protection mandate remains strong and vibrant, and in my view, is in good hand for the future.

Yours truly,



Jean Hébert
Chair of the Board of Directors
TICO

MESSAGE DU PRÉSIDENT DU CONSEIL



JEAN HÉBERT

17 septembre 2020

L'honorable Lisa Thompson
Ministre des Services gouvernementaux
et des Services aux consommateurs
777 Bay Street, 5e étage
Toronto, Ontario
M5B 2H7

Madame la Ministre,

C'est avec un sentiment du devoir accompli que je vous faire part des activités et des réalisations de l'organisme de réglementation de l'industrie du voyage de l'Ontario (TICO) au cours de la dernière année. C'est aussi avec une grande fierté que je résume brièvement, dans mon rapport final, mes cinq années de mandat en tant que président du conseil d'administration de TICO, une responsabilité que j'ai eu l'honneur d'assumer.

L'année dernière

Au cours de la dernière année, nous avons continué à nous concentrer sur les améliorations positives à apporter à la réglementation en vertu de la *Loi de 2002 sur le secteur du voyage*, afin de réduire la charge financière et administrative des entreprises et d'améliorer le modèle global de protection des consommateurs.

J'ai apprécié votre compréhension de l'industrie face à des défis importants et votre collaboration constante pour aider notre organisme à mettre en œuvre les changements effectifs lesquels visent d'abord à protéger le consommateur, tout en se souciant de ne pas être un fardeau pour l'industrie. Enfin, ces changements visent à s'adapter à un marché en constante évolution et continuer d'être un organisme de réglementation moderne et efficace.

À la fin de 2019, nous ne pouvions pas imaginer que la nouvelle année allait changer le monde de manière irréversible. La pandémie de COVID-19 a eu un impact sanitaire et un bilan humain dévastateurs. L'impact sans précédent sur l'industrie du voyage, et sur de nombreuses autres industries, a laissé peu de gens indemnes. Nous reconnaissons la très grande collaboration entre toutes les parties prenantes qui travaillent ensemble pour faire face à cette pandémie.

À la suite de la COVID-19, je comprends que le ministère des Services gouvernementaux et des Services aux consommateurs réévalue les propositions de réglementation en vertu de la *Loi de 2002 sur le secteur du voyage* qui étaient à l'étude avant l'épidémie de COVID-19, y compris la réglementation touchant les agents de voyages et d'autres améliorations pour le secteur du voyage et les consommateurs. Nous comprenons également que toute autre proposition réglementaire en vertu de la *Loi de 2002 sur le secteur du voyage* identifiée dans l'annonce du ministère de décembre 2019 est actuellement en suspens. D'autre part, nous avons apprécié l'action rapide prise par le gouvernement de l'Ontario le 30 mars dernier, avec les conseils et les recommandations de TICO, pour décréter des changements réglementaires immédiats nécessaires pour alléger le fardeau administratif de nos entreprises du voyage. Ces mesures de soutien à court terme ont été bien accueillies par les voyageurs qui cherchent à survivre malgré des revenus considérablement diminués ou nuls, et aucune garantie de redressement financier.

Dans le cadre d'un continuum de travail visant à améliorer constamment la protection des consommateurs, et depuis que nous avons commencé à travailler sur la révision complète de la Loi sur le secteur du voyage il y a quatre ans, nous avons continué à évaluer les moyens d'étendre les protections aux consommateurs de voyage. J'ai apprécié les occasions de dialogue ouvert avec le

gouvernement concernant les changements recommandés par TICO à la loi ainsi qu'au cadre du fonds d'indemnisation.

Les cinq dernières années

Je me souviens, après avoir été élu président du conseil et lors de ma première réunion avec les employés de TICO, mon mot d'ordre était « modernisation ». Je voyais mon nouveau rôle de surveillance comme une occasion de contribuer à la refonte et à la modernisation de nombreux aspects de l'organisation, en particulier les suivants :

- » La gouvernance – le conseil d'administration est passé à un modèle stratégique et politique et a mis en œuvre une longue liste des meilleures pratiques de gouvernance; parmi ses réalisations, citons une structure plus rationnelle et plus efficace du conseil d'administration qui a fait évoluer ses pratiques de gestion des risques et une organisation plus ciblée et axée sur le rendement
- » Nous avons mis davantage l'accent sur la protection des consommateurs et la sensibilisation des consommateurs par des moyens numériques
- » Nous avons contribué de manière considérable aux objectifs de modernisation de la législation et des cadres entourant la protection des consommateurs
- » La technologie - nous avons misé sur un réseau infonuagique qui a permis d'accroître les synergies et de créer un environnement opérationnel plus sûr
- » Le financement - nous avons soulevé les défis du modèle actuel de financement de TICO et commencé le processus d'examen de modèles plus modernes et plus efficaces à l'appui de son mandat.
- » Nous avons établi des relations durables et des collaborations constructives avec le gouvernement et nos groupes d'intervenants

Beaucoup de choses ont été accomplies grâce notamment au leadership du conseil d'administration de TICO, à un personnel totalement dévoué, à une équipe de gestion talentueuse et engagée, sous la direction de notre PDG qui s'est joint à TICO il y a cinq ans. La viabilité financière à long terme de l'organisme demeure une question importante et un travail toujours en cours. Je suis convaincu que le conseil d'administration et l'équipe de direction continueront à travailler avec votre équipe sur ce point.

Ce qui nous attend

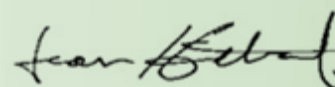
Bien que mon mandat comme membre et président du conseil d'administration touche à sa fin, l'organisme poursuivra certes sa collaboration avec le gouvernement et l'industrie, et sur la base des relations que nous avons entretenues et fait progresser. Notre engagement continu auprès des consommateurs et notre soutien à l'industrie du voyage ont encouragé le changement à un moment où nous avons dû nous adapter et innover, non seulement pour survivre, mais aussi pour aspirer à un organisme de réglementation encore plus moderne et progressiste. Cette détermination et cette résilience nous seront utiles pour relever les défis et saisir les opportunités qui se présenteront assurément. Ces relations seront essentielles pour nous permettre de concentrer nos efforts sur le rétablissement de la confiance des consommateurs dans un monde post-pandémique, de mieux protéger les consommateurs et de rester fidèles à ceux que nous servons.

Nous avons également un rôle essentiel à jouer en fournissant des conseils et des orientations pour la relance du secteur du voyage et en servant de canal pour une information et une éducation fiables et pertinentes. Le fait est que le monde

a changé, mais le chemin ardu vers la reprise commence maintenant et j'estime que TICO est prêt à contribuer à cette reprise.

Enfin, j'aimerais reconnaître et remercier toutes les personnes qui ont siégé au conseil d'administration de TICO pendant mon mandat et qui m'ont fourni des conseils et un soutien indéfectible. Sans leur expertise et leur dévouement à la vision de TICO, nous n'aurions pas pu réaliser tout ce que nous avons fait. À tout le personnel de l'organisation, je voudrais également exprimer ma sincère reconnaissance pour votre travail et votre engagement. Votre dévouement au mandat de protection des consommateurs demeure fort et dynamique et, à mon avis, l'organisme est entre bonnes mains pour l'avenir. Merci de nous donner l'occasion de servir.

Bien cordialement,



Jean Hébert
Président du conseil d'administration
TICO

CHIEF EXECUTIVE OFFICER'S REPORT



RICHARD SMART

EXECUTIVE SUMMARY

TICO's fiscal year 2019/2020 seems a distant memory, particularly recognizing the ongoing and tragic human toll experienced due to the COVID-19 global pandemic. The devastation caused by COVID-19 represents the most significant crisis facing the travel industry in modern times and requires an unwavering focus on both consumer protection and industry viability as we navigate towards the eventual travel industry recovery.

Nevertheless, please allow me a brief recap of the past fiscal year before I comment on the long and winding road ahead.

Fiscal Year 2019/2020

Except for the remaining two months of FY2019/2020, there was much to be highlighted as the business continued its focus on TICO's three-year business plan. We made progress with several key priorities.

As I reported previously, TICO has been supporting the Ministry of Government and Consumer Services on a comprehensive review of Ontario's travel legislation. In December 2017, the *Strengthening Protection for Ontario Consumers Act, 2017* passed. Management has since been working collaboratively with the Ontario government to implement proposed changes to the General regulation under the Act that will reduce burden on registrants, enhance consumer protections and improve on the

overall regulatory efficacy model. During this past year, with the guidance of the Board of Directors and a focused team, we made great strides in preparing for this new modernized regulation. Unfortunately, COVID-19 has caused the government to pause and reassess the proposals that were under consideration in December 2019 as a result of the significant impacts on the travel industry.

Operationally, our focus remains including the introduction of an e-commerce self-service platform where registrants can renew their annual registration and remit payments online or by credit card. We have received positive feedback from registrants on this initiative.

Financially, TICO also achieved its overall annual budget generating a surplus of revenue over expense of \$532,000, ahead of budget expectations. While TICO's revenues took an unexpected decline late in the fiscal year (COVID-19), lower consumer claims against the Compensation Fund and controls over operating expenses enabled TICO to achieve its overall budget commitment. It is worth noting that TICO underspent both its current year operating budget and 2018/2019 operating expenses — the latter by 6% — as the business remains committed to cost expediency.

COVID-19

The impact of COVID-19 on the travel industry and TICO registrants has been disastrous. Since March, TICO has received record call volumes and consumer complaints and has faced other operational challenges never before experienced. Like many businesses, we were deeply concerned over the health and safety of our employees. In response to COVID-19, TICO has implemented a business continuity response plan including where all staff have largely been working from their homes. Our technology infrastructure has been resilient and flexible as we continue to service consumers and registrants.

Given the severe financial stress on Ontario's travel industry, several actions were undertaken so far this year. On March 30th, changes were made to Ontario Regulation 26/05 with immediate effect. With this amendment came thousands of dollars of financial burden relief to registrants and important enhancements to consumer protections related to redeemed and unredeemed travel vouchers. A series of Registrar bulletins were published on TICO's website to inform registrants of their new obligations and consumers of their rights. In addition, through a series of announcements, TICO provided deferrals on all fees through to the end of the calendar year.

Most recently, the Ontario government provided financial support to TICO, allowing TICO to assist registrants during this difficult time. The above measures will help registrants during this challenging period until such time we begin to see the travel industry recovery.

TICO Response

Recognizing the travel industry is hurting, TICO responded by implementing numerous austerity measures. Hiring freezes from last year remain in-place, salary reductions up to 25% across all staff have been implemented, reductions to core programs and all other discretionary spending has been curtailed. The Board of Directors have also generated spending reductions. Through these measures, TICO will ultimately reduce expenses from prior year levels while remaining committed to its regulatory mandate and its Vision/Mission as approved by the Board.

Consumer Awareness

Integral to TICO's mandate is its consumer awareness initiative. Last year, I reported on the transition to a 100% digital platform allowing for enhanced consumer messaging

and tactical adjustments to the program along the journey. We remain focused on key metrics associated with this initiative and are now digitally surveying consumers on a regular basis. We continued this approach in 2019/2020, albeit at lower spending levels as we continue to re-assess our overall effectiveness for the future. Please refer to the Balanced Scorecard later in this Report for the results of the 2019/2020 campaign.

It is during periods of crisis, including COVID-19, that TICO must continue to demonstrate resilience and leadership with its consumer awareness strategic imperative. While there needs to be a period of reflection to understand the impacts of COVID-19 and to respond to immediate demands, our long-term objective continues to be our leadership around the importance of consumer protection and the benefits of working with a TICO registrant. In the coming months, I look forward to reaching out to consumers and taking a leadership role in restoring consumer confidence during the travel recovery phase.

Our key message will always be to book your travel with a registrant or through their website to ensure you [consumer] understand the details of your booking and avoid any significant surprises.

We also continued to use online advertising to warn consumers who may unknowingly book with an out-of-province non-registrant and directed them to Ontario registrants to ensure they receive the consumer protection they deserve.

Modernizing our legislation

TICO has been working with stakeholders to advance TICO's recommended regulatory proposals under the *Travel Industry Act, 2002*. Great progress was made during

2019-20 and I remain confident that this regulatory process will resume in the future. The Ministry of Government and Consumer Services and TICO will inform registrants and consumers of any updates on this process as they may become available.

A look ahead

The 2019/2020 year concluded by working with TICO's Board of Directors on a careful review of TICO's strategic priorities considering the COVID-19 pandemic. We have made several changes, mostly shifting and re-prioritizing key objectives to ensure TICO remains in the best position to respond to the COVID-19 challenges.

In closing, I would once again like to express my appreciation to the Board of Directors for their continued guidance and support. In addition, we could not have accomplished what we did this past year without the wonderful and dedicated team at TICO. Our team remains unwavering in its support of our corporate values and in ensuring consumers receive the best consumer protection available to them. It continues to be an honour to serve our stakeholders this past year, and I remain committed to resolving the challenges and embracing the opportunities ahead.

Yours truly,



Richard Smart
President & C.E.O.
TICO

RAPPORT DU DIRECTEUR GÉNÉRAL



RICHARD SMART

SOMMAIRE EXÉCUTIF

L'exercice financier 2019/2020 du TICO semble un lointain souvenir, surtout si l'on tient compte du bilan humain tragique de la pandémie mondiale de COVID-19. La dévastation causée par COVID-19 représente la crise la plus importante à laquelle l'industrie du voyage est confrontée à l'heure actuelle et exige que l'on se concentre sans relâche sur la protection des consommateurs et la viabilité de l'industrie alors que nous nous dirigeons vers la reprise éventuelle de l'industrie du voyage.

Néanmoins, permettez-moi de faire un bref rappel de l'exercice écoulé avant de commenter la longue et sinueuse route qui nous attend.

Exercice financier 2019/2020

À l'exception des deux mois restants de l'exercice 2019-2020, il y avait beaucoup à signaler, car l'organisation a continué à se concentrer sur le plan d'affaires triennal de TICO. Nous avons fait des progrès dans plusieurs domaines prioritaires.

Comme rapporté auparavant, TICO continue d'appuyer le Ministère des Services gouvernementaux et des Services aux consommateurs dans un examen complet des lois sur les voyages en Ontario. La Loi sur le renforcement de la protection des consommateurs ontariens a été adoptée en décembre 2017. Depuis, la direction collabore avec le gouvernement de l'Ontario pour mettre en œuvre les changements proposés à la réglementation générale de la loi qui réduiront le fardeau des

entreprises, renforceront la protection des consommateurs et amélioreront le modèle global d'efficacité de la réglementation. Au cours de l'année écoulée, sous la direction du conseil d'administration et d'une équipe dédiée, nous avons fait de grands progrès dans la préparation de cette nouvelle réglementation modernisée. Malheureusement, la COVID-19 a amené le gouvernement à faire une pause et à réévaluer les propositions qui étaient à l'étude en décembre 2019, en raison des répercussions importantes sur le secteur du voyage.

Sur le plan opérationnel, nous continuons à mettre l'accent sur l'introduction d'une plateforme de commerce électronique en libre-service où les voyageurs peuvent renouveler leur enregistrement annuel et effectuer des paiements en ligne ou par carte de crédit. Nous avons reçu des commentaires positifs de nos entreprises sur cette initiative.

Sur le plan financier, TICO a également respecté son budget général annuel, générant un surplus de 532 000 \$ au-delà des prévisions budgétaires. Bien que les revenus de TICO ont connu une chute inattendue à la fin de l'exercice financier (COVID-19), la diminution des demandes d'indemnisation des consommateurs auprès du Fonds d'indemnisation et le contrôle des dépenses de fonctionnement ont permis à TICO d'atteindre sa cible budgétaire. À noter que TICO a dépensé moins que prévu dans son budget de fonctionnement non seulement cette année, mais également en 2018/2019 — de 6 % dans le dernier cas — signe que l'entreprise vise toujours le meilleur rapport coût-efficacité.

COVID-19

L'impact de la COVID-19 sur l'industrie du voyage et les entreprises enregistrées auprès de TICO a été désastreux. Depuis mars, nous recevons un nombre record d'appels et de plaintes de consommateurs,

et nous faisons face à des défis opérationnels jamais vus. Comme plusieurs entreprises, nous étions profondément préoccupés par la santé et la sécurité de nos employés. En réponse à la COVID-19, nous avons mis en place un plan de continuité des activités où tous les employés travaillent principalement à domicile. Notre infrastructure technologique est résiliente et flexible alors que nous continuons de répondre aux consommateurs et à nos entreprises.

Compte tenu des graves difficultés financières que connaît le secteur du voyage en Ontario, plusieurs actions ont été entreprises cette année. Le 30 mars, des modifications ont été apportées au règlement 26/05 de l'Ontario, et l'effet s'est immédiatement fait sentir. Cette modification a permis d'alléger de plusieurs milliers de dollars le fardeau financier des entreprises et d'améliorer considérablement la protection des consommateurs en ce qui concerne les bons de voyage échangés et non échangés. Une série de bulletins ont été publiés sur le site web du TICO pour informer les entreprises de leurs nouvelles obligations et les consommateurs de leurs droits. De plus, par une série d'annonces, nous avons accordé des reports de tous les frais dus jusqu'à la fin de l'année civile.

Plus récemment, le gouvernement de l'Ontario a apporté un soutien financier à TICO, lui permettant d'aider les entreprises pendant cette période difficile. Les mesures ci-dessus aideront les entreprises pendant cette période difficile jusqu'à ce que nous commençons à voir le secteur du voyage se redresser.

Réponse de TICO

Reconnaissant que l'industrie du voyage est en difficulté, TICO a réagi en mettant en place de nombreuses mesures d'austérité. Le gel des embauches de l'année dernière est toujours en vigueur, des réductions salariales allant jusqu'à 25 % ont été appliquées à l'ensemble du personnel, des programmes de base ont été réduits et toutes autres dépenses discrétionnaires ont été limitées. Le conseil d'administration a également procédé à des réductions de dépenses. Grâce à ces mesures, TICO aura finalement réduit ses dépenses par

rapport aux niveaux de l'année précédente tout en restant fidèle à son mandat de réglementation et à sa vision et mission tels qu'approuvés par le conseil d'administration.

Sensibilisation des consommateurs

L'initiative de sensibilisation des consommateurs est au cœur du mandat de TICO. L'an dernier, j'ai fait état de la transition vers une plateforme 100 % numérique permettant d'améliorer les messages destinés aux consommateurs et d'apporter des ajustements tactiques au programme tout au long du parcours. Nous demeurons axés sur les indicateurs clés associés à cette initiative et nous sondons électroniquement les clients de façon régulière. Nous avons poursuivi cette approche en 2019/2020, bien qu'avec un budget plus restreint, et nous continuons de réévaluer notre efficacité globale pour l'avenir. Veuillez consulter le tableau de bord plus loin dans ce rapport pour les résultats de la campagne 2019/2020.

C'est dans les périodes de crise, dont celle de la COVID-19, que TICO doit continuer de faire preuve de résilience et de leadership avec son impératif stratégique de sensibilisation des consommateurs. Bien qu'une période de réflexion soit nécessaire pour comprendre les impacts de COVID-19 et pour répondre aux demandes immédiates, notre objectif à long terme demeure notre leadership en ce qui concerne l'importance de la protection des consommateurs et les avantages de travailler avec l'industrie, les voyageurs inscrits auprès de TICO. Dans les mois à venir, j'ai hâte d'aller à la rencontre des consommateurs et de jouer un rôle de premier plan pour rétablir leur confiance pendant la relance de l'industrie du voyage.

Notre message clé sera toujours de réserver votre voyage auprès d'une entreprise enregistrée ou par l'intermédiaire de son site web afin d'assurer que vous [le consommateur] comprenez les détails de votre réservation et de vous éviter toute surprise importante.

Nous avons également continué d'utiliser la publicité en ligne pour avertir les consommateurs qui pourraient réserver à leur insu auprès d'un voyageur non-enregistré

de l'extérieur de la province et les diriger vers nos entreprises enregistrées en Ontario afin d'assurer qu'ils reçoivent la protection des consommateurs qu'ils méritent.

Moderniser notre législation

TICO a travaillé avec les parties prenantes pour faire avancer les propositions de réglementation recommandées par TICO dans le cadre de la *Loi de 2002 sur le secteur du voyage*. Le ministère des Services gouvernementaux et des Services aux consommateurs et TICO informeront les voyageurs enregistrés et les consommateurs de toute mise à jour de ce processus dès que possible.

Un regard vers l'avenir

L'année 2019/2020 s'est achevée par un examen minutieux des priorités stratégiques de TICO, en collaboration avec le conseil d'administration, compte tenu de la pandémie de COVID-19. Nous avons apporté plusieurs changements, principalement en modifiant et en redéfinissant les priorités des objectifs clés afin que TICO reste dans la meilleure position pour répondre aux défis de la COVID-19.

En conclusion, j'aimerais une fois de plus exprimer ma reconnaissance aux membres du conseil d'administration pour leur vision et leur soutien, ainsi qu'à la merveilleuse équipe dévouée de TICO, sans laquelle rien de tout ce qui a été réalisé l'an dernier n'aurait été possible. Notre équipe reste inébranlable dans son soutien aux valeurs de notre entreprise et dans son souci de garantir aux consommateurs la meilleure protection possible. C'est toujours un honneur de servir nos intervenants, et je reste déterminé à relever les défis et à saisir les occasions qui se présenteront.

Bien cordialement,



Richard Smart
Président et C.E.O.
TICO

MANDATE

TICO's mandate is to support the Ministry of Government and Consumer Services' mission of maintaining a fair, safe and informed marketplace as it relates to Ontario's *Travel Industry Act, 2002*. This mandate is accomplished by developing and fostering high standards in:

- » Consumer protection.
- » Registration, inspection, supervision and discipline of registrants.
- » Consumer education and awareness.
- » Investigating and mediating disputes between consumers and registrants.

In addition, programs will serve to support this mandate by:

- » Promoting fair and ethical competition within the industry.
- » Supporting a Code of Ethics.
- » Maintaining and enforcing programs that provide for consumer compensation in specific circumstances.
- » Promoting an expected level of education as a criterion for registration.
- » Encouraging legislative and regulatory amendments aimed at enhancing industry professionalism and consumer confidence.

For the purposes of this Annual Report & Business Plan, the following definitions apply:

Registrant: A registrant is defined as a travel agent or a travel wholesaler who is registered as a travel agent or a travel wholesaler or as both under the *Travel Industry Act, 2002*.

Travel Agent: A travel agent is defined as a person who sells to consumers, travel services provided by another person.

Travel Wholesaler: A travel wholesaler is defined as a person who acquires rights to a travel service for the purpose of resale to a travel agent or who carries on the business of dealing with travel agents or travel wholesalers for the sale of travel services provided by another person.

The Travel Industry Act, 2002 (the Act) and Ontario Regulation 26/05 (the Regulation): Ontario's consumer protection legislation that governs travel retailers and travel wholesalers operating in the province which TICO administers and enforces on behalf of the Ministry of Government and Consumer Services.

The Ministry of Government and Consumer Services (the Ministry): is the department of the Government of Ontario that is responsible for the delivery and management of government operations, and consumer protection in the Canadian province of Ontario.

Non-Registrant: An organization which supplies travel services, but is not registered in Ontario including (but not limited to):

- » Travel wholesalers and travel retailers not located in Ontario.
- » Companies which sell to clients in Ontario by means of advertising, the internet or toll-free phone line, but where the home base or call centre is not located in Ontario.
- » End suppliers (e.g. airlines, hotels, rail services, cruise lines), which may or may not be located in Ontario.

Travel Services: Transportation or sleeping accommodation for the use of a traveler, tourist or sightseer or other services combined with that transportation or sleeping accommodation.



VISION & MISSION

Vision Statement

To be a progressive regulator advancing consumer protection, ethical business practices and a trusted marketplace where consumers are confident purchasing travel from registered professionals.

Mission Statement

To regulate consumer protection by promoting awareness, education and compliance as part of the efficient and effective regulation of Ontario's travel industry.



Regulation



Monitoring



Refunds



Complaints



Education

VALUES



E FFICIENCY

We drive value through continuous improvement and cost effectiveness.

L EADERSHIP

We demonstrate courage, integrity and transparency in building stakeholder confidence.

A CCOUNTABILITY

We are committed to high standards, taking responsibility for our actions and results.

S ERVICE EXCELLENCE

We are a fair and firm regulator responsive to stakeholder needs.

T EAMWORK

We are one team, knowledgeable and experienced working together.

I NNOVATION

We embrace change and ingenuity in advancing as a regulatory leader.

C OMMUNICATION

We build trusting relationships as an authority in Consumer Protection.

Above all, TICO will be ethical in everything TICO does.

STAKEHOLDERS/SERVICES

Stakeholders

TICO works with stakeholder groups including:

Consumers: to increase awareness of their rights and responsibilities, and those of the Ontario travel industry under the Act. TICO employs various ways to reach consumers including consumer trade shows, consumer surveys, consumer inquiries and through regular monitoring of social media. TICO's website also provides consumers with helpful information with respect to the consumer protections available when purchasing travel services from TICO registrants.

TICO Registrants (Ontario travel agent/travel wholesalers): While TICO's activities are focused on consumer protection, its clients also include the Ontario-registered travel retailers and wholesalers who fund TICO through registration fees and who pay contributions into the Compensation Fund.

TICO serves its registrants by justifying consumer confidence in purchasing from the Ontario travel industry. This is accomplished through:

- » Ongoing services and initiatives aimed at monitoring and ensuring compliance with the Act and Regulation.
- » Making consumers aware of the benefits of dealing with Ontario Registrants.
- » Enhancing industry professionalism.
- » Providing consumer compensation and recourse in specific circumstances.
- » Striving to ensure the Act and Regulation remain relevant to emerging issues.

Industry Associations: to harness their knowledge and commitment to ethical and open competition. The associations include but are not limited to:

- » The Canadian Association of Tour Operators (CATO)
- » The Association of Canadian Travel Agencies (ACTA)
- » The Ontario Motor Coach Association (OMCA)

Government: which has delegated to TICO the responsibility for administering and enforcing the Act and which holds TICO accountable for supporting its mandate of a fair, safe and informed marketplace.

Services

The services delegated to TICO to provide are detailed below.

REGISTRATION

- » Processing new applications – ensuring criteria and standards are met.
- » Processing registration renewals – ensuring criteria and standards continue to be met, for example:
 - financial viability, including compliance with financial criteria under the Act and Regulation.
 - supervisor/manager qualifications.
 - other compliance issues.
- » Registrant inquiries.

CONSUMER PROTECTION

- » Administering the Ontario Travel Industry Compensation Fund.
- » Financial Inspections:
 - financial compliance reviews of registrants to minimize risk to consumers.
 - site inspections to identify registrants that pose a financial risk.
- » Compliance: utilizing administrative compliance measures to ensure that registrants correct deficiencies that have been identified in areas such as advertising regulations, terms and conditions of registration and disclosure to consumers (e.g. conditions of booking). Identify and bring into compliance unregistered travel sellers operating in Ontario and selling travel services to consumers in contravention of the *Travel Industry Act, 2002*.
- » Investigations: investigating instances of suspected breaches of the Act, which could result in prosecution.

- » Enforcement: suspensions, proposals to revoke registrations, laying charges under provincial statutes and referrals to criminal authorities.
- » Consumer inquiries.
- » Consumer education.

COMPLAINT RESOLUTION

- » Resolving complaints:
 - between consumers and registrants.
 - between consumers and TICO.
 - between registrants and TICO.
- » Where complaints have not been resolved, providing information on other options. The process is outlined in more detail on page 28.

GOVERNMENT LIAISON

- » Working closely with the Ministry of Government and Consumer Services for purposes of issues management, regulatory reform and matters of public interest.

ADDITIONAL RESPONSIBILITIES

In addition to the delegated responsibilities, TICO intends to increase the following:

- » Consumer education and awareness on the benefits of purchasing travel services from Ontario registrants and the inherent risks of dealing with non-registrants.
- » Consumer and Registrant awareness with respect to the emergence of electronic commerce as it relates to the travel industry.

TICO STRUCTURE

Organization

TICO is a not-for-profit corporation financed through fees from its approximately 2,300 travel retail and wholesale registrants.

The Ministry of Consumer and Commercial Relations delegated responsibility for the administration to TICO in June 1997.

The *Travel Industry Act, 2002 (the Act)* governs Ontario travel retailers and wholesalers and provides for the operation of a travel industry Compensation Fund.

The Ministry of Government and Consumer

Services (the Ministry) is responsible for the Act and Ontario Regulation 26/05 (the Regulation).

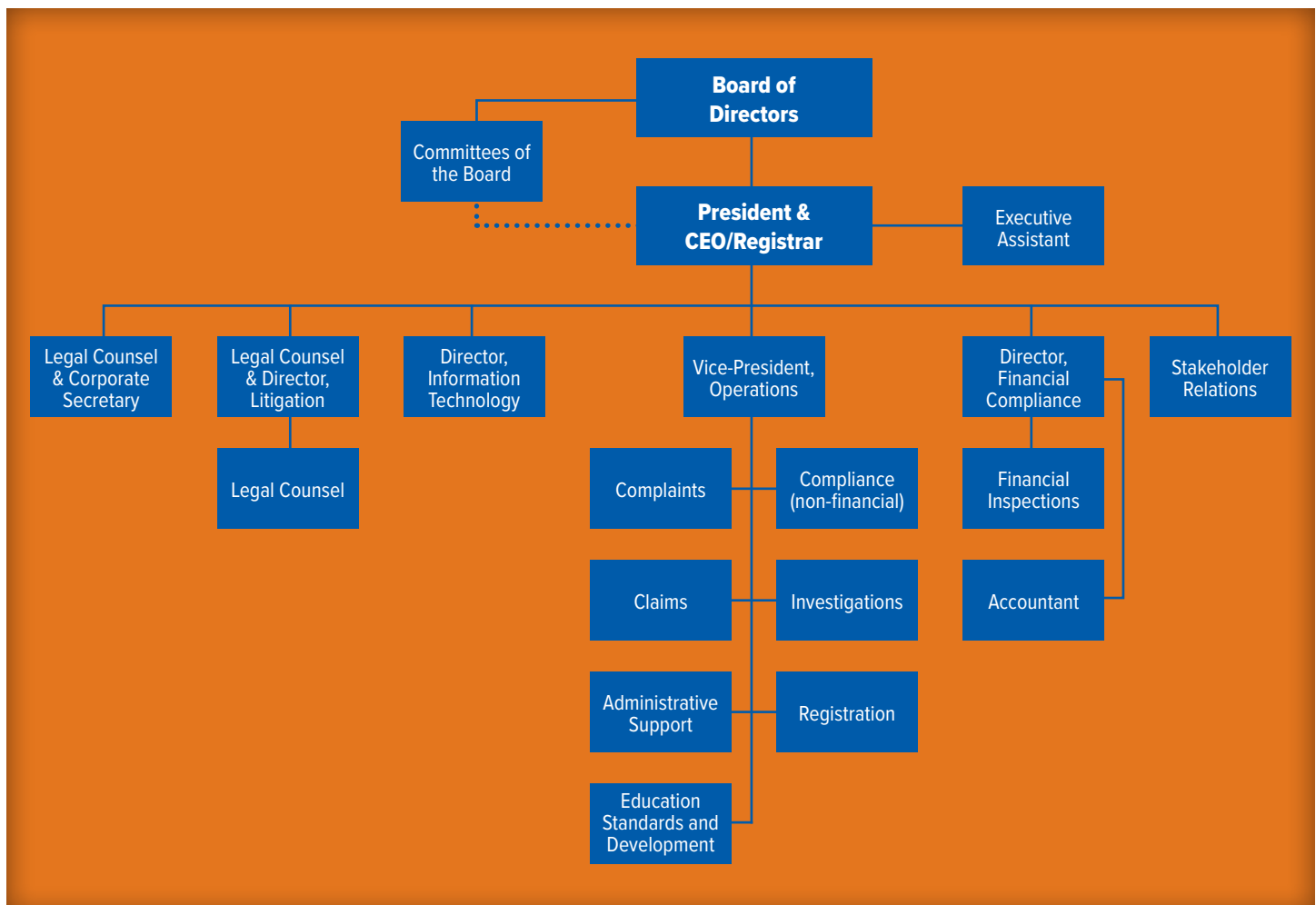
Governance

The TICO Board of Directors consists of eleven members (see Appendix II). There are two individuals appointed by the Association of Canadian Travel Agencies (ACTA), two from the Canadian Association of Tour Operators (CATO) and one from the Ontario Motor Coach Association (OMCA) and four appointed by the Minister of Government

and Consumer Services. There are also two members that are elected by the industry at large. TICO's Board of Directors annually reviews its set of competencies that is desired collectively across the Board of Directors, to enhance overall governance practices. More information regarding these competencies can be found on TICO's website.

More information on the qualifications for Directors is available on TICO's website at www.tico.ca.

Organizational Chart



Remuneration of Board and Committee Members (Per Diems)

TICO's by-laws provide for the remuneration of Directors. The Board has approved the following levels of remuneration effective April 1, 2019, which will be adjusted annually with the Consumer Price Index (CPI):

TICO's Travel, Meal and Hospitality Expenses Policy provides for the following per diem levels:

Board Meetings:

Chair	\$501
Vice-Chair	\$395
Member	\$323

Committee Meetings:

Committee Chair	\$323
Committee Member	\$250

Statutory Director/Deputy Statutory Director under the Act*
\$6,000/annum

Note: Where the Statutory Director/Deputy Statutory Director is not an employee. The Director and Deputy Director prorate this fee in the absence of the Director.

**As defined under the Travel Industry Act, 2002*

The per diem is the amount payable for work periods in excess of three hours. If the work period is less than three hours, one-half of the established per diem is paid. Preparation time may be included in the calculation of hours. In addition, board and committee members may claim for travelling expenses such as mileage or accommodation for which set rates have been approved. The Remuneration Policy also allows board members spending over 2 hours in total for travel time to and from TICO, for the purpose of attending to TICO business, to receive the current per diem rate plus 50% of the per diem rate.





ONTARIO TRAVEL INDUSTRY COMPENSATION FUND

Background on the Ontario Travel Industry Compensation Fund

In 1975, the Government of Ontario passed the Travel Industry Act. This legislation provides the legal basis for the Compensation Fund and requires that every registered travel business in Ontario participates in the Fund. Section 50 of Part III of the current Regulation (O. Reg. 26/05) enacted pursuant to the *Travel Industry Act, 2002* states: “Every registrant shall participate in the Fund.”

Management of the Compensation Fund

The Regulation relating to the Compensation Fund sets forth in detail the operation and management of the Fund.

Section 51 of Ontario Regulation 26/05 provides that the affairs of the Compensation Fund shall be administered and managed by the TICO Board of Directors.

Section 52(2) of Ontario Regulation 26/05 requires that TICO shall hold all money in the Fund in trust for the benefit of claimants whose claims for compensation the Board of Directors approves in accordance with this Regulation.

Section 73 of Ontario Regulation 26/05 allows certain costs with respect to administering and managing the Compensation Fund to be paid from the Fund.

Fund Financing

The Compensation Fund is totally financed by Ontario registrants. The Payment Schedule requires registered travel retailers and registered travel wholesalers to pay a greater of \$25 or 25¢ per \$1,000 of sales on a semi-annual self-assessment basis. These payments are to be filed with TICO within 90 days after the end of each fiscal half year.

Surplus Funds

The Corporation may invest any funds of the Compensation Fund, which are surplus to the immediate requirements of TICO in property in accordance with the Trustee Act.

Claims

The Compensation Fund reimburses customers of registered travel agents for eligible claims arising from the bankruptcy or insolvency of an Ontario registrant or arising from the failure of an end supplier airline or cruise line. The Board of Directors determines whether a claim or a part of one meets the requirements of the Regulation and determines the eligible amount of the claim. Claims must be submitted in writing to the Board within six months after the relevant registrant or end supplier becomes bankrupt or insolvent or ceases to carry on business. The maximum payout for claims arising out of an event is \$5 million in total. The maximum payout per person is \$5,000.

Claims may be filed against the Compensation Fund to provide the reimbursement of reasonable expenses incurred (transportation, accommodation and meals) to complete a trip where the travel services have not been provided

as the result of the closure of a TICO registered travel retailer or a TICO registered travel wholesaler. Provided that the consumer purchased their original travel services from an Ontario registered travel retailer, trip completion claims may be eligible when the consumer’s travel services commenced prior to the failure of the TICO registrant and the consumer is in destination and unable to receive the travel services purchased to complete their travel plans. Trip completion claims must be submitted in writing to the Board within six months after the relevant registrant becomes bankrupt or insolvent or ceases to carry on business.

The Director under the *Travel Industry Act, 2002* may direct payment out of the Fund of up to an additional \$2 million where immediate funds and facilities are necessary for the repatriation and accommodation of customers of registrants who are outside of Ontario. When customers of registrants are preparing for immediate departure and have been placed in circumstances where funds are required to alleviate suffering or to protect the interests of the Fund, the Director may pay out of the Fund an amount sufficient to enable such departure, up to a maximum of \$5,000 per person.

Appeal of Decisions

Claimants are entitled to appeal a decision of the Board of Directors to the Licence Appeal Tribunal. Decisions of the Tribunal may be further appealed to the Divisional Court of Ontario.

RISK MANAGEMENT

In accordance with its Enterprise Risk Management Policy, the Board of Directors (Board) and TICO's Leadership Team strive to identify, assess and manage risks that may affect TICO's ability to achieve its goals. The Board is responsible for the overall risk appetite of the organization. Risk appetite is defined as the total exposed amount that TICO, as an enterprise, wishes to undertake based on a risk-return trade-off in relation to its strategic goals. The Audit, Technology and Risk Management Committee of the Board has responsibility for the oversight of the Enterprise Risk Management Policy and makes recommendations to the Board of Directors.

Risks are ranked in accordance with impact and the likelihood of occurrence. Risk champions within the organization are responsible for overseeing these risks and taking appropriate action. Priority risks are regularly monitored by assigned Committees of the Board as part of the governance function. Various risk mitigation strategies are considered and implemented by management to mitigate risks accordingly.

The pandemic caused by the novel coronavirus (COVID-19) will likely prove to be the most significant adverse event in modern times, and certainly has been catastrophic for the travel industry and registrants. TICO's Board and management team remain laser

focused on the impact to the organization and industry and have engaged in further risk mitigation measures through frequent and active Board of Director oversight, government engagement and other emergency measures. At all times, the safety and health of TICO's employees was the primary priority while ensuring timely communication to registrants and other stakeholders on matters related to the crisis.

The Board is satisfied that TICO's risk management framework and practices are effectively implemented and facilitating the organization with achieving its mandate.

FINANCIAL INSPECTIONS

TICO operates a risk management program, which includes financial inspections of registrants carried out under the direction and control of the Registrar, *Travel Industry Act, 2002*. The objective of the program is to identify as early as possible any registrants at financial risk and to work with these

registrants to ensure compliance with the Act and Regulation. Through early identification of registrants at financial risk, TICO's goal is to minimize potential claims against the Compensation Fund and disruption to consumer travel. The program consists of an annual review of the financial statements of

all registrants, a more frequent review of the financial statements of larger registrants and site inspections. The program is proactive as TICO visits all new registrants within the first year of operation to ensure their understanding of the Act and Regulation and compliance requirements.



TICO COMMITTEES

The following are Committees of the Board of Directors of the Travel Industry Council of Ontario:

Audit, Technology & Risk Management Committee (Chair: Rick Edwards)

The Audit, Technology and Risk Management Committee was created to assist the Board in the effective discharge of its governance and oversight responsibilities related to the financial reporting, information technology and risk management of the Corporation.

The Committee will oversee financial statements, internal control structures, compliance, technology strategic plan and roadmap, risk management frameworks and the audit functions of TICO. The Committee will review, oversee and provide recommendations to the Board of Directors in the following areas:

- » Audit
- » Accounting and Finance
- » Technology
- » Risk Management

Business Strategy Committee (Chair: Ian McMillan)

The Business Strategy Committee was created to assist the Board in the effective discharge of its oversight responsibilities in the following areas:

- » Business and Strategic Planning
- » Technology and Business Processes/ Operational Effectiveness
- » Stakeholder Relations/Communications
- » Education

Governance and Human Resources Committee (Chair: Mike Foster)

The Governance and Human Resources Committee is responsible for providing oversight and recommendations to the Board of Directors in the following areas:

- » Corporate Governance
- » Human Resources
- » Complaints against TICO

Legislative and Regulatory Modernization Committee (Chair: Scott Stewart)

The Legislative and Regulatory Modernization Committee was created to recommend to the Board of Directors legislative and regulatory reform necessary to achieve TICO's business objectives taking into consideration TICO's Mandate, Mission, Vision and Values as well as considering the practical impact of any changes on all stakeholders, including consumers and registrants.



BUSINESS ACCOMPLISHMENTS 2019/2020

CONSUMER PROTECTION

GOAL: To administer and enforce the legislation by which the Ontario travelling public can be confident in their travel purchases from registered professionals, including working collaboratively with stakeholders for regulatory enhancement.

BUSINESS OBJECTIVE	PERFORMANCE MEASURE 2019/2020	ACTIVITIES AND ACCOMPLISHMENTS
Foster regulatory reform to enhance consumer protection.	Provide submissions to the Ministry with recommendations to update and modernize the regulation taking into consideration changes to business models and stakeholder feedback.	Continued communications and regular scheduled meetings with the Ministry including meetings with the Minister and Deputy Minister. Key areas of regulatory reform were reviewed with feedback and information provided to assist the Ministry with proposed regulatory changes under the Act. Legislative & Regulatory Modernization Committee met to provide guidance in the development of recommendations to the Board of Directors in relation to regulatory reform. Ontario Regulation 101/20 amending Ontario Regulation 26/05 came into force on March 30, 2020 to reduce burden on registrants and help certain travellers impacted by the COVID-19 outbreak. Changes to the regulation included burden relief provisions to registrants by lessening financial requirements as well as consumer protection provisions by expanding coverage under the Travel Industry Compensation Fund for consumer claims involving travel vouchers or similar documents that may be eligible for reimbursement.
Review TICO's financial framework including the Compensation Fund and identify options to ensure the efficient and effective delivery of its consumer protection mandate.	Provide a recommendation supported by analytics outlining the viability of an alternative funding model to support TICO's mandate to administer and enforce the Act and Regulation and administer Ontario's Travel Compensation Fund.	Preliminary review of alternative financial frameworks completed by the Board of Directors. Further analysis to be completed prior to making a recommendation for a modernized funding model to support TICO's regulatory mandate.
Establish an action plan for effective implementation and enforcement of legislative and regulatory changes.	Produce an action plan document identifying and prioritizing all operational priorities in relation to legislative and regulatory changes to ensure an efficient implementation and enforcement of new consumer protection legislation in Ontario.	Commenced work on an action plan detailing operational priorities in relation to proposed legislative and regulatory changes. Preparations were initiated during the fiscal year in the areas of IT, communications and compliance. Development of a Financial Verification Statement for registrants with sales under \$2 million was prepared to ensure readiness once the regulatory changes come into force.
Foster collaboration with industry stakeholders to advance consumer protection.	Attain alignment and strategic alliances for enhancements to consumer protection that includes eliminating gaps and expanding consumer protection in Ontario while reducing burden on business.	Legislative & Regulatory Modernization Committee held a special meeting with representatives from ACTA, CATO and OMCA to understand each association's and corresponding stakeholder's position in relation to TICO, the Travel Compensation Fund and proposals for regulatory reform. The exchange of information provided meaningful insights and feedback for the regulatory review.

AWARENESS AND EDUCATION

GOAL: Consumers and registrants are aware of TICO and understand the benefits of purchasing travel services through a registered travel agency or travel wholesaler.

BUSINESS OBJECTIVE	PERFORMANCE MEASURE 2019/2020	ACTIVITIES AND ACCOMPLISHMENTS
Continue to build and enhance consumer awareness in Ontario.	Improve overall awareness and understanding by continuing to engage consumers by executing a marketing and communications strategy that includes various forms of paid and earned media including traditional and social media and other alternative distribution channels. Seek opportunities to engage consumers through Town Halls, educational presentations and social media to build awareness, both in person, and by leveraging technology (i.e. webinars). Conduct a consumer survey to gauge overall consumer engagement and satisfaction. Produce and distribute various editorial and media releases to secure coverage in consumer publications to enhance education and awareness.	The digital campaign continues to be in market and has resulted in nearly 11.5 million impressions up until the end of November 2019. TICO continues to make refinements and enhancements to our approach based on monthly results. As of January 31, 2020, there was a 4% decrease (from 24% to 20%) in the percentage of Ontarians who could correctly identify TICO as Ontario's travel regulator. This decrease is likely a result of the previous survey's numbers reflecting increased notoriety as a result of the Thomas Cook failure. The 2018/19 baseline measure prior to the campaign launch was 14%. There was also a 4% decrease (from 17% to 13%) in Ontarians' depth of knowledge of what TICO does. The baseline measure prior to the campaign launch was 14%. TICO launched a new landing page for consumers that is more visually appealing, with content that is easier to scroll through. Stakeholders coming to the new landing page are spending approximately 2 minutes per page view. TICO publishes timely and newsworthy blog posts on its website, providing information and tips about travel and consumer protection in Ontario. The blog posts have been accessed more than 7,500 times on TICO's website and shared nearly 3,000 times on social media. Held two consumer focus groups to engage and obtain feedback to assist in shaping TICO's Consumer Awareness Campaign.
Establish a communications strategy, including consultation associated with legislative and regulatory changes.	Completion and planned implementation of a communications strategy to promote education and awareness of all stakeholders regarding enhancements to the <i>Travel Industry Act, 2002</i> and Ontario Regulation 26/05	Communications strategy produced and implemented to convey the regulatory changes in Ontario Regulation 101/20 amending Ontario Regulation 26/05. Produced and released Registrar Bulletins to industry summarizing the regulatory changes to assist with awareness and understanding. A similar informative Consumer Advisory was made available on TICO's website to apprise consumers of the enhanced consumer protection provisions. TICO website updated with new regulatory changes to ensure information is available for all stakeholders.
Enhance TICO's online Education Standards Program with updated curriculum and testing to include legislative and regulatory changes.	Updated online Education Standards Program completed and ready for roll-out.	New draft Study Manual updates commenced to include previously passed regulatory changes and new Regulation 101/20 effective March 30, 2020. Development of online study tools and resources commenced and underway during the fiscal year.
Engage registrants and provide education and familiarization around the new legislation.	Various engagement opportunities extended to registrants, both in person and online to familiarize themselves with the new legislation and impacts, if any, to their business.	Registrar Bulletins and updated information made available on TICO website. Development underway for a webinar to assist registrants to preparing their Verification Statements and other webinars to address other regulatory changes.

ORGANIZATIONAL EFFECTIVENESS

GOAL: TICO embraces a spirit of continuous improvement and innovation in the systems and processes in executing its mandate, and in the ongoing investment and professional development of its people.

BUSINESS OBJECTIVE	PERFORMANCE MEASURE 2019/2020	ACTIVITIES AND ACCOMPLISHMENTS
Sustain and enhance security protocols and protection across TICO system infrastructure.	Continue education sessions and implement advanced threat protection protocols to enhance overall system security. Develop risk response scenario in the event of a breach.	Training sessions held with TICO employees to enhance skills in identifying phishing emails. Strengthened monitoring tools to screen activities for all access to TICO's infrastructure and identify and define incident types to facilitate appropriate protocols in the event of a system breach.
Enhance data management capabilities to enhance business intelligence and operational effectiveness.	Data management policy, procedures and process implementation commenced across all departments.	Draft Data Classification Policy finalized which establishes requirements for physical and logical access to data. Data-Risk Framework under development to allow for data sensitivity tools to be implemented to classify documentation to define security controls. Completed implementation of a mobile device management system to enhance management and access through mobile devices. Email encryption tools added to Microsoft Outlook to provide the ability to send emails more securely. Development and implementation of an online document management system for all TICO records to enhance efficiencies, contribute to a paperless environment and achieve cost savings.
Enhance cyber security crisis response.	Continue implementation of a robust Cyber Security Crisis Response Plan to ensure timely and effective response in the event of a data breach.	Continuing to develop a Cyber Security Response Plan. An initial Cyber Incident Response Team (CIRT) plan has been established with proposed roles and responsibilities.
Update and modernize crisis management protocol.	Crisis management protocols and communications updated to capture recommendations as well as any new or emerging vulnerabilities and trends.	A Crisis Management Communications Plan has been developed with implementation underway due to the global pandemic.
Enhance resources and competencies of workforce.	Organizational structure is aligned and reflects the skills and competencies required to ensure TICO's effectiveness as Ontario's Travel Regulator.	Implementation of a future workforce strategy underway to increase operational efficiency and effectiveness in delivery of TICO services including the administration and enforcement of the Act and Regulation.
Mitigate risk and enhance consumer protection by ensuring compliance of the Act and Regulation.	Reduce the number of high risk registrants, benchmarked as of the first day of the current fiscal year and increase consumer protection by identifying and achieving compliance of unregistered sellers of travel services in Ontario.	TICO has achieved a 91% reduction in the number of registrants rated as high risk as at the beginning of the fiscal year. As of March 31, 2020, a total of 183 unregistered sellers of travel operating in contravention of the Act have been identified compared to 91 the prior year. A 95% compliance rate has been achieved for the number of identified unregistered sellers of travel files processed.

BALANCED SCORECARD

TICO's 2019 Business Plan included the following Balanced Scorecard. TICO deployed this balanced scorecard throughout its fiscal year to monitor and gauge ongoing efforts and achievement of its strategic objectives. This Balanced Scorecard is shared with stakeholders to ensure transparency and accountability consistent with the Business Plan.

OBJECTIVE	MEASURE	FISCAL YEAR 2019/2020 TARGET	ACTIVITIES AND ACCOMPLISHMENTS
EDUCATION AND AWARENESS			
Improve Consumer Awareness and Education.	Establish new metrics to accurately gauge Ontarians awareness of the existence of TICO and the consumer protection available when purchasing travel services from Ontario registered travel agencies and websites.	Exceed the baseline metric of consumer awareness achieved the prior year that the travel industry in the province is regulated and TICO is Ontario's Travel Regulator.	Conducted an online survey in January to measure unaided awareness of TICO. The survey found that 20% of Ontarians could name TICO as the provincial travel regulator, a decrease from 24%. The baseline measure from the prior year was 18%.
		Exceed the baseline metric of consumer awareness achieved the prior year that consumer protection is available when purchasing travel services from an Ontario registered travel agency or website.	Of those consumers surveyed, 13% correctly identified that TICO provides travel consumer protection in Ontario, a decrease from 17%. The baseline measure prior to the campaign launch was 14%.
Enhance Consumer Protection in Ontario.	Overall pass rate of financial statement bench reviews based on established financial criteria per the Regulation.	Achieve a minimum pass rate of 95%.	As of March 31, 2020, financial statements reviewed had an 91% compliance pass rate based on established financial criteria per the Regulation.
	Percentage of compliance achieved for the number of identified unregistered sellers of travel operating in contravention of the <i>Travel Industry Act, 2002</i> .	Achieve a minimum of 80% of compliance of all unregistered sellers of travel identified in 2019/2020.	As of March 31, 2020, a total of 183 unregistered sellers of travel operating in contravention of the Act have been identified compared to 91 the prior year. 95% compliance has been achieved for the number of identified unregistered sellers of travel files processed.
Determine and measure overall consumer engagement and satisfaction.	Develop and implement a survey tool that provides a comprehensive measure of consumer protection satisfaction and/or value in the province.	Establish a new consumer protection satisfaction/value survey.	Work on this initiative has not commenced. TICO currently only surveys consumers who have interacted with the Complaints and Claims and Registration Depts.

OBJECTIVE	MEASURE	FISCAL YEAR 2019/20 TARGET	ACTIVITIES AND ACCOMPLISHMENTS
ORGANIZATIONAL EFFECTIVENESS			
Enhance TICO Value Proposition to Registrants and Other Stakeholders	Overall understanding and awareness of TICO and the new legislation through effective communications and opportunities for engagement with stakeholders.	Providing effective communications and opportunities for engagement by completing roundtable sessions, seminars and webinars with stakeholders to educate and understand the impacts, if any, that the new legislation has on stakeholders.	As at March 31, 2020 TICO held 7 Travel Agency Workshops, 5 Focus Group sessions and 10 compliance webinars have been held on various compliance issues to provide registrants with an opportunity for engagement and enrichment.
Enhanced Employee Engagement	Pulse survey on key drivers identified for improvement in the 2018/2019 Employee Engagement Survey.	Demonstrate improvement on identified key drivers by achieving a higher score on pulse survey.	Employee Engagement survey scheduled to be conducted in Q4 has been deferred to next fiscal year due to other business priorities and the global pandemic.
Enhance Organizational and Professional Development	Overall percentage of employee professional development plans completed during the fiscal year.	Achieve 85% completion of all employee professional development plans.	48% of annual budget incurred for professional development. Focus on more cost-effective options.
FINANCIAL PERFORMANCE			
Deliver Budget	FY 2019/2020 Excess Revenues over Expenses before claims.	Achieve equal to or greater than budgeted Net Excess Revenues over Expenses after adjusting for the exclusion of the Provision for Gross Claims against the Compensation Fund.	Forecasted Net Excess Revenues over Expenses before provision for Gross Claims of \$615 thousand is short of budget of \$1.4 million reflecting significant shortfall in March 2020 revenues (COVID-19) and positive impact from a cost reduction initiative. Total year operating expenses are lower than prior year by \$276 thousand (6%).
Compensation Fund Claims Ratio	% Provision of Registrant Claims to Operating Revenue.	Achieve equal to or less than the percentage of Provision of Gross Registrant Claims relative to Operating Revenues of 7% based on a rolling 5-year average.	As at March 31st, tracking ahead of budget at 2%.
Drive Operational Efficiencies	Efficiency Ratio Percentage.	Achieve an Operating Efficiency Ratio, defined as operating expenses relative to operating revenues, of less than 100%.	As at March 31st tracking ahead of budget at 90%.

ADDITIONAL BUSINESS ACCOMPLISHMENTS

- » Successfully administered TICO's Education Standards Program.
- » Increased IT security monitoring of the network environment.
- » Continued to seek operational efficiencies through enhanced IT tools and processes
- » Continued to maintain and enhance TICO's website with up to date and timely information for the benefit of all stakeholders
- » TICO Talk quarterly e-newsletter produced and made available on TICO's website and e-blasted to all registrants.
- » Communicated TICO's Voluntary Code of Ethics for registrants on TICO's website and TICO Talk e-newsletter.
- » TICO provided 17 webinars, seminars and workshops to industry stakeholders to educate and increase understanding of the requirements under the *Travel Industry Act, 2002* and Ontario Regulation 26/05.
- » TICO provided 2 travel agent workshops to travel and tourism students at two community colleges to educate and increase understanding of TICO and the requirements under the *Travel Industry Act, 2002* and Ontario Regulation 26/05.
- » TICO conducted 3 speaking engagements to industry stakeholders on various timely issues.
- » Conducted 7 speaking engagements to consumer groups to increase awareness of TICO and the benefits of purchasing travel services from Ontario registered travel agencies and websites.
- » Continued to provide advisories and registrar bulletins to all registrants containing timely and relative information to assist industry.
- » Distributed and made available on TICO's website, TICO's Annual Report and Business Plan in June of 2019.
- » TICO's Joint Health and Safety Committee composed of employee and management representatives continued its work to maintain and enhance the health and safety conditions in the workplace.



OPERATIONAL PERFORMANCE REVIEW

Registration

On March 31, 2020, there were a total of 2,096* registrations with TICO compared to 2,361 registrations the previous year. (Fig. 1).

Of these, 87% (1,819) are retail travel agencies, who sell travel services directly to consumers and 13% (277) are travel wholesalers, who sell travel services through travel retailers.

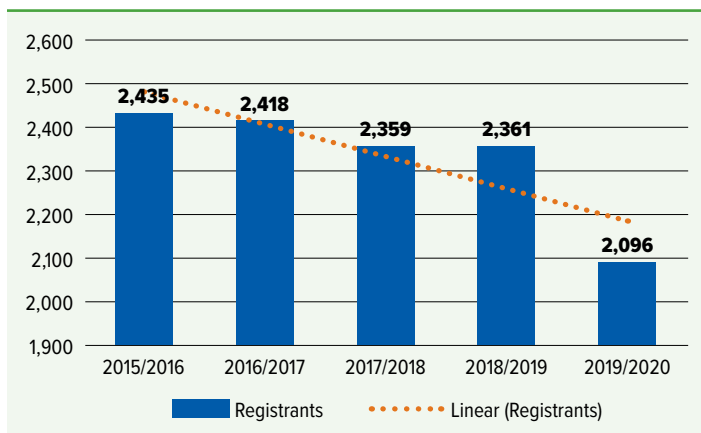


Figure 1: Total Registrations under the Act

*Due to the COVID-19 global pandemic, a total of 178 registrations that were due to be renewed by the fiscal year end were late in filing. Subsequent to March 31, 2020, a total of 166 registrations were renewed and 12 voluntarily terminated their registration to operate, some due to the COVID-19 global pandemic.

In 2019/2020, there were a total of 172 terminations (Fig. 2). A total of 2,471 registrations were processed under the *Travel Industry Act, 2002*, which included 103 new registrations (Fig. 3) and 2,368 renewals (Fig. 4). Registrations are renewed annually.

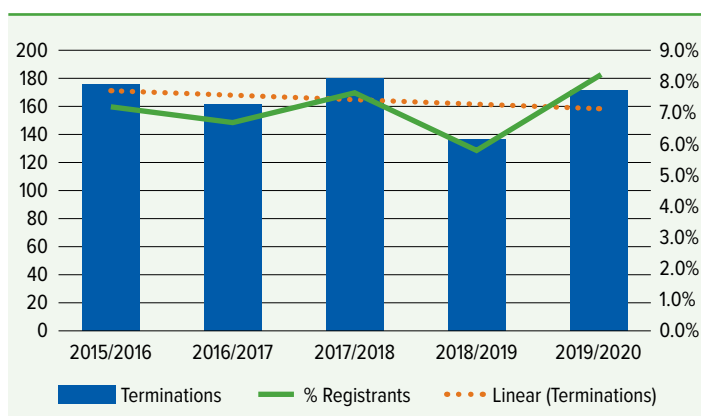


Figure 2: Total Voluntary Termination/Expired Registrations vs. Revocations

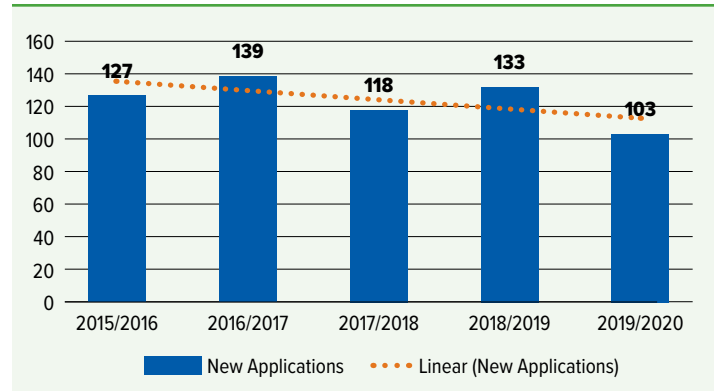


Figure 3: Total New Applications Processed

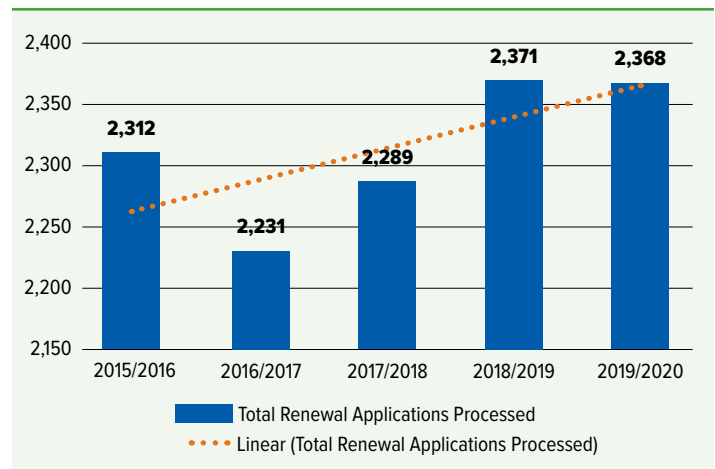


Figure 4: Total Renewal Applications Processed

Education Standards

Every person in Ontario who is working for a retail travel agency and is selling travel services or providing travel advice to the public must, by law, meet the Industry's Education Standards. This includes Supervisors and Managers on a registrant's registration record with TICO.

The Education Standards Program is administered by a best in class outsourced online educational platform and consists of two levels, the Travel Counsellor and the Supervisor/Manager exam. Those wishing to write both the Travel Counsellor and the Supervisor/Manager exams at the same time may do so. During the fiscal year, a total of 6,076 exams were written as follows:

5,597
TRAVEL COUNSELLOR
EXAMS

497
SUPERVISOR/MANAGER
EXAMS

As at March 31, 2020, a total of 78,717 exams have been written since the inception of the Education Standards on July 1, 2009. During the fiscal year 6,076 exams were written compared to 6078 in the prior year.

EXAMS WRITTEN

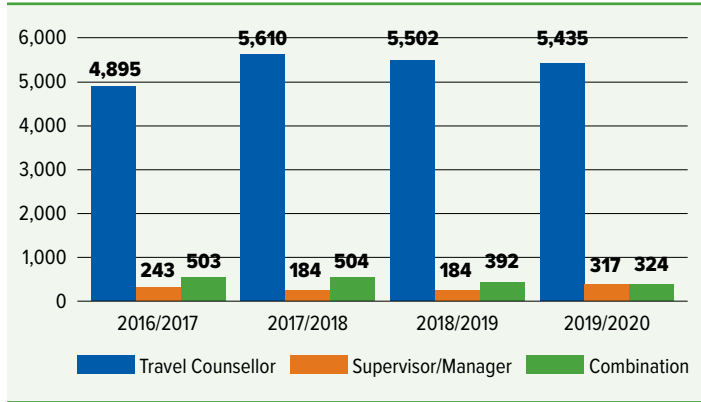


Figure 5: Total Exams Written

Complaint Handling Process

TICO receives numerous telephone and email enquiries on a daily basis including those from consumers, registrants, applicants, government and industry stakeholders. TICO staff provides information with respect to consumer and business complaints, registration processes and acceptable business practice.

TICO provides complaint handling for consumer-to-registrant disputes. After encouraging consumers to pursue all avenues with the registrant, TICO staff will assist with the goal of reaching a mutually acceptable solution. However, TICO does not have the authority to settle a dispute, or to impose a settlement, and it does not have the authority or mandate to act as an arbitrator in any complaint matter. When a complaint involves allegations of non-compliance with the Act, the Registrar will undertake the necessary compliance and enforcement activities. If such is the case, this will be dealt with separately from assisting with resolution of the complaint.

When a mutual solution is not reached, complainants are provided with information regarding options to pursue matters.

When TICO receives a complaint, it may be resolved in anywhere from a few hours over the telephone or a few weeks to a few months for a formal written complaint.

The length of time varies depending on the complexity of the issues, the availability of feedback and documentation required, and the level of cooperation of those involved.

Registrant-to-registrant disputes have traditionally not been handled by the Registrar, unless financial issues or other allegations of non-compliance with the Act are involved.

Complaints Against TICO

Consumers and registrants with complaints against TICO may make a written submission to the Governance and Human Resources Committee of the Board of Directors.

The Governance and Human Resources Committee's mandate is to review and resolve, as appropriate, complaints against TICO, which are based on dissatisfaction with the quality and fairness of its services to registrants and consumers. The Committee also makes any recommendations with respect to TICO's complaint handling procedures that may arise from reviews of particular complaints. The Committee is composed of representatives from the Board of Directors.

During the 2019/2020 fiscal period, there were no complaints against TICO that were subject to a review by the Committee.

Appeals against the Registrar's administrative decisions may proceed, as appropriate, to the Licence Appeal Tribunal. Complaints may be submitted to TICO by telephone, fax, mail or e-mail.

Consumer Complaints

TICO resolved 139 written consumer complaints against registrants in 2019/2020 compared to 154 in the previous year (Fig. 6). Some of these complaints related to files that were opened in the previous fiscal year. The number of new complaints received during 2019/2020 was 141 compared to 153 in the previous year. In processing these complaints, TICO successfully assisted consumers in obtaining \$71,102 in restitution compared to \$77,892 the previous year. In addition, TICO handled 1,694 telephone complaint inquiries compared to 1,217 in the previous year and 1,031 email complaint inquiries compared to 474 in the previous year.

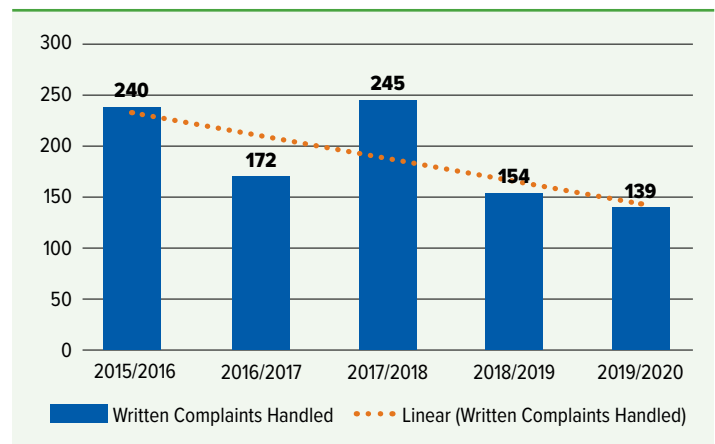


Figure 6: Written Complaints Handled

MOST FREQUENT COMPLAINTS RECEIVED AT TICO

The most frequent types of written complaints received at TICO in 2019/2020 were (top 10 complaints reasons):

2019/2020		2018/2019
1.	 Customer Service issues	Outstanding refunds
2.	 Incomplete or incorrect information provided to the consumer (i.e. information regarding the travel services being sold)	Failure to provide proper disclosure of required information (i.e. availability of travel insurance, terms and conditions, etc.)
3.	 Information/documentation. (i.e. issues related to travelling with passports and other travel documents)	Information/documentation (i.e. issues related to travelling with passports and other travel documents)
4.	 Itinerary/schedule changes	Invoicing issues (i.e. not complete with required information or invoice not provided to consumer)
5.	 Outstanding refund issues	Advertising issues
6.	 Ticketing issues	Ticketing issues
7.	 Online purchase pricing issues	Customer service issues
8.	 Cancellation/non-refundable/no insurance	Cancellation/non-refundable/no insurance
9.	 Suspected fraudulent activity by an individual or company operating unregistered	Itinerary/schedule changes
10.	 Failure to provide proper disclosure of required information (i.e. availability of travel insurance, terms and conditions, etc.)	Accommodation changed

Consumer Survey Results— Complaints Process

During the fiscal year 2019/2020, TICO distributed an online consumer survey to 139 consumers who filed complaints against registrants with TICO, inviting feedback as to their experience with TICO's complaint's process. At the end of March 2020, there were 19 completed surveys returned to TICO.

The results of the 19 completed surveys received are as follows:

The survey results indicated that 17 consumers were satisfied with the complaint turnaround times and 2 consumers were somewhat dissatisfied. Turnaround times may vary considerably depending on the complexity of the issues involved as well as the responses received from complainants and registrants, which could result in further information being required from suppliers or other third parties.

When asked to rate their satisfaction with the fairness of the process: 17 consumers advised they agreed and were satisfied and 2 indicated that they disagreed and were somewhat dissatisfied.

When asked to rate their overall satisfaction with TICO's handling of their complaint: 18 consumers advised they were satisfied, and 1 consumer indicated they were somewhat dissatisfied.

Customarily, consumers who have expressed dissatisfaction do so in response to TICO having no authority to assist them as their complaint matter does not contain issues that are covered by the legislation. In other cases, TICO is able to identify possible contravention(s) of the Act and/or Regulation by the registrant(s) involved. These issues were referred to TICO's Compliance Department for further review.

As a result, TICO requires registrants to initiate corrective measures in an effort to prevent similar situations from affecting future travelers. However, such referrals are not directed at obtaining compensation for specific complaints.

It should be noted that TICO does not have the authority to settle a dispute, or to impose a settlement. Some consumers expressed dissatisfaction that TICO does not have the authority to settle a dispute, or to impose a settlement in complaint matters.

FINANCIAL INSPECTIONS

Under the direction of the Registrar, the TICO is responsible for conducting a financial inspection program. All registrant financial statements are subject to a bench review to ensure compliance with the financial standards required by regulation. The bench review process produces information, which may determine those registrants that should receive financial site inspections. During the fiscal period 2019/2020, TICO completed 1,843 bench reviews (Fig. 7) compared to 1,741 in the previous year and completed 304 financial site inspections compared to 282 site inspections in the previous year (Fig. 8).

The following is the breakdown of financial site inspections completed during the fiscal year:

Inspection Reason	2019/2020 Financial Inspections	2018/2019 Financial Inspections
Working Capital	80	62
New Registrant	74	87
High Risk	69	29
Trust Accounting	16	18
Periodic	24	50
Other/miscellaneous	41	36
Total	304	282

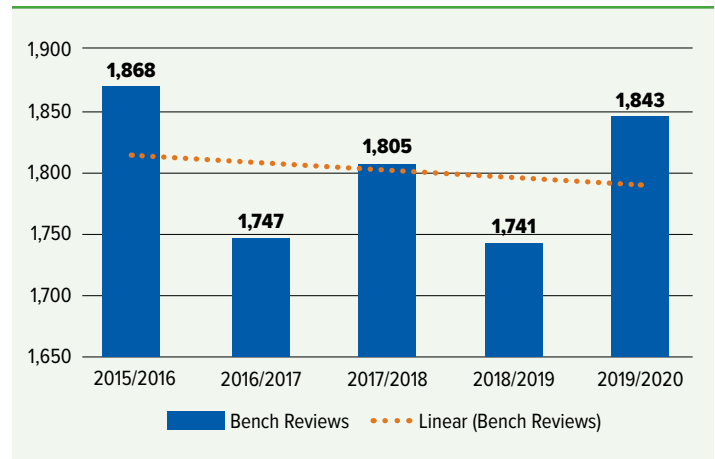


Figure 7: Total Financial Bench Reviews

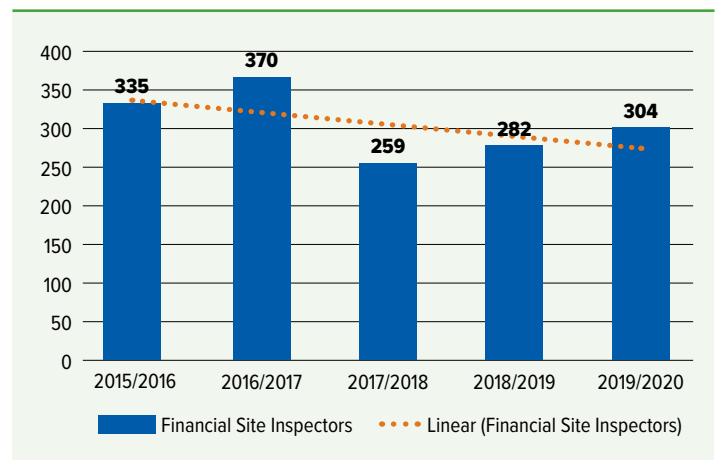


Figure 8: Financial Site Inspections



Compliance (Non-financial)

During the 2019/2020 fiscal period TICO processed 453 compliance files compared 252 in the previous year. The increase in files processed was due to an additional resource deployed on compliance matters and other operational efficiencies. TICO performed 93 compliance site inspections during the 2019/2020 fiscal year compared to 91 in the prior year. Compliance site inspections are performed to address various issues such as advertising, invoicing, operating without registration as well as follow up site inspections to ensure former registrants have ceased operating when they have either voluntarily terminated, allowed their registration to expire or have had their registration revoked. In 2019/2020, a total of 183 warnings for operating without registration were issued compared to 91 in the previous year (Fig. 9) and 61 advertising warnings were issued to registrants and/or individuals who appeared to be carrying on business in contravention of the Act and Regulation compared to 66 in the previous year (Fig.10). In addition, 115 invoicing warnings (Fig. 11) were issued to registrants who did not provide proper invoices and/or receipts in accordance with the Regulation compared to 29 in the previous year. Invoicing deficiencies are forwarded to the Compliance Department from consumer complaints, financial inspections and claims.

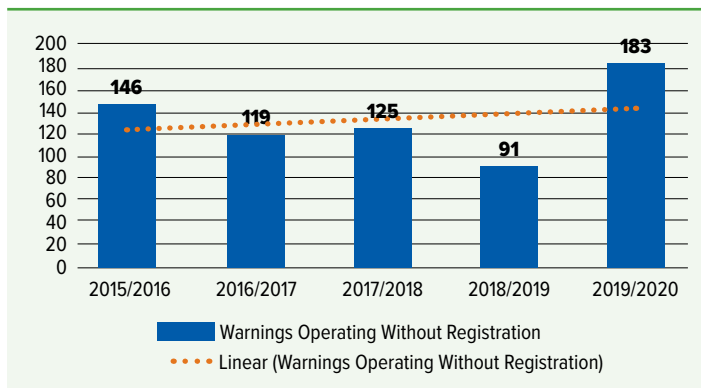


Figure 9: Total Warnings Issued for Operating Without Registration

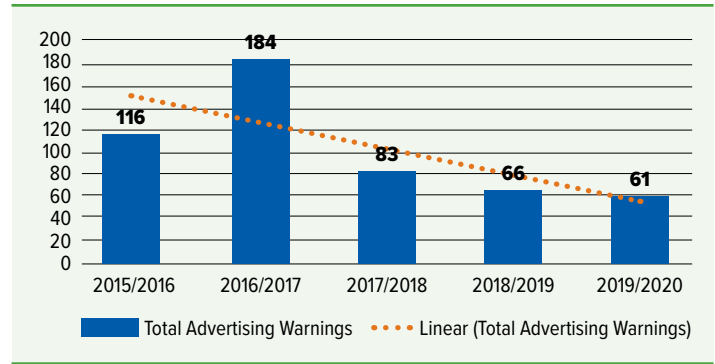


Figure 10: Total Warnings Issued for Advertising Infractions

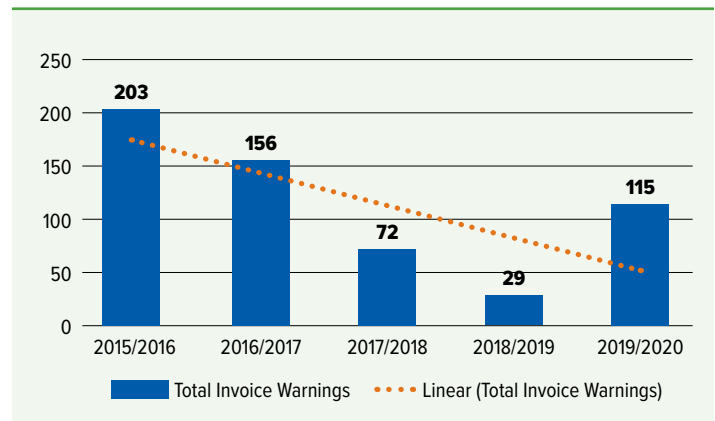


Figure 11: Total Warnings Issued for Invoicing Infractions

TRAVEL INDUSTRY COMPENSATION FUND

TICO is required to hold all Compensation Fund monies in trust. As at March 31, 2020, the assets held for the Compensation Fund were \$23,494,930.

Claims and Repatriation (net of professional fees)

Claims paid (or accrued) during the fiscal year ended March 31, 2020 compared to the previous year ended March 31, 2019 were as follows:

	2019/20	2018/19
	\$	\$
Number of claims paid	81	8
Number of consumers assisted	149	144
Claims paid - Registrant failure	253,760	57,137
Claims paid - End supplier failure	5,256	4,327
	<u>259,016</u>	<u>61,464</u>
Repatriation/Trip Completion	212	12,543
Total Claims	<u>259,228</u>	<u>74,007</u>
Accruals ¹	<u>(243,964)</u>	<u>253,955</u>
As per Statement of Operations	<u>15,264</u>	<u>327,962</u>
Recoveries	(31,817)	(190,184)

Closure Resulting in Significant Claims Paid

1. Claims paid are expensed in the period to which the commitment was incurred. Timing of actual cash payment may differ.

The following entity ceased operations in the previous fiscal year and resulted in claims paid during the 2019/2020 fiscal year:

Sinorama Holidays Inc.

Sinorama Holidays Inc. o/a Sinorama Holidays Inc. located in Markham, ON voluntarily terminated its registration under the *Travel Industry Act, 2002* to operate as a travel retailer on August 8, 2018. Sinorama Holidays Inc. sold mainly tours to China, Thailand, Cambodia, Japan, India and Vietnam as well as bus tours to various destinations in Canada, USA and Europe.

The closure left approximately 5,800 consumers without future travel purchases. At the time of the failure the Statutory Director exercised his authority under the Regulation to protect consumers under section 68 (immediate departure) and section 69 (trip completion) resulting in 5 payments totaling \$68,084 from the Compensation Fund to protect 136 consumers.

During the year ended March 31, 2020, a total of \$253,760 was paid out of the Compensation Fund, assisting 137 consumers. To date, a total of \$321,844 has been paid out of the Compensation Fund, assisting 273 consumers.

To date, TICO has received recoveries in the amount of \$176,444 which offsets the claim payments from the Compensation Fund.

Summary of Closures Resulting in Claims Against the Compensation Fund and Corresponding Recoveries

REGISTRANTS	CLAIMS PAID 2019/2020 \$	RECOVERIES 2019/2020 \$	CLAIMS PAID 2018/2019 \$	RECOVERIES 2018/2019 \$
Adria Airways *	4,872	24	-	-
Akkiratourz Ltd (R)	-	-	-	10,300
Canadianfares Inc.(R)	-	-	1,596	1,596
Dolphin Travel (R)	-	600	-	550
Esna Travel and Tours (R)	-	-	-	50
Executive Worldwide Travel (R)	-	4,275	-	600
Island Air *	-	-	227	-
Millennium Leisure Travels Inc. (R)	212	-	-	-
Sinorama Holidays Inc. (R)(W)	253,760	23,718	68,084	166,472
Smartchoice Travel & Tours (R)	-	-	-	345
Skypride Travel & Tours (R)	-	3,200	-	10,000
Transaero Airlines *	-	-	4,100	271
Wow Airlines *	384	-	-	-
TOTAL CLAIMS PAID (GROSS)	\$259,228	\$31,817	\$74,007	\$190,184

(R) = Retailer (W) = Wholesaler (*) = Non-registrant End Supplier (Airline or Cruise line)

Note: Recoveries listed may relate to claims paid out in previous years.



Figure 12 illustrates the total claims paid by the Fund over the last five years. The total claims paid during 2019/2020 totaled \$259,228 compared to \$74,007 the previous year. Recoveries recognized by TICO in 2019/2020 were \$31,817 compared to \$190,184 recovered in 2018/2019.

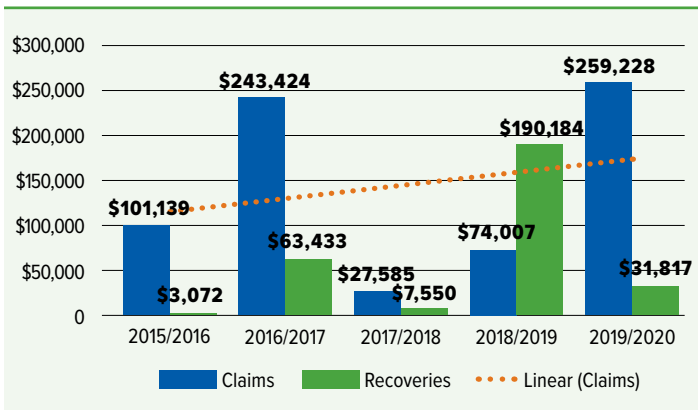


Figure 12: Total Claims paid and Recoveries to the Fund

Figure 13 provides a comparison of the total claims paid out of the Compensation Fund as a result of TICO registrant closures and claims paid as a result of end supplier (airline or cruise line) failures. During the 2019/2020 fiscal year, there was an increase in overall claims paid out of the Compensation Fund as a result of registrant failures as opposed to end supplier failures.

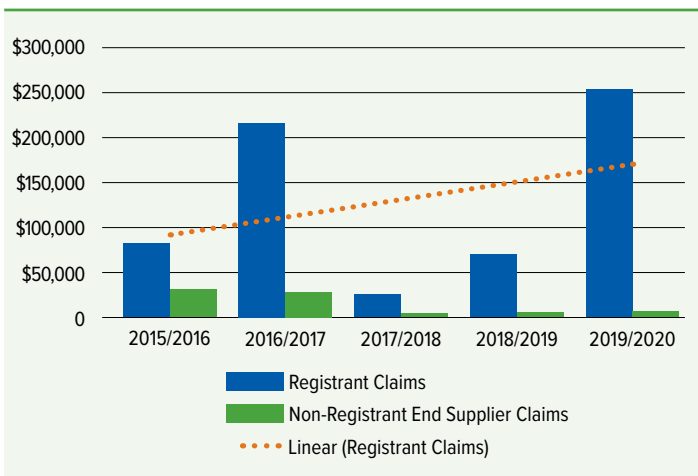


Figure 13: Registrant Claims vs Non-Registrant End Supplier Claims

In 2019/2020, a total of \$253,972 was paid in claims related to registrant failures compared to \$69,680 to the prior year. During the fiscal period 2019/2020, a total of \$5,256 in claims was paid as a result of end supplier failures compared to \$4,327 in the previous year.

Contributions to the Fund from registrants (Fig. 14) in 2019/2020 were lower compared to the previous year with \$3,929,432 recognized in 2019/2020 and \$4,681,556 recognized in 2018/2019. The decrease in contributions is attributed to a decrease in overall registrant Ontario sales reported during the fiscal year

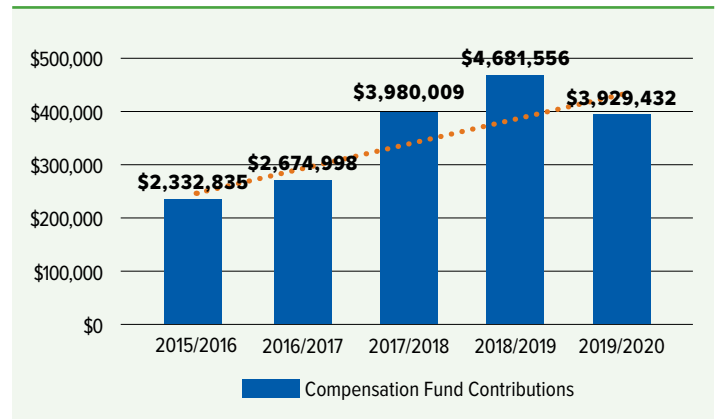


Figure 14: Contributions to the Compensation Fund

Consumer Survey Results – Claims Process

During the fiscal year 2019/2020, TICO distributed an online consumer survey to claimants who filed claims against the Compensation Fund inviting feedback on their experience with TICO's claims process. At the end of March 2020, there were 12 completed surveys returned to TICO.

The results of the 12 completed surveys received are as follows:

The survey results indicated that 8 consumers were satisfied with the length of time to process their claim and 4 consumers were somewhat dissatisfied. Turnaround times may vary considerably depending on the complexity of the claims and the supporting documentation required to prove a claim from claimants, registrants, suppliers and/or other third parties.

When asked to rate their satisfaction with the fairness of the claims process: 10 consumers advised they agreed and were satisfied and 2 indicated that they were dissatisfied.

When asked to rate their overall satisfaction with TICO's handling of their claim: 11 consumers advised they were satisfied, and 1 consumer indicated they were somewhat dissatisfied.

LEGAL MATTERS

Claims

The Licence Appeal Tribunal (LAT) hears appeals from decisions of the Board relating to the eligibility of claims for payment from the Compensation Fund. During the period ended March 31, 2020, there were no LAT hearings held in relation to a decision of the Board to disallow a claim.

Investigations

TICO initiates and conducts investigations when it becomes apparent that there may have been a breach of the legislation. Investigations can result in charges being laid under the statute. During the fiscal 2019/20, TICO opened 8 new investigations and closed 8 investigations that resulted in 12 charges being laid under the statute. Some of the investigations were carried over from the prior fiscal year. As at March 31, 2020, there were 7 open investigations.



Prosecutions

Investigations conducted during 2019/2020 have resulted in 11 convictions. Penalties imposed in relation to the convictions include:

\$15,000 fines
\$2,000 charitable donation
7 years' probation

\$37,576 restitution
4 months jail
250 hours community service

The following prosecutions were carried out during the fiscal year:

DEFENDANT	COUNTS	OFFENCE	SENTENCE					
			FINE (INCLUDING VICTIM SURCHARGE)		RESTITUTION		PROBATION/ COMMUNITY SERVICE/JAIL	
			COMPANY OR INDIVIDUAL	FINE AMOUNT	PAYABLE TO	RESTITUTION AMOUNT	INDIVIDUAL	TIME
Emmanuel Adjel	3	Operating as an unregistered travel agent	Emmanuel Adjel	-	Consumer	\$6,561	Emmanuel Adjel	200 hrs community service 2 years probation
Derrell Caprietta	1	Operating as an unregistered travel agent	Derrell Caprietta	\$3,750	Consumer	\$3,025	Derrell Caprietta	1 year probation
Karen Gushue	2	Operating as an unregistered travel agent	Karen Gushue	-	Consumer	\$15,000	Karen Gushue	75 days and 45 days jail, concurrent
Raed Karborani o/a Biblical Journeys Canada	1	Operating as an unregistered travel agent	Raed Karborani	-	-	-	Raed Karborani	\$2,000 charitable donation
Alicia Kielek	2	Operating as an unregistered travel agent	Alicia Kielek	-	Consumer	\$6,440	Alicia Kielek	50 hrs community service 2 years probation
Yves Gildas Emolo Morrison	1	Operating as an unregistered travel agent	Yves Gildas Emolo Morrison	\$6,250	Consumer	\$6,550	Yves Gildas Emolo Morrison	2 years probation
Pure Yoga Ottawa Inc.	1	Operating as an unregistered travel agent	Pure Yoga Ottawa Inc.	\$5,000	-	-	-	-
TOTALS	COUNTS: 11		FINES: \$15,000		RESTITUTION: \$37,576		PROBATION: 7 years COMMUNITY SERVICE: 250 hours JAIL: 120 days CHARITABLE DONATION: \$2,000	

Proposals to Revoke Registration

A total of 12 proposals to revoke registration were issued during 2019/2020. The proposals were issued for the following reasons:

	2019/20	2018/19
Failure to file Financial Statements	9	8
Failure to maintain Working Capital	1	4
Failure to maintain Trust Accounting	1	6
Failure to file Compensation Fund Assessment (Form 1)	0	0
Other Breaches of the Act and Regulation	1	0
	12	18

TICO attended 4 case conferences and 3 hearings before LAT in response to the proposals issued against registrants. Case conferences are a mandatory part of the LAT appeal process. Some proposals were settled prior to their scheduled hearing date. During the year, 10 registrations were revoked, and 2 registrants voluntarily terminated as a result of a proposal to revoke registration being issued. At the end of the fiscal year there were 3 outstanding proposals.

Changes to Ontario Regulation 26/05

In response to the COVID-19 pandemic, the Ministry of Government and Consumer Services amended the Regulation pursuant to the Act to reduce burden on registrants and to help certain travellers impacted by the COVID-19 outbreak. Ontario Regulation 101/20 amending Ontario Regulation 26/05 came into force on March 30, 2020.

The changes can be summarized in four main areas, as follows:

REDUCTIONS TO FINANCIAL REPORTING REQUIREMENTS

- » Eliminating review engagement reports for small registrants with annual sales less than \$2 million and requiring a verification statement instead.
- » Eliminating audit reports for large registrants with annual sales of \$10 million or more and requiring a review engagement report instead.
- » Providing the registrar of TICO with the discretion to grant a registrant an extension to their financial reporting deadlines.

REDUCTIONS TO WORKING CAPITAL REQUIREMENTS

- » Removing prescriptive working capital thresholds for all registrants and requiring them to maintain positive working capital instead.

CHANGES TO OBLIGATIONS UNDER SECTION 46 OF THE REGULATION

- » Clarifying under section 46 in the regulation what a registrant, who has acquired rights to travel services for resale, must provide to a customer when a supplier fails to provide the travel services paid for by the customer, which includes:
 - a refund or comparable alternate travel services acceptable to the customer, or
 - a voucher or similar document for future redemption towards travel services.

- » Providing a time-limited exemption under section 46 until March 31, 2021, which would allow registrants to elect to only provide a voucher or similar document for future redemption towards travel services where a supplier fails to provide the travel services after these changes come into effect and that failure is related to the COVID-19 outbreak. If the exemption is applicable, the voucher or similar document issued must meet specified requirements.

EXPANDING COMPENSATION FUND COVERAGE

- » Expanding the coverage under the Travel Industry Compensation Fund for consumer claims involving vouchers or similar documents that may be eligible for reimbursement. This will help ensure that any voucher or similar document that a customer redeems through a travel agent for travel services (e.g., flight, cruise or hotel) but for which travel services are not provided due to a failure (e.g., bankruptcy or insolvency) may be eligible for a reimbursement claim.
- » Temporarily expanding coverage under the Travel Industry Compensation Fund so that consumers with unredeemed vouchers or similar documents issued by a registrant that cannot be redeemed due to the failure of the registrant (e.g., bankruptcy or insolvency) associated with COVID-19 may be eligible for reimbursement. This coverage will run until March 31, 2022.

Status of the Travel Industry Act, 2002 Review

The Ministry of Government and Consumer Services has indicated that it is reassessing the regulatory proposals under the *Travel Industry Act, 2002* that were under consideration before the COVID-19 outbreak, including regulating travel salespersons. Any further regulatory proposals under the *Travel Industry Act, 2002* identified in the Ministry's December 2019 announcement are currently on hold.

CONSUMER AWARENESS CAMPAIGN

During the 2019/2020 fiscal year, TICO continued to build momentum with its digital consumer awareness campaign. As consumers increasingly turn to the internet to research and book travel, TICO continued its strategy of reaching consumers online. TICO's message reinforced the consumer protection that's available when booking with a TICO-registered travel agency or website.

Reaching priority audiences at key times

By using an online approach, TICO targeted consumers who are most likely to benefit from TICO's messaging: young adults, families, snowbirds and travel intenders.

Additionally, TICO leveraged key travel booking periods to ensure our consumer protection messaging was prominently available to those looking to make a purchase. While our online campaign had elements that were 'always-on', we concentrated our advertising in the lead up to summer travel, Christmas/holiday travel and the busy January booking period.

About the campaign

TICO continued to use the creative that was developed during the 2018/2019 fiscal year, while making refinements based on metrics and analysis. Updated online advertisements were created to remind Ontarians that if a deal seems too good to be true, it probably is. Additionally, a dedicated website page was created on TICO's website to highlight key tips and information for travellers.

TICO continued to advertise its three videos, which show a life-sized Asterisk that reminds travellers that a missed detail can derail travel plans, while reinforcing the value of booking with a TICO-registered travel agency or website. The videos were shown on YouTube and on Rogers' on-demand video service.

The videos were complemented by online display advertisements, social media posts on Facebook, Twitter and Instagram and



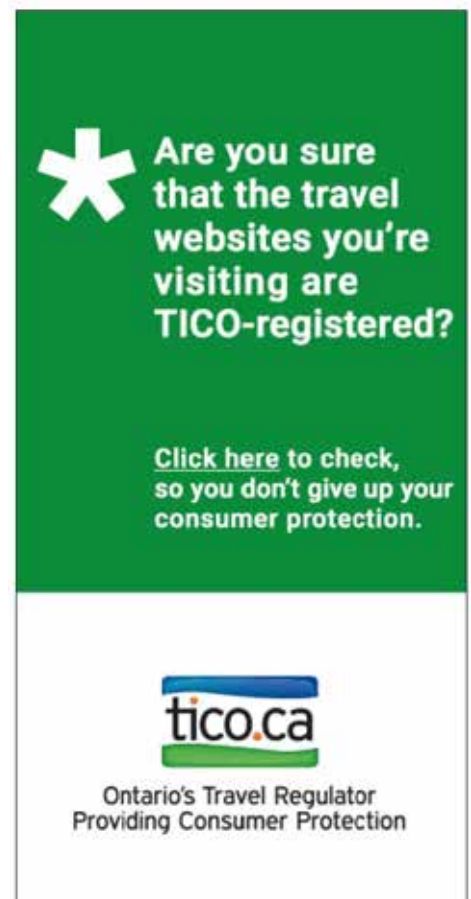
Google search advertisements. Individuals who had visited non-registered travel websites were targeted with additional advertisements, reminding them to confirm that the website they are using is registered with TICO.

Blog posts and media relations

There were a number of local and world events during this fiscal year that left consumers looking for information about their rights and responsibilities when it comes to travel bookings. In the summer, Ontario cancelled emergency out-of-country health insurance. In the fall, Hurricane Dorian devastated the Bahamas, followed by the failure of UK-based travel provider Thomas Cook.

TICO was a prominent voice during these events, ensuring that consumers who had booked with a TICO-registered travel agency, website or tour operator understood their options and rights. TICO's blog became an increasingly important source of information for up-to-date information. Posts were shared and promoted across TICO's social media channels, generating a total of 444,340 pageviews from 160,536 individuals throughout the entire year.

Additionally, TICO was frequently called on by top-tier media outlets to comment on the rights of Ontario's travellers. This resulted in 28 media appearances in outlets including CBC, Global News, National Post, CP24, 680 News, CTV and more.



Impact of COVID-19

As COVID-19 began to initially impact travel bookings to China and Italy, TICO provided information to consumers who had travel bookings to affected areas. As the situation evolved and a global pandemic was declared, TICO's focus shifted to more broad-based communications, while ensuring TICO registrants were also equipped with the necessary information. TICO's consumer information website post about COVID-19 generated nearly 47,000 pageviews and was share more than 11,000 times.

In addition, TICO's social media accounts became a place for consumers to ask questions and receive timely information. When consumers were unable to get the information they needed about how COVID-19 was impacting their travel, TICO was there to point them in the right direction.

Results

TICO continued to measure the impact of the consumer awareness campaign through quarterly online surveys. Each survey measured Ontarians' unaided awareness of TICO and knowledge of TICO's role in the marketplace.

The baseline at the beginning of the fiscal year showed that unaided awareness of TICO was 17%. Meanwhile, consumers' understanding of TICO's role was 14%.

TICO saw its unaided awareness climb to a peak of 24% during the fall (after Hurricane Dorian and the Thomas Cook failure), while knowledge of TICO's role reached 17% during the same time frame. TICO's final survey, conducted in early February, saw the numbers level off with 20% awareness of TICO and 13% knowledge of TICO's role. The leveling off may have been as a result of consumers increasingly being inundated by news of COVID-19 during this time frame, with many different voices and organizations providing commentary.

By the numbers

- » 20% increase in unaided awareness of TICO amongst Ontarians (survey 4 only)
- » 13% increase in knowledge of TICO's role amongst Ontarians (survey 4 only)
- » 4,825,320 times TICO's digital advertisements were seen (total impressions of digital display, online video and search)
- » 2,939,941 times TICO's social media messages were seen (impressions)
- » 2,044,852 Ontarians who saw TICO's messages on social media (reach)
- » 534,192 video views on YouTube
- » 326,113 engagements with TICO's social media content
- » 141,792 visits to TICO's website from advertisements and social media (all link clicks from media to the website).



CORPORATE SOCIAL RESPONSIBILITY (CSR)

TICO's CSR Committee, a group of enthusiastic and dedicated staff members, have continued to lead TICO's voluntary charitable, environmental and fundraising initiatives.

Environmental Initiatives

1. Continued participation in an office waste and recycling program, with efforts aimed at responsible use of paper, paperless initiatives and recycling.
2. TICO staff continued with its commitment to regularly clean-up of Max Ward Park which is near TICO's offices. Max Ward was a Canadian aviator and founder of Wardair Canada.

Charitable Initiatives

1. TICO successfully raised over \$4,251 through various CSR fundraising events and initiatives.

Local Initiatives

1. Continued partnership with the Mississauga Food Bank. Staff volunteered time to sort and box groceries.
2. Conducted a Thanksgiving Food Drive and collected 75 pounds of food donations to the Mississauga Food Bank.
3. In recognition of increased need due to COVID-19, donated \$1,375 to the Mississauga Food Bank from total fundraising.

4. In recognition of increased need due to COVID-19, donated \$1,375 to Feed Ontario -association of Ontario food banks, from total fundraising.

Global Initiatives

1. Launched an exciting new child and community sponsorship with Plan International Canada. TICO sponsored a 4 year old girl from Guinea.
2. Donated \$1,500 to Plan International Canada in support of child and community sponsorship program.



FRENCH LANGUAGE SERVICES

TICO strives to respond to all enquiries received in the French language, whether oral or written. Communications received in French are responded to in French and TICO will provide all stakeholders with timely, courteous and quality responses to all French language enquiries whenever a request is received.

Currently, TICO provides the following information/services in French:

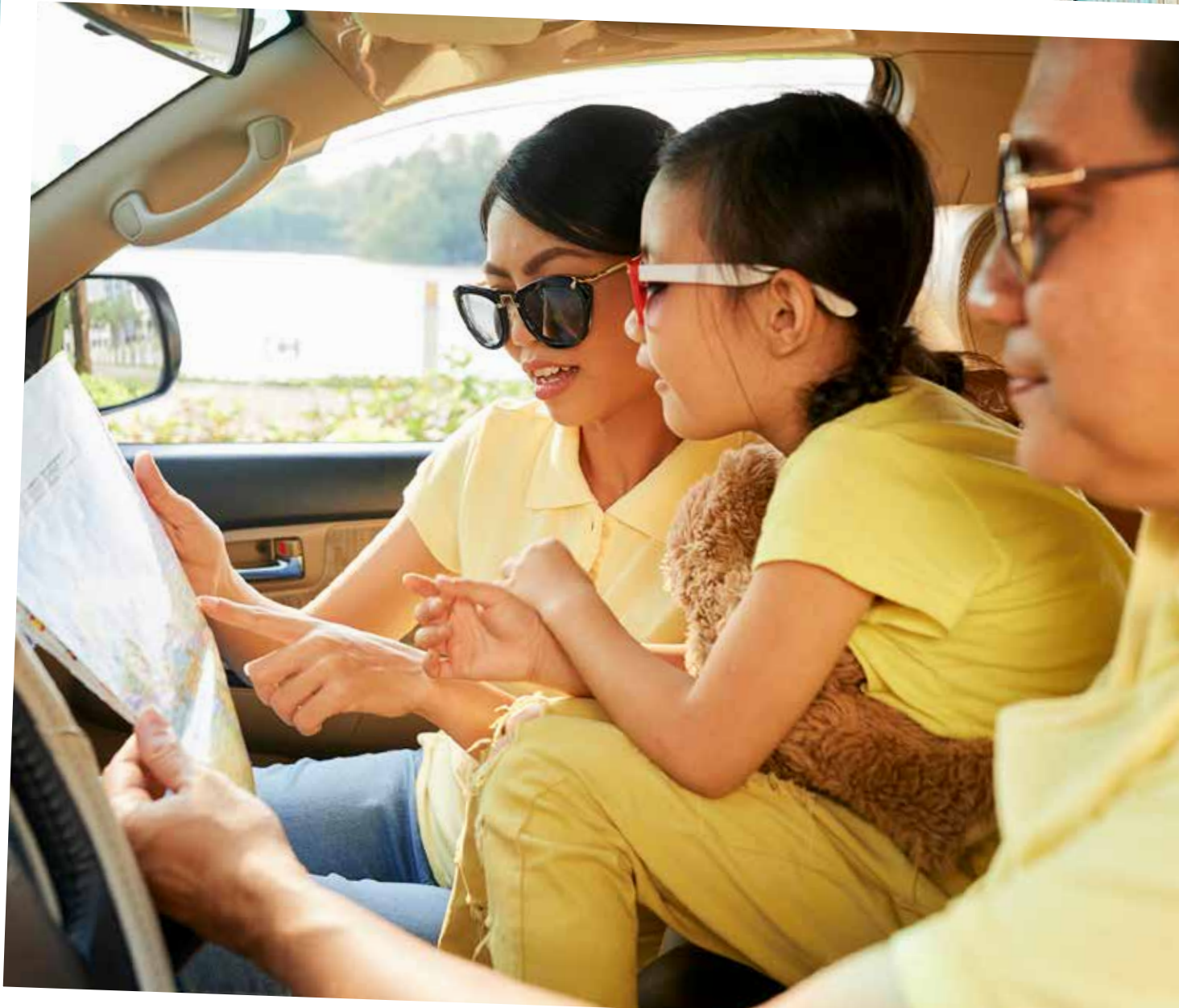
- » Education Standards Program information and online registration process on TICO's website
- » Education Standards Materials (Study Manual, Proctor Guide, Forms, etc.)
- » TICO Exams
- » Complaint Forms and Compensation Fund Claim Forms
- » Informational materials promoting awareness of TICO and its services.

2019/2020 Statistics for French Language Services

During the fiscal year TICO received 2 consumer complaints in French compared to a total of 141 written complaints received. All written communications with the complainants were provided in French.

Of the 6,076 exams written during the fiscal year, a total of 220 were written in French.





FINANCIAL REVIEW

The following financial review is based on the audited financial statements for TICO for the year ended March 31, 2020 with comparative figures for March 31, 2019.

Overview

The negative impact of the COVID-19 pandemic was clear by March 31, 2020 as global economies began the downward spiral and reversed the steady resiliency exhibited by many economies up until then. During the third quarter the Canadian provincial outlook reports projected all provincial economies to grow in 2020, whereas by the end of March the forecast reports had taken a drastically different tone, with the downturn being compared by some to the largest declines since the Great Depression. By year-end, this abrupt downturn was reflected in the actual TICO results, as revenues had plummeted, reversing growth trends of the past three years. Operating expenses performed better-than-budget and the prior year, due to adoption of cost reduction measures introduced during the year, which resulted in an excess of revenue over expenses. After a small spike in prior year, claims against the Compensation Fund ("Fund") have returned to their historically low numbers.

	2020	2019
Revenues	\$5,317,757	\$7,261,335
Excess of Revenue Over Expenses	\$532,397	\$1,948,762
Compensation Fund	\$23,494,930	\$23,494,930

As at March 31, 2020, total Net Assets were \$26,253,405 compared to \$25,721,008 for the year ended March 31, 2019. This increase in Net Assets was the result of total revenues exceeding all expenses for the year. Total revenues decreased by \$1,943,578 (27%), while operating expenses, before net claims, were lower by \$275,990 (6%). Claims before recoveries and related costs remained low at \$15,264 (2019 \$327,962) when compared to actuarial expectations and in line with the organization's most recent historical trends. Some claims paid in 2019/2020 related to a registrant failure that occurred in 2018/2019 and therefore were expensed in the prior fiscal year.

Despite the pandemic crisis which impacted the last quarter, overall financial performance remained positive for the fiscal year, mainly due to the strength of the first three quarters. The overall result for TICO was an Excess of revenue over expenses of \$532,397, a positive result, although a significant decrease from prior year's Excess of revenue over expenses of \$1,948,762.

TICO is required to maintain all Fund monies in a segregated account. As of March 31, 2020, the assets held for the Fund totaled \$23,494,930. No transfer of excess of revenue over expenses was made to the Fund for the year-ended March 31, 2020, compared to \$1,750,000 in 2019 as the organization braces itself for a prolonged period of recovery. While

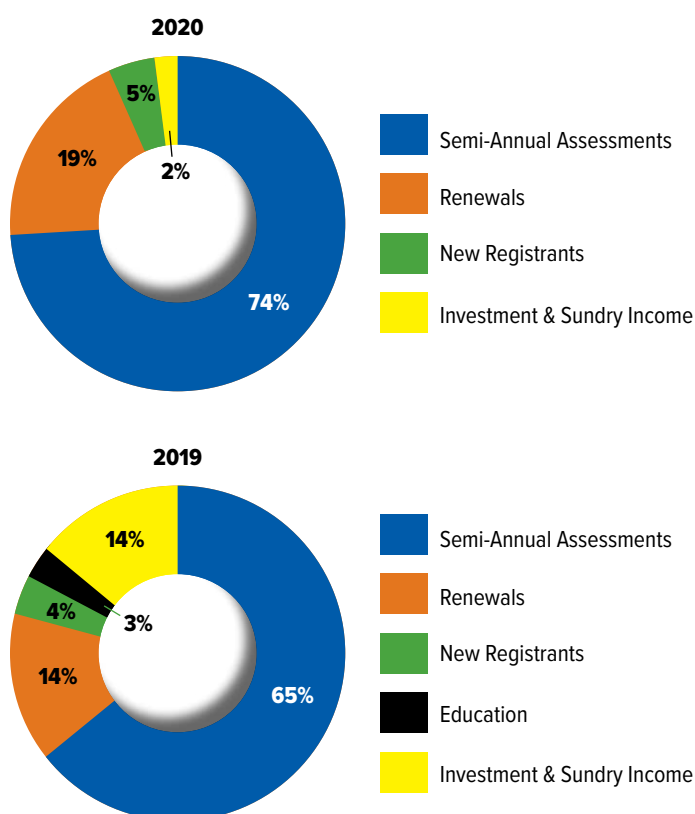
claims against the Fund have been lower in recent years, the balance available to fund future claims for potential registrant and end-supplier failures is well below the most recent actuarial estimates needed to reimburse and/or repatriate affected consumers.

Revenues

Total revenues for the year ended March 31, 2020 were \$5,317,757 consisting of the following:

Source	2020	2019	% Change
Semi-annual assessments	\$3,929,432	\$4,681,556	(16) %
Renewals	1,017,699	1,040,779	(2) %
New Registrations	240,475	278,500	(14) %
Education	-	215,112	(100) %
Investments	130,551	1,045,388	(88) %
Total	\$5,317,757	\$7,261,335	(27) %

The composition and sources of revenues are provided below:



In total, revenues trailed budget expectations and were lower than the prior year by \$1,943,578 or 27%. Due to the significant global pandemic crisis, COVID-19, all sources of revenues performed worse than the budget, with investment income taking the biggest decline. Although investment income has since rebounded by April 30, 2020, regaining most of the losses, the valuation was particularly negative at year end. This caused a significant shift in the mix of revenues whereby investment income contributed 2% of total revenues, while in the last year its total contribution was at 14%. Semi-annual assessments remained the strongest contributor to the revenues and increased its proportion of revenue mix from 65% to 74%.

For the fiscal year, total Ontario Gross Sales declined by 16% over the prior year for a total of \$15.3 billion. This correlates closely to the percentage decrease in semi-annual assessment revenue.

The number of registrants has decreased when compared to prior year, which generally has had a 2% declining trend per annum. Total registrants of 2,096 are lower from prior year by 265, a decrease of 11%. A total of 103 new registrants, including branches, opened business during the year, down from 133 in the year prior. The total number of new registrants was further offset by 361 expired registrations and voluntary terminations during the year (2019 – 135). Of the 361 expired registrations and voluntary terminations, a spike due to COVID-19, 168 have since renewed. Additionally, there were three registrations reinstated, while ten were revoked. In aggregate, revenues for new registrations and renewals of \$1,258,174 (2019 - \$1,319,279) represent a decrease of 5% from prior year and were also lower than budget expectations. The decrease in revenues which somewhat correlates to the decrease in number of registrants, is attributable to timing and the mix of the registrants (i.e. larger registrant pay higher renewal fee, thus the revenue decreased at a lesser rate than the decrease in number of registrants). Registration and renewal fees charged to registrants remained unchanged year-over-year.

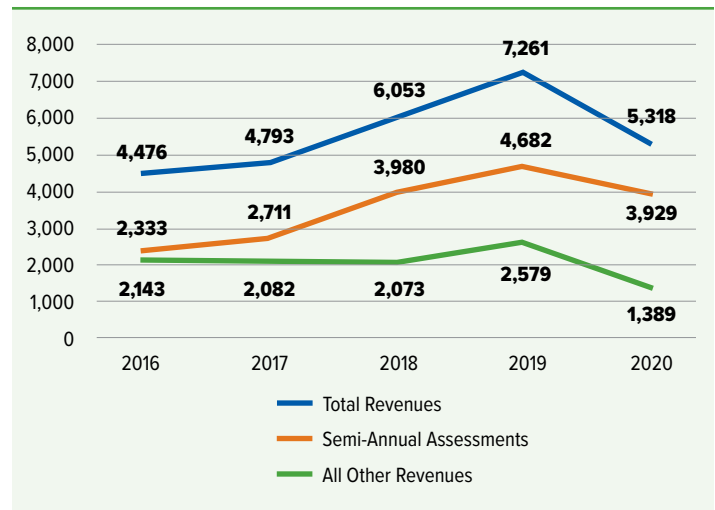
During the year, 6,076 exams were written. The number of exams written were consistent with the prior year. Elimination of education revenue (and the corresponding variable costs) is due to the exams being administered by a third-party provider, starting in the prior year. Prior to this third-party alliance, exams were administered by TICO. Since 2009, over 78,000 TICO exams were written.

Due to the sharp market downturn in the month of March, the investment gains generated during the year were mostly eliminated. The year ended with investment income of \$130,151, which is a fraction of prior year's gains of \$1,045,388 and well below budget expectations. TICO continues to hold all its investments in a diversified low risk portfolio with an external investment advisor. Subsequent to year end, the majority of the lost gains have since been recovered.

In the prior year, TICO increased its asset allocation into its **ESG** (Environment, Socially responsible and strong Governance) fund. This fund based on ESG principles invests in a risk-based allocation of debt and equity instruments based on a balanced risk profile. The overall quality of the equity positions in this portfolio have resulted in a quick recovery of the unprecedented record losses experienced in the capital markets during March 2020.

In 2016, TICO announced a two-stage, multi-year, increase of the Fund assessment rate, effectively increasing the rate from \$0.15 to \$0.25 per thousand of Ontario Gross Sales. This has been the primary driver of increased revenues through 2019. The reduction in revenues in 2020 can be directly attributed to the timing and the amount of reported gross sales by the registrants largely caused by COVID-19.

REVENUES



Notwithstanding the effects of COVID-19, which had a dramatic and direct negative impact on the travel industry and the semi-annual assessments, revenues continue to fall well short of levels necessary to close the Compensation Fund funding gap identified in the most recent actuary report.

Operating Expense

Total operating expenses of \$4,558,051 are lower than prior year by \$275,990 or 6%. Overall decrease in expenses was mostly a result of the planned cost reduction plan that was implemented during the year. The cost reduction plan was a temporary measure which aimed at refocusing organization's energies while working on a legislative review alongside the Ontario government. Staffing related costs was the sole major expense line item that resulted in an increase of \$145,136 (5%). Staff complement ended the year with a count of 25,

reflecting a hiring freeze and maintaining staff complement at the prior year level. Increase in salaries and benefits can be attributed to base salary adjustments, prior year timing differences related to staff turn-over and burden/benefit impacts due to staff mix.

The largest decrease in other operating expenses is related to consumer awareness and information technology expenditures, which account for more than half of the total decrease in other operating costs. Decrease in spending on technology is mainly due to refocusing energies on projects tied primarily to the regulatory review and minimizing any other expenditures. Other major cost reductions were related to professional fees, board governance as well as general and office expenditures. As part of a multi-phased governance review, TICO completed its restructuring of the Board of Directors during the year, reducing the total number of board members from fourteen to eleven as well as reducing the size of committee structures, resulting in an overall more cost-effective governance model. As part of its modernization efforts, TICO also made significant effort towards becoming a paperless organization. Along with this and other cost cutting measures, some of which were directly related to COVID-19, the organization was able to realize savings in general and office expenditures. The total reduction from prior year in other operating costs amounted to \$421,126 (19%).

	2020	2019
Salaries & Benefits	\$2,819,224	\$2,674,088
Other Operating Costs	\$1,738,827	\$2,159,953
Amort. and Capital Assets Write-Off	\$145,161	\$171,489

Decrease in the amortization expense is mostly attributable to less investments in technology hardware when compared to the last two years. Prior year's amortization reflected a large increase due to TICO moving its operations to a new location which resulted in investments into a more modernized work environment in support of business transformations.

Compensation Fund

The Fund balance at March 31, 2020 was \$23,494,930 (2019 – \$23,494,930). The number of approved claims represents another very low claims year for the travel industry. Claims against the Fund for this fiscal year were \$15,264 (2019 - \$327,962) reflecting one registrant failure and two end-supplier failures. The higher amount of the prior year's claims was driven by failure of two registrants as well as two airlines. The recoveries relate to various past failures, and partially relate to some claims included above. The net costs of claims, including professional fees totaled \$82,148 for the year (2019 - \$307,043).

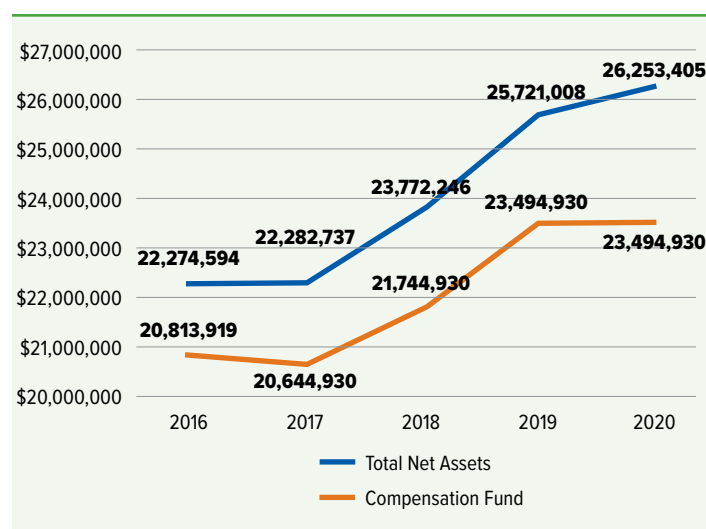
In administering the Compensation Fund, Section 73 of Ontario Regulation 26/05 permits reimbursement of certain costs from the Compensation Fund to allow TICO to accomplish its overall consumer protection mandate.

Capital Expenditures

Fixed capital assets deployed in the business at March 31, 2020 totaled \$878,519 (2019 – \$974,086). Capital expenditures totaling \$60,209 during the year were made mostly in technology software and database. Management's longer-term technology plan leverages cloud-computing, with virtually all TICO's infrastructure and applications hosted through various cloud-based subscriptions. These enhancements will enable TICO to offer many of its future services more efficiently and effectively, using e-commerce capabilities.

Statement of Net Assets

For the year-ended March 31, 2020, total net assets are \$26,253,405, an increase of \$532,397 reflecting an Excess of revenue over expenses over the past fiscal year (2019 - \$1,948,762).



The total Fund has a balance of \$23,494,930 as at March 31, 2020. Despite the continued contributions to the Fund, as previously reported, the latest Actuarial Study released by TICO in 2018 recommended a significantly higher target balance.

The unrestricted fund of \$724,999 (2019 - \$127,715) will be considered for the purposes of business continuity (COVID-19) and future business initiatives as approved by the Board of Directors.

APPENDIX I

Travel Industry Council of Ontario

AUDITED FINANCIAL STATEMENTS**For the year ended March 31, 2020**

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INDEPENDENT AUDITOR'S REPORT



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Independent Auditor's Report

To the Members of the Travel Industry Council of Ontario

Opinion

We have audited the financial statements of Travel Industry Council of Ontario (the "TICO"), which comprise the statement of financial position as at March 31, 2020, and the statements of operations, the changes in net assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Travel Industry Council of Ontario as at March 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the TICO in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the TICO's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the TICO or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing TICO's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

BDO Canada LLP, a Canadian limited liability partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms



Independent Auditor's Report (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the TICO's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the TICO's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the TICO to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants
May 26, 2020
Mississauga, Ontario

Travel Industry Council of Ontario

STATEMENT OF FINANCIAL POSITION

As at March 31, 2020	2020	2019
ASSETS	\$	\$
Current		
Cash	1,884,296	2,523,144
Short term investments (Note 2)	13,726,933	13,415,770
Accounts receivable	93,651	478,927
Prepaid expenses	105,234	100,648
	15,810,114	16,518,489
Investments (Note 2)	14,520,465	13,326,612
Capital assets (Note 3)	878,519	974,086
	31,209,098	30,819,187
LIABILITIES AND MEMBERS' EQUITY	\$	\$
Current		
Accounts payable and accrued liabilities	365,967	1,112,956
Deposits from registrants	4,138,630	3,553,630
	4,504,597	4,666,586
Deferred leasehold inducement (Note 4)	345,043	375,723
Deferred rent	106,053	55,870
	4,955,693	5,098,179
Net assets		
Compensation fund (Note 5)	23,494,930	23,494,930
Invested in capital assets	533,476	598,363
Internally restricted operating reserve fund (Note 6)	1,500,000	1,500,000
Unrestricted fund	724,999	127,715
	26,253,405	25,721,008
	31,209,098	30,819,187

The accompanying notes are an integral part of these financial statements.

Travel Industry Council of Ontario

STATEMENT OF OPERATIONS

For the year ended March 31	2020 \$	2019 \$
Revenue		
Semi-annual payments from registrants	3,929,432	4,681,556
Renewals	1,017,699	1,040,779
New registrants	240,475	278,500
Education standards fees	–	215,112
Investment income	130,151	1,045,388
Total revenue	5,317,757	7,261,335
Expenses		
Claims	15,264	327,962
Professional fees	98,701	169,265
Recoveries	(31,817)	(190,184)
Net claim and related costs	82,148	307,043
Salaries and benefits	2,819,224	2,674,088
Consumer and registrant awareness	534,785	749,116
Facilities	269,606	265,529
Computer network and support	227,357	302,269
Ontario Government oversight and other statutory fees (Note 7)	204,708	204,590
Board and governance expense	173,699	212,294
General and office	149,702	185,237
Professional fees	57,915	113,512
Insurance	47,518	49,796
Travel and related	38,944	44,316
Bank charges and merchant fees	28,095	26,020
Credit checks	6,498	7,274
Total operating expenses	4,558,051	4,834,041
Excess of revenue over expenses for the year before amortization and loss on disposal of capital assets	677,558	2,120,251
Amortization	148,924	103,414
(Gain) loss on disposal of capital assets	(3,763)	68,075
Excess of revenue over expenses for the year	532,397	1,948,762

The accompanying notes are an integral part of these financial statements.

Travel Industry Council of Ontario

STATEMENT OF CHANGES IN NET ASSETS

For the year ended March 31

2020

2019

	Invested in capital assets \$	Restricted for the Ontario Travel Industry Compensation Fund (Note 5) \$	Internally Restricted Operating Reserve Fund (Note 6) \$	Unrestricted Fund \$	Total \$	Total \$
Balance, beginning of year	598,363	23,494,930	1,500,000	127,715	25,721,008	23,772,246
Excess of revenue over expenses for the year	–	–	–	532,397	532,397	1,948,762
Capital assets purchases	60,209	–	–	(60,209)	–	–
Disposal of capital assets	(6,852)	–	–	6,852	–	–
Deferred lease inducement	30,680	–	–	(30,680)	–	–
Amortization of equipment	(148,924)	–	–	148,924	–	–
Balance, end of year	533,476	23,494,930	1,500,000	724,999	26,253,405	25,721,008

The accompanying notes are an integral part of these financial statements.

Travel Industry Council of Ontario

STATEMENT OF CASH FLOWS

For the year ended March 31	2020 \$	2019 \$
Cash was provided by (used in)		
Operating activities		
Excess of revenue over expenses before other items	532,397	1,948,762
Adjustments to reconcile excess of revenue over expenses to net cash provided by operating activities		
Amortization	148,924	103,414
Unrealized loss (gain) in investments	540,893	(762,799)
(Gain) loss on disposal of capital assets	(1,785)	68,075
Changes in non-cash working capital balances		
Accounts receivable	385,276	(472,417)
Prepaid expenses	(4,586)	(11,336)
Accounts payable and accrued liabilities	(746,989)	389,721
Deposit from registrants	585,000	(130,000)
Deferred lease inducement	(30,680)	368,515
Deferred rent	50,183	55,870
	1,458,633	1,557,805
Investing activities		
Purchase of investments	(14,631,919)	(1,238,071)
Redemption of investments	12,586,010	1,274,289
Purchase of capital assets	(60,209)	(948,418)
Proceeds on disposal of capital assets	8,637	—
	(2,097,481)	(912,200)
(Decrease) increase in cash	(638,848)	645,605
Cash, beginning of year	2,523,144	1,877,539
Cash, end of year	1,884,296	2,523,144

The accompanying notes are an integral part of these financial statements.

Travel Industry Council of Ontario

NOTES TO FINANCIAL STATEMENTS

March 31, 2020

1. Significant Accounting Policies**NATURE AND PURPOSE OF AGENCY**

Travel Industry Council of Ontario (TICO) was incorporated on April 7, 1997 as a not-for-profit corporation without share capital, under the laws of Ontario. TICO is designated by the Lieutenant Governor in Council, as the Administrative Authority responsible for administration of the Ontario *Travel Industry Act, 2002* (the "Act"). TICO's responsibilities are to carry out delegation of the Act in accordance with the Administrative Agreement and to achieve the Government of Ontario's goal of maintaining a fair, safe and informed marketplace.

The Ontario Travel Industry Compensation Fund (the "Fund") is a fund established under the Ontario *Travel Industry Act, 2002* and Ontario Regulation 26/05 to reimburse consumers for travel services when they have been paid to an Ontario registrant, the travel services have not been provided and the registrant is unable to refund their money by reason of bankruptcy or insolvency. The Fund also pays for certain repatriation related expenses. Under certain conditions, the Fund also pays claims resulting from the failure of cruiselines and airlines (end suppliers) to provide travel services.

On December 14, 2017, Bill 166, Strengthening Protection for Ontario Consumers Act, 2017 received Royal Assent in the Ontario legislature. The provisions amending the *Travel Industry Act, 2002* are not yet in force. The provisions will come into force on a day to be named by proclamation of the Lieutenant Governor. A review of Ontario Regulation 26/05 is currently underway.

On March 30, 2020 the Ontario government announced that the Ontario Regulation 26/05 under the *Travel Industry Act, 2002*, has been amended, with immediate effect, to reduce burden on Ontario's registered

travel agencies and tour operators and to enhance consumer protection for certain travelers impacted by the COVID-19 outbreak.

TICO is not subject to income taxes in accordance with Section 149(1)(l) of the Income Tax Act (Canada).

BASIS OF ACCOUNTING

The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.

REVENUE RECOGNITION

TICO records revenue using the deferral method of accounting for contributions. Semi-annual payments from registrants, renewals and new registrant fees are recorded when received or receivable if the amount can be reasonably estimated and collection is reasonably assured. Education standards fees revenue is recognized as it is earned which is when the education standards exams are completed.

Investment income is recorded as revenue when received or receivable.

CLAIMS

Standard claims must be made within six months after the registrant, or end supplier becomes bankrupt, insolvent or ceases to carry on business. Trip completion claims must be made within six months after the registrant failure.

Claims provision is estimated at each fiscal year end. In addition, provisions are made for changes in reported claims and claims accrued but not reported, based on past experience and business in force. The estimates are regularly reviewed and updated, and any resulting adjustments are included in excess of revenue over expenditures.

DEPOSITS FROM REGISTRANTS

Deposits from registrants are received or receivable upon registration with TICO and is returned to the registrant upon the completion of submitting two

consecutive financial statements to TICO and given the registrar has no concerns about registrants compliance.

RECOVERIES

Amounts are recoverable to offset claims paid, including commissions recoverable from registrants, are recorded when received.

CAPITAL ASSETS

Capital assets are recorded at cost less accumulated amortization. Amortization based on the estimated useful life of the assets is calculated as follows:

- » Furniture and fixtures
20% diminishing balance
- » Computer hardware
3 years straight-line
- » Computer software
2 years straight-line
- » Database
5 years straight-line
- » Leasehold improvements
over the term of the lease
- » Vehicle
30% diminishing balance

DEFERRED LEASE INDUCEMENT

Deferred lease inducement is amortized on a straight-line basis over the remaining term of the lease.

DEFERRED RENT

Deferred rent represents a free-rent period and rent escalation on the lease premises. The lease costs are recorded on a straight-line basis over the term of the lease.

USE OF ESTIMATES

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

FINANCIAL INSTRUMENTS

Financial instruments are recorded at fair value when acquired or issued. All fixed income notes, guaranteed investment certificates, and mutual funds are recorded at fair value, with gains and losses reported in operations. All other financial instruments are reported at amortized cost less impairment, if applicable. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items re-measured at fair value at each statement of financial position date and charged to the financial instrument for those measured at amortized cost.

2. Investments

Investments consist of guaranteed investment certificates ("GIC"), fixed income notes, and mutual funds recorded at fair value. Guaranteed investment certificates and fixed income notes bear interest at rates ranging from 1.40% to 3.70% (2019 - 1.40% - 3.70%) and with maturity dates ranging from April 2020 to December 2026 (2019 - September 2019 to December 2026). Mutual funds and GIC's that mature within the next fiscal year are presented as short-term on the statement of financial position. Included within the investments are restricted deposits from registrants.

3. Capital Assets

	2020		2019	
	Cost \$	Accumulated Amortization \$	Cost \$	Accumulated Amortization \$
Furniture and equipment	182,216	44,873	182,637	12,175
Computer and hardware	268,165	205,243	262,511	155,078
Computer software	95,604	77,716	85,217	65,061
Database	347,400	271,023	315,759	256,647
Leasehold improvements	627,488	47,394	623,174	11,824
Vehicles	35,475	31,580	35,475	29,902
	1,556,348	677,829	1,504,773	530,687
Net book value		878,519		974,086

During the year, TICO incurred costs of \$4,314 (2019 - \$623,174) related to leasehold improvements at their new office premises, which were capitalized. TICO negotiated a tenant inducement with the landlord of \$385,950 in the prior year to fund these costs (Note 4).

4. Deferred Leasehold Inducement

	2020 \$	2019 \$
Original inducement	385,950	385,950
Accumulated amortization	(40,907)	(10,227)
	345,043	375,723

5. Internally Restricted Net Assets – The Ontario Travel Industry Compensation Fund

Article 2.01 of By-law one of TICO requires that all monies held shall be used in promoting its objectives. Section 52 of Ontario Regulation 26/05 enacted under the Act requires that all money in the Fund and any income on such money shall be held by TICO in trust for the benefit of claimants whose claims for compensation are approved by TICO in accordance with the Regulation. Section 73 of Ontario Regulation 26/05 provides that remuneration of advisors may be paid from the Fund.

Ontario Regulation 26/05 made under the Act restricts the maximum amount that may be reimbursed for a failure to provide travel services with respect to all claims arising out of an event or major event to \$5,000,000 plus an additional \$2,000,000 for trip completion costs. The Fund pays a maximum claim of \$5,000 per person (Note 9).

6. Internally Restricted Operating Reserve and Unrestricted Reserve Fund

The internally restricted operating reserve is intended to provide capital to maintain operations following a significant unforeseen adverse event. Additions to, or drawings from this reserve are at the discretion of the Board.

The restricted operating reserve at March 31, 2020 is \$1,500,000. The remaining unrestricted reserve will be left to fund continuing operations consistent with the Board approved business plan.

7. Commitments and Contingencies

a) Under terms of an Administrative Agreement entered into during January 2013 between TICO and the Ministry of Government and Consumer Services (the "MGCS"), TICO is obligated to pay a maximum annual fee for 2020, based on cost recovery to the Province of Ontario, totaling \$198,708 (2019 - \$198,708).

The MGCS may increase this annual payment above the maximum amount in any given year in accordance with the terms of the Administrative Agreement. MGCS shall determine the payment for each year and will notify TICO at least 18 months in advance of the payment being due. As at March 31, 2020, TICO has been notified of the following fees:

2021	\$ 251,809
2022	304,910
2023	358,012
Total	\$ 914,731

b) TICO has operating lease commitments for its premises. Future minimum annual lease payments (including estimated operating costs) for the next five years and thereafter are as follows:

2021	\$ 292,132
2022	292,132
2023	292,132
2024	306,226
2025	309,909
Thereafter	2,006,713
Total	\$ 3,499,244

8. Financial Instruments Risk

MARKET VALUE RISK

Market value risk is the risk of potential loss caused by the fluctuations in fair value or future cash flows of financial instruments by changes in their underlying market value. TICO is exposed to this risk through its investments (Note 2).

INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. TICO is exposed to interest rate risk arising from the possibility that changes in interest rate will affect the value of fixed income denominated investments.

This risk has not changed from the prior year.

9. Subsequent Event

On March 11, 2020, the World Health Organization declared the outbreak of a novel coronavirus ("COVID-19") as a global pandemic, which continues to spread throughout Canada and around the world.

On March 23, 2020, the government of Ontario ordered the closure of all non-essential businesses effective March 24, 2020, through to at least June 2, 2020.

TICO has experienced a decline in revenue from semi-annual payments, renewals and new registrants as a result of the restrictions and limitations on travel put in place by the Provincial and Federal government. In response to the challenges faced by TICO registrants, TICO has provided a 90 day deferral on all fees from registrants with filing periods that fell in the final quarter of its fiscal year.

Although TICO cannot estimate the length or gravity of the impact of the COVID-19 outbreak at this time, if the pandemic continues, it may have a material adverse effect on the results of the future operations, financial position, and liquidity of TICO registrants in fiscal year 2021. In turn, this may impact claims filed with TICO as a result of bankruptcy or insolvency of TICO registrants (Note 5).

TICO is continuing to monitor the impact of COVID-19 on its operations and cash flows and plans on participating in relevant government incentive programs. TICO is not able to accurately estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity at this time.

10. Comparative Figures

Certain comparative figures have been reclassified to conform with the method of presentation adopted for the current year.



2020 Business Plan

April 1, 2020 – March 31, 2023

In assuming the delegation from the Ontario Government for administering the *Travel Industry Act, 2002*, which governs approximately 2,300 travel retailers and wholesalers registered in Ontario, TICO established an initial agenda not just to administer its delegated responsibilities in the public interest, but also to elevate the travel industry to new levels in consumer protection, professional standards and regulatory compliance.

TICO's mission, vision and values will serve as guiding principles to staff and Board members and against which all initiatives will be measured.

The 23rd year Business Plan which follows, outlines:

- The specific objectives, actions and performance measures for accomplishing the mandate in an ongoing three-year planning period.
- The operating environment established to support it.



ENVIRONMENT*

**Due to the impact of the global pandemic and the evolving nature of events, the contents of the following Environment section is based on known world events as of July 31, 2020.*

On March 11, 2020, the World Health Organization declared the novel coronavirus (COVID-19) to be a global pandemic. On March 16, Prime Minister Trudeau recommended to all Canadians to avoid all non-essential travel, to return home if abroad and to self-isolate for 14 days upon re-entry into Canada. This was the beginning of an unprecedented crisis that left no sector unharmed and all but decimated the travel industry for the foreseeable future.

There is no denying that COVID-19 has been the single most devastating health and economic crisis facing the global travel industry in modern times. The United Nations World Tourism Organization estimates there will be up to 1.1 billion fewer international arrivals in 2020 reflecting a 60-80% decline in world tourism. There has been almost no sparing of any country, worldwide, in the ravaging impacts of COVID-19.

The 2019 global and Canadian economies experienced decent but slowing growth at 2.9% and 1.6%. Most developed economies were nearing the end of a long period of economic expansion. The United States of America (USA) was experiencing a record 126 months of economic expansion prior to the impacts of COVID-19. However, Canada's economy, while still positive, was relatively weaker than other G-7 countries, according to OECD reports, reflective of lower business and capital investment and very high consumer debt loads. Notwithstanding the general expectation for an economic slowdown, no one would have predicted the catastrophic impacts of COVID-19. Canada's economy, along with much of the world, is now officially in recession, the depths of which have never been seen.

By March 2020, COVID-19 had gripped all countries across the globe and brought travel and tourism to a screeching halt. The International Air and Transportation Association (IATA), who had only months ago predicted 4% global growth in 2020 for the airline industry, is now predicting up to \$84 billion of losses for the global airline industry, three times worse than the Great Recession (2008-2009). According to IATA, airlines will not return to profitability until 2022 at the earliest. The International Monetary Fund (IMF) now estimates a global GDP decline of 4.9% for 2020, with Canada reflecting negative GDP of 6.2%.

More recently, Canada's real GDP in March and April declined 7.2% and 11.6% respectively. All 20 of Canada's industrial sectors were lower in April, the first time since 1961 when Stats Canada began reporting GDP by sector. By the start of April, the Canadian government's travel advisories restricting all non-essential travel (and a statement to avoid all cruise travel) had taken its toll. International travel to and from Canada came to a standstill as nearly all of Canada's airlines completely suspended or significantly reduced their operations.

Index of Consumer Confidence (2014 = 100)

The Conference Board of Canada's consumer confidence index hit an all time low of 41 as of April 1, 2020 as consumers demonstrated significant concerns for both current employment and future job prospects. The pace of this decline however – a mere two months – reflects the magnitude of change in consumer sentiments. Since this historic low, however, we have begun to see some optimism amongst consumers. For June (see chart below), the index at 79.7 improved across all provinces, albeit still lower than the 2014 baseline and only 2/3rds of the pre-pandemic level of 120.6. Ontario posted the smallest uptick of all provinces as the impacts of COVID-19 are significant for many industry sectors, particularly travel. Compared with other provinces, Ontarians remain the most pessimistic about employment and the prospects of a major purchase over the next six months. However, the mood of all Canadians is slowly improving as economies slowly re-open.

CONSUMER CONFIDENCE INDEX (CANADA -----; ONTARIO -----)



Travel Industry Recovery

The return of travel and tourism to pre-pandemic levels is challenging to predict and varies widely amongst sources. Generally, the recovery period is seen between 2-3 years. There are several key factors underlying the recovery and the pace in which it will take place. First, the pandemic must be contained, and the new cases curve flattened. So far, worldwide, we are over 17 million cases of COVID-19 and over 670,000 deaths [source: John Hopkins University – July 2020]. There are fears of an existing resurgence of the virus in some economies, and a potential second-wave for other countries later in 2020. Second, a vaccine must be developed, made accessible, with mass distribution to follow as quickly as possible. Third, travelers' financial circumstances must be stabilized through appropriate economic stimulus, positive employment conditions and a generally favorable economic outlook. Lastly, consumer confidence must be restored. This last attribute is perhaps the most difficult to establish, given all the variables both domestic and international, that must be in place. Arguably, the entire travel supply chain management supply will need to be re-engineered. The relationship between the consumer and the various travel providers (travel agencies, tour operators, airlines,

cruise lines, hotels etc.) must be carefully examined to eliminate any safety/health issues, and to restore trust and confidence. These next few years will demonstrate the resilience and innovativeness of all travel suppliers. How long this will take varies, but few see pre-pandemic travel and tourism levels much before 2022, and some even longer. There is general agreement that this recovery will be slow and gradual, unlike the travel industry's plunge experienced in recent months.

Ontario's travel industry

At the time of writing, Ontario's travel and tourism industry has suffered immensely from COVID-19. Airlines, travel agencies and tour operators have laid-off thousands of employees and slashed expenses in response to the near-zero demand for travel. Compounding this issue has been the significant increase in consumer demands for refunds from suppliers/TICO registrants and/or cancellations for future travel no longer deemed safe. Many TICO registrants and their employees have worked tirelessly for consumers, at first to bring travellers home, and then to respond to their requests for information, cancellations, and re-bookings. This crisis has taken a hard toll on many TICO registrants, and is evidenced by a marked increase in agency terminations and branch closures.

The federal and provincial governments, along with TICO recognize these hardships and have responded accordingly. The Government of Canada released Canada's COVID-19 Economic Response Plan, which outlines actions to support businesses and Canadians facing hardship as a result of the COVID-19 outbreak. The federal government also recently announced a \$30 million investment for Ontario's destination marketing organizations. The Ontario Government's Minister of Heritage, Sport, Tourism and Culture Industries, Minister MacLeod, also announced a \$13 million funding partnership between Destination Ontario and Destination Canada. The Ontario Government published "Ontario's Action Plan: Responding to COVID-19" which outlines the government's \$17 billion response to ensure the health care system, communities and economy are positioned to weather the challenge ahead. In support of businesses, the Government also implemented the "Support for Businesses" website which offers resources to help businesses during COVID-19. The Ontario government has recently provided financial support to TICO to allow TICO to assist registrants during this difficult time. Finally, the value of the individual travel agent, or travel advisor, continues to be top of mind for TICO. We strongly believe in this segment of the industry, for both service and value, but equally important in the consumer protection these individuals provide to consumers daily.

Regulatory environment

The Ontario regulatory environment will experience significant change starting in 2020. The implementation of new federal legislation around air passenger rights and the March 30 amended provincial consumer protection legislation will have a significant impact across the industry. These new regulatory frameworks aim to enhance consumer protection, reduce financial burden on business and improve on overall regulatory efficiency. Administrative burdens associated with past business processes and models, where risks are no longer significant, may be reduced and/or eliminated consistent with current industry practices.

As noted above, and in immediate response to COVID-19, amendments to Ontario Regulation 26/05, under the *Travel Industry Act, 2002* were made and took effect March 30, 2020. This amendment to the regulation resulted in thousands of dollars of financial burden relief to registrants and enhanced consumer protections related to redeemed and unredeemed travel vouchers.

TICO and the Ontario government recognize the extraordinary nature of the COVID-19 pandemic. Any further regulatory changes in the short-term are unlikely, although TICO remains committed in the long-term to continued enhancement in the regulatory framework, to reduce burden on travel business and to enhance consumer protections.

Looking ahead

COVID-19 will continue to present unprecedented challenges to all travel suppliers in 2020 and beyond. The global travel industry recovery will likely be slow and gradual and may even have setbacks along the way. Economies around the world and close to home are slowing beginning to re-open. COVID-19 will never be forgotten for the loss of human life and the significant tolls on society, but it will, nevertheless pass. Ontario's travel industry has always been resilient and at the forefront of innovation. We all need to work together to restore consumer confidence and trust in the challenging days ahead.

At TICO, we remain committed to our vision and mission and look forward to working together to restoring the travel industry.

THREE-YEAR BUSINESS PLAN: FISCAL YEAR 2020/2021 TO 2022/2023

This Business Plan contains forward-looking information that reflects management's current expectations related to matters such as strategic goals and priorities, projected future financial performance and operating results of the Company. Forward looking statements are provided for the purposes of providing information about Management's current expectations and plans and allowing stakeholders and others to get a better understanding of the Company's financial position, projections and operating environment. Readers are cautioned that such information may not be appropriate for other circumstances. By their very nature, forward looking statements require Management to make assumptions and are subject to inherent risks and uncertainties, which give rise to the possibility that the Company's assumptions, estimates, analyses, beliefs and opinions may not be correct, and that the Company's expectations and plans will not be achieved.

TICO's three-year Business Plan applies a systematic approach to delivering its mandate from the Ministry of Government and Consumer Services ("Ministry"). This approach is illustrated in the model below and forms the basis of this Business Plan.

Our Commitment

Consistent with TICO's mandate and vision, strong consumer awareness and protection for the Ontario traveller is TICO's ultimate goal. Consumer awareness, protection and tourism are important foundations for Ontario's economy, and it is therefore vital a comprehensive consumer protection framework is aligned with sound business practice across the province. While the Ontario traveller is the end consumer, TICO's Business Plan must be achieved through engaging in strong partnerships with industry ("registrants"), industry associations and the Ontario government.

This Business Plan framework is squarely aimed at addressing the key risks facing TICO in the achievement of its mandate. This framework must benefit all stakeholders, but in particular, it needs to consider the vulnerable, indebted and less informed travellers who may be at greater risk due to fraud and other circumstances beyond their control. Indeed, this focus on consumer protection is a key deliverable of the Ontario Government. Of course, it is also a requirement that a consumer protection framework be fiscally prudent and delivered in a manner that is supportive of current and emerging business models. TICO is committed to all these goals, and in evolving its own business model to meet both current demands and emerging

future challenges. This Business Plan is a fiscally prudent model that delivers a balanced budget through a combination of productivity enhancements, investments in people, process and systems over the next three years. Our Business Plan is best illustrated in the model shown below.

Each strategy below provides a summary of three over-arching strategic priorities over the next three years. Within each priority, a number of specific initiatives have been identified. Year 1 strategic initiatives are the basis for TICO's annual Budget which is approved separately by TICO's Board of Directors. Years 2 and 3 reflect initiatives where the bulk of the investment and effort is concentrated, but which also may commence during the first year of this plan through pilot(s), planning document(s) and/or other exploratory activity. With some initiatives, the business risk may already be present and activity underway, but may also be subject to increasing threats, emerging new delivery models, technology changes or alternative solutions which are captured beyond the initial year of this business plan.

TICO's Strategic Planning Model



TICO RESPONSE TO THE COVID-19 GLOBAL PANDEMIC

Background

On March 11, 2020 the World Health Organization (WHO) characterized COVID-19 as a pandemic. This was followed by a historic travel advisory being issued by the Canadian Government on March 13, 2020 advising all Canadians to avoid all non-essential international travel and advised all Canadians overseas to return home. These actions released an unprecedented ripple effect of consumers cancelling bookings followed by airlines, cruise lines and coach operators announcing the suspension of their operations. On March 17, 2020, the province declared a state of emergency in an effort to control the spread of COVID-19. Non-essential workplaces were ordered to close and/or work remotely. Airlines and cruise lines issued future travel credits in place of refunds, which the Canadian Transportation Agency recognized on March 25 as an appropriate approach for airlines. With travel coming to a halt around the world, registrants experienced an unprecedented cessation of sales for future bookings.

TICO and COVID-19

In early January 2020, TICO started receiving enquiries from both consumers and registrants regarding the Coronavirus and the rapidly changing travel environment around the world. Consumers were enquiring about their rights when cancelling and registrants asking what their responsibilities were under the Act and the Regulation. The first of several Registrar Bulletins and Consumer Advisories regarding registrant obligations and consumer protection was issued. By March 18, 2020, TICO moved its operations to a remote, work-from-home environment for an indefinite period of time.

The move by the industry to issue future travel credits in place of refunds for the cancellation of travel services resulted in an overwhelming influx of calls and emails to TICO from consumers outraged that refunds were not being issued. TICO's compliance staff were redeployed to assist in the consumer complaints department and TICO's financial compliance team commenced remote limited scope financial inspections to mitigate risk to consumers and the Compensation Fund.

By the end of March 2020, it became evident that TICO's revenues would be negatively impacted and would likely fall drastically in the coming months. TICO's Audit, Technology and Risk Management Committee along with the Board of Directors requested the 2020/2021 budget to be restated with additional cost cutting measures, and that the 2020 Business Plan and strategic priorities be revised. Cost cutting measures were put in place and included staff salary and Board per diem reductions, a hiring freeze and all non-essential expenses to be eliminated.

By March 31, 2020, TICO issued a Registrar Bulletin acknowledging the continued severe financial strain on all registrants as a result of the COVID-19 crisis and immediately implemented a 90-day deferral of registration renewal fees and Compensation Fund assessments payable to TICO for registrants with a January to March year end. Subsequent to TICO's fiscal year end the fee deferral was extended to registrants for all 2020 period filings.

On March 30, 2020, Ontario Regulation 26/05 was amended to reduce burden on registrants such as lessening financial reporting requirements for small and large registrants and reducing working capital requirements for all registrants. In addition, enhancements to the Compensation Fund protections associated with vouchers redeemed for travel services and a time-limited period for unredeemed vouchers was introduced. These latter changes provide consumers with enhanced consumer protections under the Compensation Fund for consumer claims involving vouchers or similar documents that may be eligible for reimbursement.

More information regarding the changes to the Regulation may be found on page 37.



STRATEGIC PRIORITIES FOR 2020/2021 AND 2021/2023

STRATEGY 1: CONSUMER PROTECTION*

**Due to the impact of the global pandemic and the evolving nature of events, TICO's strategic priorities and corresponding initiatives and targets set out in its Business Plan may be subject to change.*

GOAL: To administer and enforce the legislation by which the Ontario travelling public can be confident in their travel purchases from registered professionals, including working collaboratively with stakeholders for regulatory enhancement.

The core of TICO's existence is to administer and enforce the consumer protection legislation that regulates the sale of travel services in the Province of Ontario. TICO does this by supporting its vision and values, which includes being fair, but firm in its conduct with registrants and consumers as Ontario's Travel Regulator. TICO will continue to work collaboratively with the Ontario Government to support legislative change to meet the challenges of providing effective consumer protection in a rapidly changing marketplace.

TICO will also continue to develop and improve its processes and procedures around enforcement of the legislation, which includes financial inspections and compliance activities to ensure it protects the interests of the travelling public. This includes having effective mechanisms in place for registrants, individuals or companies that choose to contravene the consumer protection laws in Ontario. An effective fee framework and policy can also serve as a means to drive compliance. This is vital to ensure a level playing field in the industry as well as maintaining and building consumer confidence.

TICO's strategic priorities in this area will include:

STRATEGY ONE: CONSUMER PROTECTION			
	INITIATIVE(S)	DESCRIPTION	TARGET
FY 2020/2021	Conduct an internal review of TICO's financial framework including the Compensation Fund and identify options to ensure the efficient and effective delivery of its consumer protection mandate.	Review and assess the feasibility of alternatives to transform the funding model for TICO and the Compensation Fund to continue effectively deliver on its consumer protection mandate.	Complete a thorough analysis and provide recommendation(s) supporting an appropriate funding model to administer and enforce the Act and Regulation and administer Ontario's Travel Compensation Fund.
	Implement an action plan for effective implementation and enforcement of the regulatory changes in response to COVID-19.	Initiate execution of operational priorities identified in the action plan to ensure TICO effectively administers and enforces new consumer protection requirements in Ontario.	Successful implementation of operational priorities identified in relation to the regulatory changes to ensure the efficient administration and enforcement of the new consumer protection requirements.
	Mitigate risk and enhance consumer protection.	Enhance consumer protection by decreasing the number of high-risk operators through enhanced business tools and processes and by achieving compliance of unregistered sellers of travel.	Reduce the number of high-risk registrants and identify and achieve compliance of unregistered sellers of travel services in Ontario.
	Promote and advance legislative and regulatory reform.	In collaboration with the Ministry and in consultation with stakeholders identify potential opportunities for modernization in the TIA, 2002 and the Regulation for the purpose of modernizing the consumer protection legislation.	Provide recommendations to the Ministry to update and modernize the legislation taking into consideration changes to business models and stakeholder feedback.
	Foster collaboration and engagement with consumer and industry stakeholders to address the impact of the COVID-19 global pandemic on the industry and businesses.	Provide opportunities for engagement between TICO and consumer and industry stakeholders to identify the challenges and impacts to the industry and businesses as a result of the COVID-19 global pandemic.	Insights from productive and meaningful engagement via stakeholder advisory councils proactively addressing issues, where appropriate as a Regulator, to support the economic viability of the travel industry and consumer protection mandate.
FY 2021/2022 – 2022/2023	Conduct consultations with stakeholders regarding the restructuring of TICO's funding model.	Stakeholder consultation completed to ensure sufficient funding to effectively achieve TICO's vision and mission and consumer protection mandate.	Subject to the travel industry recovery from the pandemic, stakeholder consultations completed and new funding model in place by April 1, 2022.
	Continue to mitigate risk and enhance consumer protection by ensuring compliance of the Act and Regulation.	Identify and reduce the impact of high risk operators and unregistered sellers of travel through enhanced business tools and process.	Attain further reductions of high risk operators and compliance of unregistered sellers of travel compared to the prior year.
	Commence planning for effective implementation and enforcement of any potential legislative and regulatory changes.	Continue to work on operational priorities identified to ensure TICO effectively administers and enforces the consumer protection legislation in Ontario.	Subject to the travel industry recovery from the pandemic, continue efforts to enhance future legislative and regulatory changes.

STRATEGY 2: AWARENESS AND EDUCATION*

**Due to the impact of the global pandemic and the evolving nature of events, TICO's strategic priorities and corresponding initiatives and targets set out in its Business Plan may be subject to change.*

GOAL: Consumers and registrants are aware of TICO and understand the benefits of purchasing travel services through a registered travel agency or travel wholesaler.

Consumers who purchase travel services in Ontario should be aware that the travel industry in Ontario is regulated and that there is consumer protection in place to protect their travel purchases. Each year, TICO strives to increase consumer awareness to ensure that more and more consumers are aware of the existence of TICO and the benefits of purchasing their travel services whether in person or online from registered Ontario travel agencies. The initiatives below support TICO's Mission Statement "To Regulate consumer protection by promoting awareness, education and compliance as part of the efficient and effective regulation of Ontario's travel industry." TICO achieves this initiative by planning and executing a comprehensive consumer awareness campaign strategy that involves various forms of communications including but not limited to various forms of media (radio and television), social media and digital strategy, speaking engagements as well as attending consumer trade shows to speak with consumers and distribute informational materials.

TICO also administers and enforces a legislated Education Standards Program which requires every travel agent selling travel services on behalf of a registered Ontario travel agency to be knowledgeable of legislated requirements that regulate the sale of travel services in Ontario. It is imperative that the knowledge and professionalism of Ontario travel agents continues to be enhanced with ongoing education to support compliance and improved consumer protection. This initiative also includes activities to promote registrant engagement in TICO's consumer awareness campaign as well as fostering relationships not only to achieve a better understanding but also to understand the challenges faced in the marketplace. Together, TICO along with its stakeholders can build a stronger industry where consumer confidence and protection is recognized as being paramount.

TICO's strategic priorities in this area will include:

STRATEGY TWO: AWARENESS AND EDUCATION			
	INITIATIVE(S)	DESCRIPTION	TARGET
FY 2020/2021	Continue to build and enhance consumer awareness and confidence in Ontario.	Revisit campaign strategy and messaging in response to the aftermath of the COVID-19 global pandemic to build consumer confidence and awareness of TICO's role and the consumer protection in Ontario.	Restore and continue to build overall consumer awareness and understanding by engaging consumers in a leading-edge digital media strategy. Seek opportunities to engage consumers through Town Halls, educational presentations and social media to build awareness by leveraging technology (i.e. webinars). Conduct further consumer research to enhance consumer messaging, gauge overall consumer engagement and satisfaction. Produce and distribute various editorial and media releases to secure coverage in consumer publications to enhance education and awareness.
	Establish a communications strategy for the regulation changes proclaimed in response to COVID-19.	Develop a communications strategy to educate and inform all stakeholders regarding the regulatory changes.	Completion and planned implementation of a communications strategy to promote education and awareness of all stakeholders regarding enhancements to Ontario Regulation 26/05,
	Enhance TICO's online Education Standards Program with updated curriculum and testing to include regulatory changes including continuing education opportunities.	In partnership with TICO's Education service provider, update the education standards curriculum and exam bank of questions to include new regulatory changes.	Updated online Education Standards Program completed and ready for roll-out including a selection of continuing education opportunities.
	Engage registrants and provide education and familiarization around the regulatory changes.	Provide registrants opportunities for engagement leveraging technology for the purpose of education and familiarization around the new regulatory changes.	Various engagement opportunities extended to registrants online to familiarize themselves with the new regulatory changes and the impacts, if any, to their business.
FY 2021/2022 – 2022/2023	Continue to build and enhance consumer awareness in Ontario.	Continue to build and enhance consumer awareness of TICO's role and the consumer protection in Ontario.	Improve overall awareness and understanding by executing communications strategy that leverages social and digital media as well as other alternative distribution channels.
	Continue to enhance the Education Standards Program with new education opportunities by leveraging the technology and tools available on TICO's new online education platform.	Develop and introduce new educational opportunities and testing to increase familiarization and knowledge around the legislation and regulation and any other topics beneficial to professional development.	Various new online educational opportunities extended to registrants and other stakeholders wishing to enter the industry.
	Strengthen registrant engagement in support of a robust consumer protection model for the province of Ontario.	Through continuous and meaningful engagement of registrants, develop an understanding of opportunities and challenges in the marketplace and impacts, if any, to businesses as a result of the 2020 global pandemic.	Provide opportunities for registrant engagement with TICO both in person and by leveraging technology to promote the sharing of information and enhance understanding and relations.

STRATEGY 3: ORGANIZATIONAL EFFECTIVENESS*

**Due to the impact of the global pandemic and the evolving nature of events, TICO's strategic priorities and corresponding initiatives and targets set out in its Business Plan may be subject to change.*

GOAL: TICO embraces a spirit of continuous improvement and innovation in the systems and processes in executing its mandate and in the ongoing investment and professional development of its people.

At the heart of TICO and its operations is a dedicated group of individuals that are committed to providing service excellence by taking pride in their work to efficiently meet the needs of TICO's stakeholders. Through a strategic approach to further develop employee engagement, team building as well as professional development, TICO will continue to foster a workplace environment that is motivational and productive to support its operational effectiveness and support a sustainable workforce. Change is inevitable in today's environment, and therefore, TICO will continue to embrace change management as part of its evolving culture. TICO's strategic priorities will include initiatives that will improve TICO's internal operating systems and processes to optimize the organization's efficiency and effectiveness as well as its quality of services. With the evolving needs and expectations of stakeholders, TICO will invest in technology to meet the increasing demands to deliver its services in a more effective and innovative manner.

FOSTERING DIVERSITY AND INCLUSIVITY

At TICO, we represent an organization that embraces inclusion and fairness at all times. We are committed to fostering a culture of inclusivity, equity and accessibility for all. As one team, we celebrate our diverse workforce while encouraging individual growth and innovation because we feel it makes for an inspiring workplace where people are empowered and engaged. Our diverse team of employees enables us to grow and learn and encourages us to be better and do better, at work and in our communities.

TICO's strategic priorities in this area will include:

STRATEGY THREE: ORGANIZATIONAL EFFECTIVENESS			
	INITIATIVE(S)	DESCRIPTION	TARGET
FY 2020/2021	Establish a project plan to operationalize the recommended new funding framework.	Based on the Business case and recommendations determine the appropriate changes to policies, systems and processed in support of a new funding model.	Prepare project plans for implementation of new funding model including planning for stakeholder consultation.
	Sustain and enhance security protocols and protection across TICO system infrastructure.	Continue to educate and raise awareness across stakeholders of cyber security risks and vulnerabilities to minimize unauthorized access, data breaches and risk mitigation in the event of a breach.	Ongoing education sessions for Board of Directors, management and staff including further testing to gauge understanding of risk response scenarios in the event of a breach.
	Enhance data management capabilities to enhance business intelligence and operational effectiveness.	Continue with data management enhancements to core operating systems to ensure effective and efficient operations including enhanced business intelligence.	Implementation of project milestones associated with core operating system enhancements and integration reflecting sound data management.
	Update and modernize crisis management protocol.	Enhance crisis management protocols and communications by incorporating the security challenges experienced and learnings obtained during the global pandemic to ensure TICO's responses demonstrate its effectiveness as Ontario's Travel Regulator in times of crisis.	Crisis management protocols and communications updated to capture learnings obtained during the global pandemic as well as any new or emerging vulnerabilities and trends.
	Workforce optimization.	Conduct a skills competency assessment to ensure optimal organizational alignment of resources and ongoing professional development for the effective administration and enforcement of the consumer protection legislation.	Organizational structure is aligned and reflects the skills and competencies required to ensure TICO's future effectiveness, including leadership development, talent management and succession planning.
FY 2021/2022 – 2022/2023	Complete the operationalization of the new funding framework.	Implementation of all policies, processes including system enhancements to ensure efficient administration of the new funding model.	Completion of all operational priorities to ensure efficient administration of the new funding model.
	Enhanced data management capabilities.	Implement a data management policy and procedures to ensure all data is collected, maintained, retrieved and stored according to defined standards and best practices.	Complete implementation of a data management policy, procedures and process to ensure data meets business needs.
	Continue to update and modernize crisis management protocols.	Further assessments of TICO vulnerabilities in relation to priority risks including incorporating any recommendations as a result of testing the cyber security response plan.	Crisis management protocols and communications updated to capture new or emerging vulnerabilities and trends and any recommendations from testing the cyber security response plan.
	Continue to drive employee engagement across the organization.	Continue to seek innovative solutions aimed at enhancing employee engagement.	Complete employee engagement survey and analysis and identify recommendations to ensure employee engagement remains a core focus for the organization.

BALANCED SCORECARD

FOR FISCAL YEAR 2020/2021

TICO's Balanced Scorecard has been developed to monitor and gauge ongoing efforts and achievements of its organizational effectiveness. The Balanced Scorecard will be included in the 2021 Annual Report and will include the performance measure activities and accomplishments achieved during the prior year to ensure transparency and accountability consistent with the Business Plan.

OBJECTIVE	MEASURE	FISCAL YEAR 2020/21 TARGET
CONSUMER PROTECTION		
Mitigate Risk and Enhance Consumer Protection.	Enhance consumer protection by decreasing the number of high-risk operators through enhanced business tools and processes and by achieving compliance of unregistered sellers of travel.	Reduce the number of high-risk registrants and identify and achieve compliance of unregistered sellers of travel services in Ontario.
Enhance Engagement with Consumers.	Actively interact with consumers and improve social media engagement rate (defined as likes, comment and shares) and provide educational presentations.	Seek opportunities to engage consumers through educational presentations and maintain Engagement Rates on social media at or better than the prior year.
EDUCATION AND AWARENESS		
Improve Consumer Awareness and Education.	Improve metrics to accurately gauge Ontarians awareness of the existence of TICO and the consumer protection available when purchasing travel services from Ontario registered travel agencies and websites.	Exceed the baseline metric of consumer awareness achieved the prior year that the travel industry in the province is regulated and TICO is Ontario's Travel Regulator. Exceed the baseline metric of consumer awareness achieved the prior year that consumer protection is available when purchasing travel services from an Ontario registered travel agency or website.
Enhance Consumer Protection in Ontario.	Overall pass rate of financial statement bench reviews based on established financial criteria per the Regulation.	Achieve a minimum pass rate of 95%.
	Percentage of compliance achieved for the number of identified unregistered sellers of travel operating in contravention of the Act and Regulation.	Achieve a minimum of 80% of compliance of all unregistered sellers of travel identified in 2020/2021.
Determine and Measure Overall Consumer Engagement and Satisfaction.	Develop and implement a survey tool that provides a comprehensive measure of consumer protection satisfaction and/or value in the province.	Establish a baseline score for consumer and registrant satisfaction as a basis for future enhancement strategies.

OBJECTIVE	MEASURE	FISCAL YEAR 2020/21 TARGET
ORGANIZATIONAL EFFECTIVENESS		
Enhance TICO Value Proposition to Registrants.	Overall understanding and awareness of TICO and the legislation and regulation through effective communications and opportunities for engagement with registrants.	Providing effective communications and opportunities for engagement by completing roundtable sessions, seminars and webinars with registrants to educate and understand the impacts, if any, on their business.
Enhance Organizational and Professional Development.	Overall percentage of employee professional development plans completed during the fiscal year.	Achieve 85% completion of all employee professional development plans.
Enhance Employee Engagement	Conduct an employee engagement survey including review of outcomes and address opportunities via the involvement of all staff.	Increase overall employee engagement score from past surveys.
FINANCIAL PERFORMANCE		
Deliver Budget.	FY 2020/2021 Excess/(Deficiency) of revenue over expense before claims.	Achieve equal to or greater than budgeted Excess/(Deficiency) of revenue over expense after adjusting for the exclusion of the Provision for Gross Claims against the Compensation Fund.
Compensation Fund Claims Ratio.	% Provision of Registrant Claims to Operating Revenue	Achieve equal to or less than the percentage of Provision of Gross Registrant Claims relative to Operating Revenues of 7% based on a rolling 5-year average.
Drive Operational Efficiencies.	Efficiency Ratio Percentage.	Achieve an Operating Efficiency Ratio, defined as operating expenses relative to operating revenues, of less than 100%.

REVENUE AND EXPENSE FORECAST*

FY 2020/2021 to FY 2022/2023

* Due to the impact of the global pandemic and the evolving nature of events and uncertainty, TICO's Revenue & Expense Forecast is based on best estimates and may be subject to change.

Three-Year Projections (\$ Canadian)	Fiscal Year 2020/2021 (Budget) \$	Fiscal Year 2021/2022 (Projection) \$	Fiscal Year 2022/2023 (Projection) \$
Revenues:	\$1,230,000	\$4,153,400	\$6,388,200
Consisting of:			
- Compensation Fund Assessments	522,000	2,162,000	4,324,000
- Renewals	173,000	961,400	1,003,200
- New Registrations	35,000	255,000	263,000
- Investment Income	500,000	775,000	798,000
Claims against Compensation Fund, net	1,445,000	1,485,000	1,545,000
Operating Expenses:	4,628,000	5,012,910	5,413,012
Consisting of:			
- Salaries & Benefits	2,706,000	3,036,000	3,583,000
- Operating Expenses	1,362,000	1,366,910	1,420,012
- Consumer Awareness	410,000	460,000	260,000
- Amortization	150,000	150,000	150,000
Excess (deficiency) of Revenues over Expenses	(4,843,000)	(2,344,510)	(569,812)
Excess (deficiency) of Revenues over Expenses Before Compensation Fund Claims	(3,398,000)	(859,510)	975,188
Compensation Fund, end of year balance	23,495,000	23,495,000	23,495,000

Key Assumptions:

1. Ontario Regulation 26/05 remains consistent through projection periods.
2. Travel industry recovery based on achieving pre-pandemic Ontario Gross Sales by April 1, 2023.
3. Current Fee Schedule applies through projection period.
4. Registration revenues reflect slower post-pandemic growth and increased registrant attrition versus historical averages.
5. Compensation Fund claims as per most recent actuary study.
6. Salary & Benefits reflect normal market adjustments and incremental capacity (FY2022/23).

APPENDIX II

TICO BOARD OF DIRECTORS

*As of March 31, 2020***Industry Representatives****Nicole Bursey**

Commercial Director
Transat Tours Canada
Toronto, ON

Rick Edwards, CPA, CGA

Controller
Travel Corporation Canada
Toronto, ON

Mike Foster

President
Nexion Canada
London, ON

Ted Goldenberg

Vice President
Chapman Cultural Tours Ltd.
Richmond Hill, ON

Marc Patry

Director
CNH Tours
Ottawa, ON

Sherry Scott

Vice President Government Affairs
American Express Global Business Travel
Ottawa, ON

Robert Townshend

President
Total Advantage Travel & Tours Inc.
Toronto, ON

Ministerial Appointments**Jean Hébert – Chair**

Consultant
Ottawa, ON

Ian McMillan

International Marketing Specialist
Destination Northern Ontario
Sault Ste. Marie, ON

Scott Stewart – Vice Chair

President
G. Stewart Travel Services Ltd.
Peterborough, ON

Leanna Villella

President
Rose City Travel Ltd.
Welland, ON

Board of Director Biographies**Nicole Bursey**

Nicole's 26 year career in the travel industry includes roles in a variety of sectors including retail, wholesale and cruise. These experiences have led to her current position as Commercial Director, Transat. Nicole leads a team of Sales Managers, Business Development Representatives as well as an inside sales team who look after retail partnerships in Ontario, Atlantic and Western Canada. Nicole, has served on the TICO Board for 2 years as a representative of the Canadian Association of Tour Operators and is a member of 2 TICO committees: Governance/Human Resources and Business Strategy.

Rick Edwards, CPA, CGA

Richard is the Controller for The Travel Corporation (Canada) (TTC). He has more than 30 years of progressive accounting experience. Prior to joining TTC, Richard held various roles including 8 years with Pogue & Company as an auditor. He has 20 plus years of travel industry experience, spending the last thirteen years with TTC where he is responsible for financial reporting, audit, budgeting, payroll, general accounting and insurance. Richard is a graduate of Seneca College with an Accounting and Finance Diploma. Richard is a Chartered Professional Accountant, having earned his Certified General Accountant designation in 2002. Since 2010 he has been Treasurer

for Canadian Association of Tour Operators (CATO) and was appointed to the Board of Directors in 2015 as a representative of CATO currently serving as Chair of TICO's Audit, Technology & Risk Management Committee.

Mike Foster

Mike Foster is President of Nexion Canada, ULC with headquarters in London, Ontario. Part of the Internova Travel Group (formerly Travel Leaders Group) and serving Independent Contractor home-based and store-front agents across Canada, Nexion Canada opened in 2013. Mike opened his first agency in 1982 and has over the years added a number of agencies through acquisition, building one of the area's largest travel agency companies with as many as 5 agencies serving leisure, corporate, group, and incentive travel, as well as Independent Contractor agents. He has served a variety of roles in both ACTA Ontario and TICO for the past several years. Mike has also been a member of the College Advisory Committee for the Tourism and Hospitality Division of Fanshawe College in London, as well as a board member and fund-raiser for a number of charitable organizations in London, including the Sunshine Foundation, Junior Achievement, the Small Business Centre, and the London Health Sciences Centre. Mike has also been involved in the submissions of proposed changes by both ACTA and TICO, and is focused on bringing real, substantial, and positive change to the travel industry.

Ted Goldenberg

Ted Goldenberg has worked in both Wholesale Tourism and Motor-coach Tourism for the past 47 years. Starting at age 20, as a tour manager going to Western Canada from Toronto. Ted then joined Skylark Holiday in the wholesale tour industry in sale promoting travel to the Southern USA, Mexico and the Caribbean. Ted has been with Getaway Tours as General Manager for both tour and bus operations. Since 2008, Ted is co-owner of Chapman Cultural Tours and is responsible for Accounting and Regulatory Compliance. Ted is also involved with OMCA and has served as the chairman of the Tour Council as well as sitting on the board of OMCA.

Jean Hébert

Jean Hébert has lived in Ottawa, Ontario since 1997. He was born in Québec where he obtained his bachelor degree in political sciences with Honors in public administration from Laval University. Jean Hébert has been in consulting services since 2006 in strategic planning, in project/program/policy development and management, and in strategic communication and government relations. As a consultant, he has worked extensively in the education sector, with francophone communities in minority situations across the country, in organizational performance, in community organization. He has worked for more than 25 years with various provincial and federal departments at the senior management levels either as consultant, senior advisor and ministers' chief of staff, and for a national crown corporation as special advisor to the Board Chair and a director in the business development area. He also worked in economic development areas as industrial commissioner, including in the tourism industry. He is involved and still volunteering in his community in social and economic development areas. He was a member of the Judicial Appointments Advisory Committee under the Ontario Ministry of the Attorney General from 2016 to April 2019. Mr. Hébert joined the TICO Board in 2011 as a ministerial appointee and serves a few of TICO's committees such as the Audit, Technology & Risk Management, Governance and Human Resources, Business Strategy and Legislative and Regulatory Modernization Committees. He now serves as Chair of the TICO Board of Directors since January 2016.

Ian McMillan

Ian McMillan is the International Marketing Specialist for Destination Northern Ontario. He had been the Executive Director of Tourism Sault Ste. Marie since 2001, working with industry partners to develop tourism products, and promote the city as a tourist destination. Prior to that, he was Executive Director of the regional Algoma Country tourism office, before moving to the Northern Tourism Marketing Corporation as Brand Manager. He is a graduate of the Humber College Public Relations Program and holds a Certified Travel Industry Specialist designation from the tourism industry. Ian has served as President of Attractions Ontario, Chaired Cruise Ontario as part of the Great Lakes Cruise Coalition, and currently serves on the Board of Trustees for Science North, as well as on the Sector Committee of Destination Ontario. He was inducted into the Festivals Events Ontario Hall of Fame in 2017, received the 2018 Destination Northern Ontario President's Award, the 2019 Attractions Ontario Lifetime Achievement Award, and the 2019 Tourism Industry Association of Ontario Lifetime Achievement Award. Ian joined the TICO Board in 2015 and also sits on the Legislative and Regulatory Modernization Committee and is Chair of the Business Strategy Committee.

Marc Patry

Marc and his wife moved to the Galapagos in 1998, spending 4 years working on nature conservation projects. While there, they chartered a small cruise ship for friends and before they knew it, they had started Cultural and Natural Heritage Tours – a business focusing exclusively on Galapagos cruises. Marc went on to work for the United Nations in Paris and Nairobi while his wife grew the business. In 2015, he resigned from his UN post and joined his wife full time with the business. Based in Ottawa, they were helping over 500 people book a Galapagos cruise every year until COVID-19 came along. Marc also sits on the board of the Galapagos Tour Operators Association and is a governing member of the Charles Darwin Foundation general assembly. Marc serves on the Governance & Human Resources Committee and on the Business Strategy Committee.

Sherry Scott

Sherry Scott, PMP, is presently the Vice President Government Affairs for American Express Global Business Travel (GBT). As a second career, Sherry has been in the travel industry since 1992 in a variety of roles including launching Travelocity.ca and Expedia.ca, when she stepped away from her public sector responsibilities at Global Affairs Canada and the Canadian Armed Forces. Having attended the Royal Military College in Kingston in the premier years of women being admitted, Sherry has a strong sense of community and volunteerism in that she serves on a number of boards, besides joining TICO in 2019, that include co-chairing the Canadian Corporate Travel Association (CCTA), a committee member with IATA's Airline Partner Joint Council (APJC) and a board member of the Ottawa Hunt and Golf Club. Sherry sits on the Business Strategy Committee as well as the Audit, Technology and Risk Management Committee.

Scott Stewart

Scott Stewart is co-owner and President of Blowes & Stewart Travel Group Ltd. with eleven full service retail CWT Vacations offices throughout Ontario, and head office located in Peterborough. Their newly merged family owned and operated agencies, combined with over 125 years in business, hold both retail and wholesale licenses. For over 33 years Scott has been very involved in the travel industry and is currently serving TICO as a board member. He sits actively on several boards and enjoys contributing to the travel and not for profit sectors. He currently serves on the Audit, Technology and Risk Management and Legislative & Regulatory Modernization Committees for TICO.

Robert Townshend, CTC

Robert Townshend is the President of Total Advantage Travel & Tours since its inception in 1995. The agency holds both retail and wholesale licences. Robert has 35 years' experience in the travel industry working for various other agencies prior to the opening of his agency. Robert is actively involved in the Travelsavers consortium speaking at several conferences. Robert is a graduate of Ryerson University and the Canadian Travel School. He has taught the travel and tourism program at both Centennial College and Sheridan College. He was the on-air travel advisor on the TV show "Bad Trips Abroad". He currently sits on the Travel Industry Advisory Board for a major Canadian tour operator. He was elected to the TICO Board of Directors in 2018 and also serves on TICO's Audit, Technology and Risk Management Committee as well as TICO's Business Strategy Committee.

Leanna Villella

Leanna Villella has owned and operated her successful travel business, Rose City Travel in Welland, ON for over 30 years. She brings a wealth of experience to TICO from a business and consumer perspective. Leanna also represents her city as a Regional Councillor for the Niagara Region and is a Law Clerk by trade. In her spare time, she dedicates her time to many charitable organizations in a volunteer role to assist in promoting a thriving community for the residents of Welland. Leanna also serves on TICO's Audit, Technology and Risk Management Committee as well as TICO's Governance and Human Resources Committee.

APPENDIX III

STATUTORY APPOINTMENTS

As of March 31, 2020

Richard Smart
Statutory Registrar,
Travel Industry Act, 2002

Michael Pepper
Statutory Director,
Travel Industry Act, 2002

TICO LEADERSHIP TEAM

As of March 31, 2020

President & Chief Executive Officer
Richard Smart, CPA, CA

Vice President, Operations
Dorian Werda

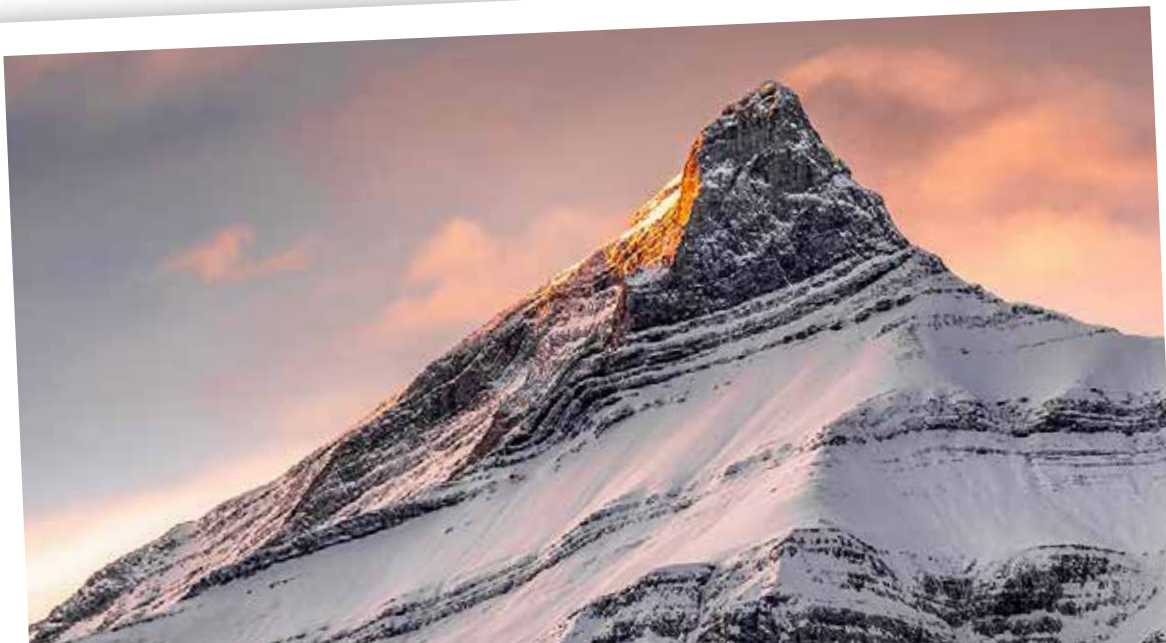
Legal Counsel & Corporate Secretary
Tracey McKiernan, LL.B.

Legal Counsel & Director, Litigation
Tim Snell, LL.B., LL.M.

Director, Financial Compliance
Sanja Skrbic, CPA, CA

Director, Information Technology
Antoine (Tony) Aramouni

Auditors
BDO Canada LLP
1 City Centre Drive, Suite 1700
Mississauga, ON L2B 1M2



Biography of Richard Smart, CPA, CA

President & Chief Executive Officer and Registrar, *Travel Industry Act, 2002*

Richard Smart serves as President and CEO of the Travel Industry Council of Ontario (TICO), having been appointed in December 2014. Effective January 1, 2015, Richard also assumed the role of TICO Registrar for the province. He is responsible for executing TICO's strategic plans and objectives as approved by the Board of Directors and is an ex-officio member of the Board.

Prior to his appointment, Richard was the Chief Financial Officer (CFO) of the Technical Standards and Safety Authority (TSSA) from 2009-2014. As CFO, Richard was responsible for all aspects of Finance, Audit (including Internal Audit), Risk Management, Insurance, Procurement and for a period of time Information Technology. While at TSSA, Richard gained invaluable experience in a senior leadership role interacting with the Board of Directors and Ministry of Government and Consumer Services. Richard learned and contributed to TSSA's oversight over the province's safety system for a number of important industry sectors.

Richard's private sector experience includes Chief Financial Officer roles in transportation, including AMJ Campbell Van Lines and Air Canada Vacations. The latter role provided Richard with excellent experience, specifically in the travel industry, during a challenging time of Air Canada restructuring. In addition, Richard was actively involved with the Canadian Association of Tour Operators (CATO), a founding member of TICO. Richard has also served in senior Finance roles at the Royal Bank Financial Group and Nortel, including experience in Mergers & Acquisitions, Risk Management, Controllershops and various trade associations.

Richard is a Chartered Professional Accountant, having earned his Chartered Accountant designation with PricewaterhouseCoopers in 1985.

Biography of Dorian Werda

Vice President, Operations

Dorian Werda serves as the Vice President, Operations for the Travel Industry Council of Ontario (TICO). After graduating from Humber College in 1986 with a diploma in Travel and Tourism, Dorian started her career in travel at Wardair Canada assisting customers on the Help Desk in the Customer Accounting Department (BSP Help Desk), where she investigated and responded to travel agent and passenger accounting queries and liaised with Wardair's Customer Relations Department. Following Canadian Airlines' takeover of Wardair, Dorian took on a new position in 1990 as Claims Supervisor for the temporary claims centre that was set up by the Ontario government after the failure of Thomson Vacations—which ultimately resulted in the largest payment of claims against Ontario's Travel Industry Compensation Fund. After supervising the temporary claims centre, Dorian continued her role as Claims Co-ordinator for the Ontario Travel Industry Compensation Fund Corporation.

In June of 1997, the Ontario government delegated the responsibility of administering Ontario's Travel Industry Act, including the Ontario Travel Industry Compensation Fund, to TICO. Dorian was promoted to Manager, Administration & Claims, overseeing TICO's Claims and Consumer Complaints Departments. In 2012, she became Director, Customer Service and Stakeholder Relations and in 2014, she was promoted to Vice President, Operations. Dorian is responsible for managing TICO's Registration, Claims, Complaints, Compliance and Investigations Departments as well as the Education Standards program.

In 2016, Dorian attended the Harvard Kennedy School Executive Education and earned a Certificate in Strategic Management of Regulatory and Enforcement Agencies.

Biography of Tracey McKiernan, LL.B.

Legal Counsel & Corporate Secretary

Tracey McKiernan is Legal Counsel & Corporate Secretary for the Travel Industry Council of Ontario (TICO). She has been involved in the legislative and regulatory review process at TICO since 1998 leading up to the changes to the *Travel Industry Act, 2002* and Ontario Regulation 26/05. Ms. McKiernan received her B.A. (Honours) in Sociology from the University of Western Ontario and her LL.B. from Osgoode Hall Law School.



Travel Industry Council of Ontario

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