

2021 ANNUAL REPORT & BUSINESS PLAN



Travel Industry Council of Ontario

TABLE OF CONTENTS

1	Message from the Chair	20	Financial Inspections
5	Message from the Incoming Chair	21	TICO Committees
7	Chief Executive Officer's Report	23	Business Accomplishments 2020/2021
11	Mandate	26	New Balanced Scorecard
13	Vision & Mission	29	Additional Business Accomplishments 2020/2021
14	Values	31	Operational Performance Review
15	Stakeholders/Services	31	<i>Registration</i>
16	TICO Structure	31	<i>Education Standards</i>
16	<i>Organization</i>	32	<i>Complaint Handling Process</i>
16	<i>Governance</i>	32	<i>Complaints Against TICO</i>
16	<i>Organizational Chart</i>	32	<i>Consumer Complaints</i>
17	<i>Remuneration of Board and Committee Members (Per Diems)</i>	33	<i>Consumer Survey Results —Complaints Process</i>
19	Ontario Travel Industry Compensation Fund	34	Financial Inspections
20	Risk Management	35	Compliance (Non-financial)

38	Travel Industry Compensation Fund
38	<i>Claims and Repatriation</i>
38	<i>Closures Resulting in Claims Paid</i>
41	Legal Matters
41	<i>Claims</i>
41	<i>Investigations</i>
41	<i>Prosecutions</i>
42	<i>Proposals to Revoke Registration</i>
42	<i>Changes to Ontario Regulation 26/05</i>
42	<i>Status of the Travel Industry Act, 2002 Review</i>
43	Consumer Awareness Campaign
46	Corporate Social Responsibility (CSR)
46	French Language Services
47	Financial Review

61	2021 Business Plan
62	Environment
64	Three-Year Business Plan: Fiscal Year 2021/2022 to 2023/2024
65	Strategic Priorities for 2021/2022 and 2022-2024
71	Balanced Scorecard for Fiscal Year 2021/2022
72	Revenue and Expense Forecast

Appendices:

Appendix I

50	Audited Financial Statements
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Appendix II

73	TICO Board of Directors
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Appendix III

76	Statutory Appointments
76	TICO Leadership Team

MESSAGE FROM THE CHAIR



JEAN HÉBERT

June 29, 2021

**Honourable Ross Romano
Minister of Government and Consumer Services
777 Bay Street, 5th floor
Toronto, Ontario
M5B 2H7**

Dear Minister Romano,

For most of 2020 until now, the world has experienced great difficulty. It has been especially trying for the Ontario travel industry. Government shutdowns have been a common necessity throughout the pandemic and have all but grounded travel globally, and here at home was no exception. This will serve as my last report as TICO's Chair as I retire after more than 10 years on TICO's Board of Directors ("Board"). While this pandemic has not yet run its full course, I remain optimistic for the future of travel in this great province.

Since the start of the pandemic travel retailers and wholesalers ("registrants") have responded to and assisted consumers, providing vital customer support and relief, all the while with next to zero revenue. While government programs have provided some relief, the financial strain on Ontario's travel sector has been immense as evidenced, in part, by the record attrition rate of registrants throughout the year. The overall impact to-date is a loss totalling billions of dollars of travel investment with a recovery only now beginning to gain some momentum.

The Travel Industry Council of Ontario (TICO) is funded entirely by registrants through fees, based in part on their sales, and as a result, the impact to TICO's revenues was swift and devastating. The Board of Directors, along with management, needed to respond quickly with emergency measures to assist industry while staying focused on our consumer protection mandate. With the support of Minister Lisa Thompson and the Ministry of Government and Consumer Services a financial assistance package was developed and realized to provide financial burden relief to registrants by way of a fee waiver for the 2020-2021 fiscal year. In addition, two rounds of regulatory changes were also implemented providing further regulatory burden relief.

Within TICO, an emergency budget was approved, reducing expenses wherever possible, deferring non-essential projects, and otherwise keeping all discretionary spending to a minimum. Temporary salary reductions were applied to all staff as everyone was committed to being part of the solution. During the early months of the pandemic, our staff experienced record volumes of customer calls and emails and were otherwise very busy adjusting to the new demands brought on by the pandemic. These efforts were made more complicated as staff transitioned to a work from home environment.

After more than a full year of the pandemic, we have gained some key learnings that have served us well. Through the steadfast and strong leadership of the CEO and Leadership Team, TICO has fulfilled our consumer protection mandate while ensuring the organization remains healthy and manageable.

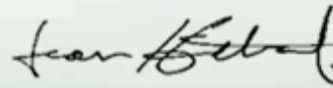
While I had hoped my last report as Chair may have been on brighter terms, it does not dampen the many positive accomplishments and enhancements made over the years including:

- Modernization of our Vision, Mission and Values;
- Evolution of our governance model;
- Implementation of new tools, including a risk-management based organization;
- Modernization of the *Travel Industry Act, 2002*;
- Improved connection with our stakeholders;
- Foundation for a new Consumer & Industry Advisory Committee; and,
- Digital transformation of our infrastructure to become a largely cloud-based office.

Although amendments to the *Travel Industry Act, 2002* were approved late 2017, the new regulation remains a work-in-progress which was delayed by the pandemic. Consistent with TICO's modernization initiatives, there are three initiatives that will continue to be a priority in the future. These include exploring a new funding framework and model to ensure TICO can continue to be a current, risk-based and outcomes focused Regulator. In addition, TICO must continue to ensure a strong consumer protection model while delivering on further regulatory burden efficiencies on behalf of registrants. And finally, taking steps towards reviewing the Compensation Fund to ensure it meets the needs of consumers.

In closing, I would like to welcome TICO's newly appointed Chair of the Board, Mr. Michael Levinson and wish him all the best for the future as TICO plays its part in supporting a strong recovery of the travel sector. Finally, I want to extend my sincere appreciation and thank-you to my fellow Board members, TICO employees and the Leadership Team for their incredible professionalism and commitment to this organization. Thank you to TICO's CEO for his leadership and for the great collaboration I have received in the last five and half years as Chair of the Board.

Yours truly,
Travel Industry Council of Ontario



Jean Hébert
Chair of the Board of Directors

MESSAGE DU PRÉSIDENT



JEAN HÉBERT

29 juin 2021

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

Monsieur le Ministre Romano,

Le monde a connu de grandes difficultés pour la majeure partie de 2020, et encore à ce jour. Ce fut particulièrement éprouvant pour l'industrie du voyage en Ontario. Les fermetures imposées par le gouvernement ont été une nécessité tout au long de la pandémie et ont pratiquement empêché les voyages dans le monde entier, et l'Ontario n'a pas fait exception. Ce rapport sera mon dernier en tant que président du conseil d'administration de TICO, je me retire après

dix années de services. Bien que cette pandémie n'ait pas encore atteint son point culminant, je reste optimiste quant à l'avenir des voyages dans cette grande province.

Depuis le début de la pandémie, les détaillants et grossistes en voyages (les « agences titulaires d'un permis ») ont répondu aux besoins des consommateurs, leur offrant de l'aide et un soutien vital, tout en ayant des revenus quasi nuls. Bien que les programmes gouvernementaux aient apporté un certain soulagement, la pression financière sur le secteur du voyage de l'Ontario a été immense, comme en témoigne, en partie, le taux d'attrition record des agences de voyages tout au long de l'année. L'impact global à ce jour est une perte totalisant des milliards de dollars de revenus dans le secteur du voyage, avec une reprise qui commence tout juste à prendre de l'élan.

Le Conseil de l'industrie du voyage de l'Ontario (Travel Industry Council of Ontario-TICO) est entièrement financé par les agences de voyages titulaires d'un permis d'exploitation sur la base de frais, en partie sur leurs ventes. Par conséquent, l'impact sur les revenus de TICO a été rapide et dévastateur. Le conseil d'administration et la direction ont dû réagir rapidement en prenant des mesures d'urgence pour aider l'industrie, tout en restant concentrés sur notre mandat de protection des consommateurs. Avec l'appui de la ministre Lisa Thompson et du ministère des Services gouvernementaux et des Services aux consommateurs, un programme d'aide financière a été élaboré et mis en œuvre pour alléger le fardeau financier des agences de voyages en les dispensant de payer les frais exigibles pour l'exercice 2020-2021. En outre, deux séries de modifications réglementaires ont également été mises en œuvre afin d'alléger davantage le fardeau réglementaire.

Au sein de TICO, un budget d'urgence a été approuvé, réduisant les dépenses partout où c'était possible, reportant les projets non essentiels et maintenant toutes les dépenses discrétionnaires au minimum. Des réductions temporaires de salaire ont été appliquées à tout le personnel, car chacun s'est engagé à faire partie de la solution. Au cours des premiers mois de la pandémie, notre personnel a dû faire face à un nombre record d'appels et de courriels de la part des clients et a été très occupé à s'adapter aux nouvelles demandes engendrées par la pandémie. Ces efforts ont été rendus plus compliqués par la transition du personnel vers un environnement de travail à domicile.

Après plus d'une année complète de pandémie, nous avons tiré des enseignements clés qui nous ont été utiles. Grâce au leadership solide et constant de son PDG et de l'équipe de direction, TICO a rempli son mandat de protection des consommateurs tout en s'assurant que l'organisme demeure sain et gérable.

Bien que j'aurais espéré que mon dernier rapport comme président du conseil reflète de meilleures conditions, cela n'enlève rien aux nombreuses réalisations et améliorations positives apportées au fil des ans, notamment :

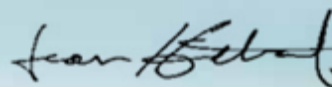
- Modernisation de notre vision, notre mission et nos valeurs ;
- Évolution de notre modèle de gouvernance ;
- Mise en œuvre de nouveaux outils, notamment une organisation basée sur la gestion des risques ;
- Modernisation de la *Loi de 2002 sur le secteur du voyage* ;
- Amélioration des relations avec nos parties prenantes ;
- Fondation d'un nouveau comité consultatif des consommateurs et de l'industrie ;
- Transformation numérique de notre infrastructure pour adopter une approche principalement infonuagique.

Bien que les modifications à la Loi de 2002 sur le secteur du voyage aient été approuvées à la fin de 2017, le nouveau régime réglementaire, retardé par la pandémie, demeure un travail en cours. Conformément aux initiatives de modernisation de TICO, il y a trois initiatives qui continueront d'être une priorité à l'avenir. Celles-ci comprennent l'exploration d'un nouveau cadre et d'un nouveau modèle de financement pour s'assurer que TICO puisse continuer à être un organisme de réglementation actuel, axé sur les risques

et les résultats. De plus, TICO doit continuer à assurer un modèle solide de protection des consommateurs tout en réduisant le fardeau réglementaire pour les entreprises du secteur du voyage. Enfin, TICO doit prendre des mesures pour revoir le Fonds d'indemnisation afin de s'assurer qu'il répond aux besoins des consommateurs.

En terminant, j'aimerais souhaiter la bienvenue au nouveau président du conseil d'administration du TICO, M. Michael Levinson, et lui souhaiter le meilleur pour l'avenir alors que TICO joue son rôle dans le soutien d'une reprise solide du secteur du voyage. Enfin, je tiens à exprimer ma sincère appréciation et mes remerciements à mes collègues du conseil d'administration, aux employés de TICO et à l'équipe de direction pour leur incroyable professionnalisme et leur engagement envers cet organisme. Merci au PDG de TICO pour son leadership et pour la grande collaboration dont j'ai bénéficié au cours des cinq dernières années et demie en tant que président du conseil d'administration.

Bien cordialement,
Travel Industry Council of Ontario



Jean Hébert
Président du conseil d'administration

MESSAGE FROM THE INCOMING CHAIR



MICHAEL LEVINSON

June 29, 2021

**Honourable Ross Romano
Minister of Government and Consumer Services
777 Bay Street, 5th floor
Toronto, Ontario
M5B 2H7**

Dear Minister Romano,

I am honoured to be appointed by the Minister of Government and Consumer Services to chair TICO's Board of Directors.

I recognize that there is much to be done as the industry works to recover from the devastating pandemic. TICO has an important role, helping to build consumer confidence and raising awareness of the value of using a registrant when making travel purchases.

In my short time at TICO I have been incredibly impressed with the quality of work done by the dedicated and talented team we have in place. I am inspired to be part of a committed and engaged Board of Directors who are focused on ensuring TICO meets its mandate of consumer protection while effectively regulating travel in Ontario. Our goal is to serve consumers while setting an example of a fair and equitable regulator.

Yours truly,
Travel Industry Council of Ontario

A handwritten signature in black ink, appearing to read "Michael Levinson". The signature is fluid and cursive.

Michael Levinson
Incoming Chair of the Board of Directors

MESSAGE DU PRÉSIDENT ENTRANT



MICHAEL LEVINSON

29 juin 2021

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

Monsieur le Ministre Romano,

Je suis honoré de ma nomination pour présider le conseil d'administration de TICO.

Je reconnais qu'il y a beaucoup à faire alors que l'industrie travaille à se remettre de cette pandémie dévastatrice. TICO a un rôle important à jouer en aidant à renforcer la confiance des consommateurs et en les sensibilisant à l'importance de faire appel à une agence de voyages titulaire d'un permis lorsqu'ils achètent des voyages.

Depuis mon arrivée à TICO, j'ai été incroyablement impressionné par la qualité du travail effectué par l'équipe dévouée et talentueuse que nous avons en place. Je suis inspiré par le fait de faire partie d'un conseil d'administration dévoué et engagé qui s'assure que TICO remplit son mandat de protection des consommateurs tout en réglementant efficacement le secteur du voyage en Ontario. Notre objectif est de servir les consommateurs tout en donnant l'exemple d'un organisme de réglementation juste et équitable.

Bien cordialement,
Travel Industry Council of Ontario

A handwritten signature in black ink, appearing to read 'Michael Levinson'. The signature is fluid and cursive, written on a light-colored background.

Michael Levinson
Président entrant du conseil d'administration

CHIEF EXECUTIVE OFFICER'S REPORT



RICHARD SMART

Executive Summary

TICO's fiscal year ending March 31, 2021 was a year we are relieved is over. The devastation caused by the COVID-19 pandemic, the loss of life and the collective toll both here and abroad is well documented. Rather than focus on the negative, I would like to acknowledge the incredible collaboration and resiliency of the travel community, our team at TICO, along with some positive steps undertaken as we navigate toward a brighter future.

Fiscal Year 2020/2021

When the new fiscal year began last April, the Board of Directors ("Board") and management recognized the severe difficulties facing the travel sector and acknowledged that TICO needed to brace for challenges never before experienced. Consumers also faced unprecedented cancellations of travel purchases while retailers and wholesalers ("registrants") were faced with operational challenges that had not been experienced in modern times. Registrants responded en masse by assisting consumers, first in returning home, and then with a myriad of cancellations, issuances of vouchers, re-bookings and then more cancellations all with limited staff and minimal to zero revenues. The enormity of the financial stress on registrants cannot be underestimated. As Ontario's regulator of consumer protection, it was clear the viability of the entire travel and hospitality sector was at risk and that an immediate and impactful

response was required. In parallel, TICO's call center was inundated with consumer and registrant calls seeking assistance, clarification, information, and direction on how best to proceed. These operational challenges were further exacerbated by having to respond while all staff were transitioning to a new home-based environment.

TICO's Response

The overriding theme of our pandemic response was one of empathy, expediency and flexibility while continuing to meet our consumer protection mandate. As reported last year, with the support of the Ontario government, TICO announced a fee waiver for all registrants for fees owing during the fiscal year, which was subsequently extended another year through to March 31, 2022. In addition, a second round of regulatory changes were announced, effective December 1, 2020. These temporary regulatory changes provided further financial burden relief for registrants and extended the additional protection provided for consumer's holding onto unredeemed travel vouchers. Operationally, TICO maintained a laser focus on expenses, maintaining a hiring freeze from the prior year and executing operating cost reductions wherever possible. All staff accepted temporary wage reductions as part of an aggressive cost containment program. Staff were also redeployed to the areas of greatest need, ensuring that consumer enquiries were answered on a timely basis and registrants' issues were addressed in a fair and equitable manner. As a result, TICO's operating expenses performed better than budget expectations and were lower than the prior year's spending by 13%, following a similar 6% year-over-year cost reduction achieved last fiscal year.

Consumer & Registrant Awareness

Integral to TICO's Vision and Mission is our consumer and registrant awareness campaign, which seeks to raise awareness of TICO's consumer protection mandate and value proposition. Our digital strategy allows this program to adjust quickly to changes in the environment. While there was an initial pause during the early months and peak of the pandemic, management subsequently recognized the critical leadership role in providing as much clarity and factual information available to assist consumers and registrants with available consumer protections, direction and responsibilities necessary to navigate the path forward.

By the end of the year, we were generally pleased to see our unaided consumer awareness metrics remain steady despite the earlier pause and flood of other online and traditional media covering the pandemic. During Q4, we also surveyed consumers and registrants to better understand traveller's re-engagement in future travel and, separately, TICO's overall value provided during the pandemic. In Ontario, nearly 3-in-4 respondents feel TICO is valuable to them as a travel consumer, including more than 2-in-5 who feel it is very valuable. More than half

of registrants surveyed feel TICO and its services provide good or significant value, including nearly 3-in-10 who noted significant value. And, the regulatory changes and financial burden relief associated with the pandemic were appreciated by registrants. These value surveys have provided important insights and serve as a helpful tool to assist TICO with enhancing our ongoing value proposition to all stakeholders.

Performance Outcomes

We achieved the majority of our strategic priorities, including exploring the strategy associated with a renewed funding model for the future. Consumer claims against the Compensation Fund remained very low. Consumer & registrant awareness goals were maintained despite a reduced budget as well the other focuses and challenges associated with the pandemic. We also conducted a comprehensive employee engagement survey, achieving an overall record score of 87% since we began this initiative five years ago. With the support of the Ontario government's funding agreement and stringent control of expenses, we ensured operating costs were responsibly managed. The Ontario government provided approximately \$4.3 million to TICO to assist with fee refunds to registrants, fee waivers and operational funding, and waived government oversight fees for the year.

In the midst of this pandemic, surprisingly, capital markets performed well and TICO's investments performed exceedingly well, generating above-budget returns. We also welcomed 52 new registrants to the sector reflecting future unrealized opportunities. Sadly, there were 265 voluntary terminations of operating licenses, or approximately 12% attrition from the prior year. With a policy to accept reinstatements within 1-year of voluntary termination, we are hopeful that some former registrants may choose to return to the travel sector when the environment is hopefully brighter.

Through patience, flexibility and working closely with registrants, we collected registrant fees owing prior to the waiver period. In total, before government assistance, TICO generated approximately \$780,000 of operating revenues, before investment returns, a considerable reduction of 85% compared to the prior year.

At the end of the year however, a net surplus of \$2.8 million was achieved, exceeding budget expectations.

Diversity, Equity and Inclusiveness

George Floyd's death and other tragic events in 2020 brought greater awareness of the Black Lives Matter movement. It reminded us all that there is so much more to be done to acknowledge and address systemic racism in society and our workplaces. It became abundantly clear that the time for action is now. At TICO, we engaged all staff in an ongoing heartfelt dialogue on these broader societal

issues directed at racialized and marginalized groups and the value of diversity, inclusion and equity in the workplace. I'm proud of one of our first steps taken – a reassessment of our Core Values to better reflect and embrace diversity in everything we do and stand for as an organization. The following best summarizes our Core Values:

Above all, we envision that Consumer Protection is stronger through a workplace built on honesty, respect and trust that leverages our strengths in diversity and strong business ethics in all that we do.

Looking ahead

As we conclude on the prior year and look ahead, Ontario (and much of Canada) remains centred on increasing vaccinations and focusing on better days to come. While we have much to be thankful for, there remain challenging days ahead. As Regulator, our response will be focused on empathy and flexibility while respecting the important mandate of consumer protection. I would once again like to express my gratitude to the Board of Directors for their unwavering support and guidance. In addition, I would be remiss not to acknowledge the retirement of Mr. Jean Hébert after 10 years (last 5 years as Chair) on TICO's Board of Directors. Mr. Hébert's leadership and commitment to the organization and its governance is commendable and much appreciated. I would also like to extend a warm welcome on behalf of the organization to Mr. Michael Levinson as Director and Board Chair. A special thanks to my team at TICO for their unwavering commitment and contributions during the most challenging year in our history.

It continues to be an honour to serve our stakeholders and I remain firmly committed to resolving the current challenges and embracing the opportunities ahead, together.

Yours truly,
Travel Industry Council of Ontario



Richard Smart
President & C.E.O

RAPPORT DU PRÉSIDENT DIRECTEUR GÉNÉRAL



RICHARD SMART

Sommaire Exécutif

L'exercice financier de TICO se terminant le 31 mars 2021 a été une année que nous sommes soulagés d'avoir terminée. La dévastation causée par la pandémie de COVID-19, les pertes de vie et le bilan collectif, ici et à l'étranger, sont bien documentés. Plutôt que de me concentrer sur les aspects négatifs, j'aimerais souligner l'incroyable collaboration et la résilience de la communauté du voyage et de notre équipe à TICO, ainsi que certaines mesures positives prises pour nous permettre de naviguer vers un avenir meilleur.

Exercice financier 2020-2021

Au début du nouvel exercice financier en avril dernier, le conseil d'administration et la direction ont reconnu les graves difficultés auxquelles était confronté le secteur du voyage et ont reconnu que TICO devait se préparer à relever des défis jamais connus auparavant. Les consommateurs ont dû faire face à des annulations sans précédent d'achats de voyages, tandis que les détaillants et les grossistes (« agence de voyages titulaire d'un permis ») ont affronté des défis opérationnels inouïs. Les agences de voyages ont réagi en masse en aidant les consommateurs, d'abord à rentrer chez eux, puis à faire face à une myriade d'annulations, d'émissions de bons, de nouvelles réservations, puis d'autres annulations, le tout avec un personnel limité et des revenus minimaux, voire nuls. Il ne faut pas sous-estimer l'ampleur du stress financier que subissent les agences de voyages. En tant qu'organisme de réglementation de la protection des consommateurs de l'Ontario, il était clair que

la viabilité de l'ensemble du secteur du voyage et de l'hôtellerie était menacée et qu'une réponse immédiate et efficace était nécessaire. Simultanément, le centre d'appels de TICO était inondé d'appels de consommateurs et des agents de voyages en besoin d'assistance, de clarification, d'information et d'orientation sur la meilleure façon de procéder. Ces difficultés opérationnelles ont été exacerbées par le fait qu'il fallait intervenir alors que tout le personnel était en transition vers un nouvel environnement à domicile.

Réponse de TICO

Notre réponse à la pandémie a été marquée par l'empathie, la rapidité et la flexibilité, tout en continuant à remplir notre mandat de protection des consommateurs. Comme nous l'avons signalé l'an dernier, avec le soutien du gouvernement de l'Ontario, TICO a annoncé une dispense de frais exigibles pour toutes les agences de voyages dus au cours de l'exercice financier, qui a ensuite été prolongée d'une autre année jusqu'au 31 mars 2022. De plus, une deuxième série de changements réglementaires a été annoncée, à compter du 1er décembre 2020. Ces changements réglementaires temporaires ont permis d'alléger davantage le fardeau financier des agences de voyages et de prolonger la protection supplémentaire offerte aux consommateurs qui conservent des bons de voyage non échangés. Sur le plan opérationnel, TICO s'est concentré sur les dépenses, en maintenant un gel d'embauche par rapport à l'année précédente et en réduisant les coûts d'exploitation dans la mesure du possible. Tout le personnel a accepté des réductions salariales temporaires dans le cadre d'un programme agressif de contrôle des coûts. Le personnel a également été redéployé dans les secteurs aux besoins pressants, afin d'assurer que les demandes de renseignements des consommateurs soient traitées en temps opportun et que les problèmes des agences de voyages soient traités de façon juste et équitable. Par conséquent, les dépenses d'exploitation de TICO ont été inférieures aux prévisions budgétaires avec 13 % de moins de dépenses que l'année précédente, après une réduction des coûts similaire de 6 % au cours de l'exercice précédent.

Sensibilisation des consommateurs et des agences de voyages

La campagne de sensibilisation des consommateurs et des agences de voyages, qui vise à faire connaître le mandat de protection des consommateurs et la proposition de valeur de TICO, fait partie intégrante de la vision et de la mission de TICO. Notre stratégie numérique permet à ce programme de s'adapter rapidement aux changements de l'environnement. Bien qu'il y ait eu une pause initiale au cours des premiers mois et au plus fort de la pandémie, la direction a reconnu par la suite le rôle essentiel de leadership qui consiste à fournir autant de clarté et d'information factuelle que possible afin d'aider les consommateurs et les agences de voyages à connaître les protections offertes, les directives et les responsabilités nécessaires pour aller de l'avant.

À la fin de l'année, nous avons été généralement heureux de constater que nos mesures de sensibilisation des consommateurs sont restées stables malgré la pause et la multitude d'autres médias en ligne et traditionnels couvrant la pandémie. Au cours du quatrième trimestre, nous avons également sondé les consommateurs et les agences de voyages afin de mieux comprendre le réengagement des voyageurs dans de futurs voyages et, séparément, la valeur globale de TICO et des services fournis pendant la pandémie. En Ontario, près de 3 répondants sur 4 estiment que TICO a de la valeur pour eux en tant que consommateurs de voyages, dont plus de 2 sur 5 qui estiment qu'il a beaucoup de valeur. Plus de la moitié des agences de voyages interrogées estiment que TICO et ses services offrent une bonne ou une importante valeur, y compris près de 3 sur 10 qui ont noté une valeur importante. De plus, les agences de voyages ont apprécié les changements réglementaires et l'allègement du fardeau financier associés à la pandémie. Ces sondages sur la valeur ont fourni des renseignements importants et servent d'outil utile pour aider TICO à améliorer sa proposition de valeur continue à toutes les parties prenantes.

Résultats de rendement

Nous avons réalisé la majorité de nos priorités stratégiques, notamment en explorant la stratégie associée à un modèle de financement renouvelé pour l'avenir. Les réclamations des consommateurs auprès du Fonds d'indemnisation sont demeurées très faibles. Les objectifs de sensibilisation des consommateurs et des agences de voyages ont été maintenus malgré un budget réduit ainsi que les autres priorités et défis associés à la pandémie. Nous avons également mené un sondage complet sur l'engagement des employés, obtenant un résultat global record de 87 % depuis le début de cette initiative il y a cinq ans. Grâce à un accord de financement du gouvernement de l'Ontario et à un contrôle rigoureux des dépenses, nous avons veillé à ce que les coûts d'exploitation soient gérés de manière responsable. Le gouvernement de l'Ontario a versé environ 4,3 millions de dollars à TICO pour aider au remboursement des frais exigibles aux agences de voyages, à la dispense des frais et au financement des opérations, et a renoncé aux frais de surveillance du gouvernement pour l'année.

Au milieu de cette pandémie, étonnamment, les marchés financiers se sont bien comportés et les investissements de TICO ont eu un rendement supérieur au budget. Nous avons également accueilli 52 nouveaux inscrits dans le secteur, ce qui reflète les futures opportunités non réalisées. Malheureusement, il y a eu 265 résiliations volontaires de permis d'exploitation, soit environ 12 % d'attrition par rapport à l'année précédente. Avec une politique visant à accepter les rétablissements dans l'année qui suit la résiliation volontaire, nous espérons que certaines agences choisiront de revenir dans le secteur du voyage lorsque l'environnement sera, espérons-le, plus favorable.

Grâce à la patience, à la souplesse et à une collaboration étroite avec les agences de voyages, nous avons perçu les droits de permis d'exploitation dus avant la période d'exonération. Au total, avant l'aide gouvernementale, TICO a généré environ 780 000 \$ de revenus d'exploitation, avant le rendement des investissements, soit une réduction considérable de 85 % par rapport à l'année précédente.

Toutefois, à la fin de l'année, un excédent net de 2,8 millions de dollars a été réalisé, dépassant les prévisions budgétaires.

Diversité, équité et inclusion

La mort de George Floyd et d'autres événements tragiques survenus en 2020 ont permis de mieux faire connaître le mouvement Black Lives Matter. Ils nous ont rappelé qu'il y a encore beaucoup à faire pour reconnaître et combattre le racisme systémique dans la société et dans nos milieux de travail. Il est devenu évident que le temps est à l'action. À TICO, nous avons engagé tout le personnel dans un dialogue sincère et continu sur ces questions sociétales plus larges visant les minorités racialisées et la valeur de la diversité, de l'inclusion et de l'équité en milieu de travail. Je suis fier de l'une des premières mesures que nous avons prises - une réévaluation de nos valeurs fondamentales pour mieux refléter et embrasser la diversité dans tout ce que nous faisons et défendons en tant qu'organisation. Le texte suivant résume le mieux nos valeurs fondamentales :

Par-dessus tout, nous envisageons que la protection des consommateurs soit plus forte grâce à un lieu de travail fondé sur l'honnêteté, le respect et la confiance, qui tire parti de nos atouts en matière de diversité et d'éthique commerciale dans tout ce que nous faisons.

L'avenir

Au moment de conclure l'année écoulée et de se tourner vers l'avenir, l'Ontario (et une grande partie du Canada) continue de se concentrer sur l'augmentation des vaccinations et sur les jours meilleurs à venir. Bien que nous ayons beaucoup de raisons d'être reconnaissants, des jours difficiles nous attendent. En tant qu'organisme de réglementation, notre réponse sera axée sur l'empathie et la souplesse, tout en respectant l'important mandat de protection des consommateurs. J'aimerais une fois de plus exprimer ma reconnaissance au conseil d'administration pour son soutien et ses conseils indéfectibles. De plus, je m'en voudrais de ne pas souligner le départ à la retraite de M. Jean Hébert après 10 ans (dont les 5 dernières années à titre de président) au sein du conseil d'administration de TICO. Le leadership et l'engagement de M. Hébert envers l'organisme et sa gouvernance sont louables et très appréciés. J'aimerais également souhaiter la bienvenue, au nom de l'organisme, à M. Michael Levinson en tant qu'administrateur et président du conseil d'administration. Je remercie tout spécialement mon équipe de TICO pour son engagement et ses contributions indéfectibles au cours de l'année la plus difficile de notre histoire.

C'est toujours un honneur de servir nos parties prenantes et je demeure fermement engagé à résoudre les défis actuels et à saisir les opportunités à venir, ensemble.

Bien cordialement,
Travel Industry Council of Ontario



Richard Smart
Président et C.E.O

MANDATE

For the purposes of this Annual Report and 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.

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.



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

The background of the page is a scenic photograph of a paved road with a yellow dashed center line, winding through a lush green forest. In the distance, blue-toned mountain peaks are visible under a bright blue sky with scattered white clouds. A solid blue vertical bar is positioned on the left side of the page, partially overlapping the 'VALUES' header.

VALUES

EFFICIENCY

We drive value through continuous improvement and cost effectiveness.

LEADERSHIP

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

ACCOUNTABILITY

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

SERVICE EXCELLENCE

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

TEAMWORK

We are one team, passionate, knowledgeable, and greater working together.

INNOVATION

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

COMMUNICATION

We build trusting relationships by listening well and embracing effective conversations which are open, clear, direct, and honest.

OPENNESS

We are welcoming of all cultures and embrace diversity through inclusivity, equality, and fairness for all.

Above all, we envision that Consumer Protection is stronger through a workplace built on honesty, respect and trust that leverages our strengths in diversity and strong business ethics in all that we do.

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 32.

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 of 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 2,100 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).

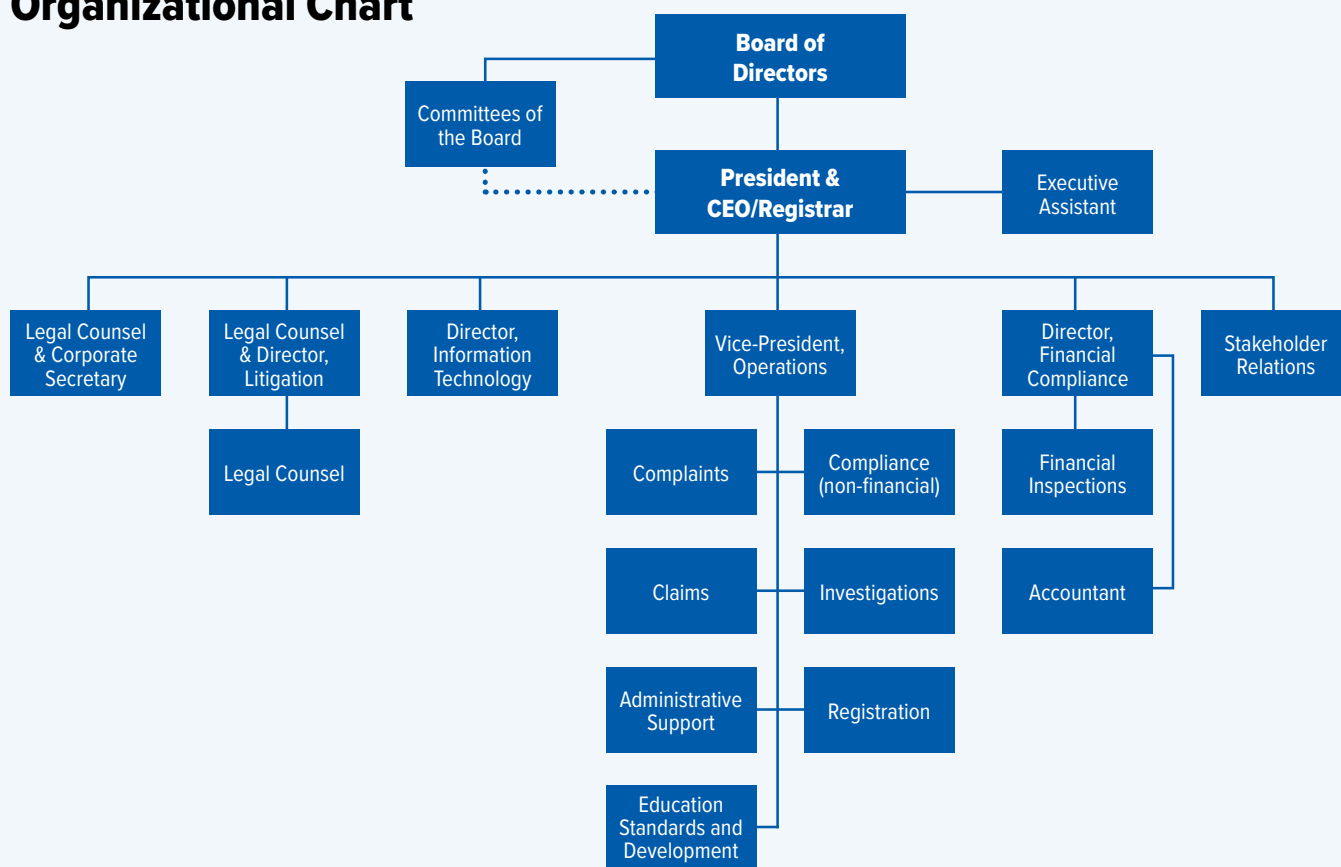
Governance

The TICO Board of Directors consists of eleven members. There are two individuals appointed by the Association of Canadian Travel Agencies (ACTA), two from the Canadian Association of Tour Operators (CATO), 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.

(See Appendix II)

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. TICO's Travel, Meal and Hospitality Expenses Policy sets out the per diem levels. For austerity measures, the Board of Directors approved a temporary 20% decrease in the per diem rates from April to September 2020 to the following levels:

Board Meetings:

Chair	\$401
Vice-Chair	\$316
Member	\$258

Committee Meetings:

Committee Chair	\$258
Committee Member	\$200
(including non-Board committee members)	

Statutory Director/Deputy Statutory Director under the Act*
\$4,800/annum

In October 2020, the Board of Directors reverted back to the 2019 per diem levels effective October 1, 2020 to March 31, 2021 to the following:

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 the 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 financial exposure that TICO, as an enterprise, will accept 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, represented by senior leaders within the organization are responsible for overseeing these risks. These risk champions have the responsibility to ensure that risk mitigation strategies are considered and implemented by management to mitigate risks accordingly. Priority risks are regularly monitored by assigned Committees of the Board as part of the governance framework. Various risk mitigation strategies are considered and implemented by management to mitigate risks accordingly.

The pandemic caused by the novel coronavirus (COVID-19) has proven to be the most significant adverse event in modern times, and certainly has been catastrophic for the travel industry and registrants. The Board and management remain focused on the impact to the organization and industry and have engaged in further risk mitigation measures through frequent and active Director oversight, government engagement and other emergency measures. Risk mitigation has taken the form of targeted financial burden relief and other regulatory measures to support industry while maintaining the organization's commitment to its mandate.

At all times, the safety and health of TICO's employees was the primary organizational priority while ensuring timely communication to registrants and other stakeholders on matters related to the ongoing crisis.

The Board remains 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
- Investment Management, Budgets and Finance
- Technology
- Risk Management

Regulatory and Business Strategy Committee

(Chair: Scott Stewart)

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
- Legislative and Regulatory Modernization and Reform
- 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



BUSINESS ACCOMPLISHMENTS 2020/2021

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 2020/2021	ACTIVITIES AND ACCOMPLISHMENTS
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.	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.	TICO's Board Committees and Board of Directors (Board) were presented with a strategy and recommended path forward with respect to a new funding framework and model. The Board also approved the future funding strategy and requested management to provide a detailed Business Case for final approval during Q1 next fiscal year. MGCS has been provided with an overall strategy paper reflecting the Board's approved direction.
Implement an action plan for effective implementation and enforcement of the regulatory changes in response to COVID-19.	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.	All operational priorities in place to efficiently administer and enforce the new regulation changes effective March 30 and December 1, 2020.
Mitigate risk and enhance consumer protection.	Reduce the number of high-risk registrants and identify and achieve compliance of unregistered sellers of travel services in Ontario.	For fiscal year 2020/21 the existing registrant risk assessment framework has been replaced with limited scope inspections that focused on previously identified high-risk registrants' trust accounting and liquidity. As at March 31, 2021 a total of 44 unregistered sellers of travel operating in contravention of the Act have been identified compared to 183 the prior year. Of the number of unregistered travel sellers' files processed, 97% compliance was achieved when unregistered sellers later registered or came into compliance.
Promote and advance legislative and regulatory reform.	Provide recommendations to the Ministry to update and modernize the legislation taking into consideration changes to business models and stakeholder feedback.	Maintained communications and continued regular scheduled meetings with Ministry to advance regulatory recommendations. Ensured regulatory reforms implemented during the year were effectively communicated to stakeholders and integrated into operations.
Foster collaboration and engagement with consumer and industry stakeholders to address the impact of the COVID-19 global pandemic on the industry and businesses.	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.	A Terms of Reference for the Consumer & Industry Advisory Committee (CIAC) has been approved by the Board of Directors. Recruitment efforts have resulted in the formation of a CIAC, consisting of representatives from a broad cross section of consumer and industry representatives. The inaugural CIAC meeting will be held soon.

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 2020/2021	ACTIVITIES AND ACCOMPLISHMENTS
Continue to build and enhance consumer awareness and confidence 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.	Continued our Consumer Awareness campaign with greater emphasis on aspirational and future travel with a focus on social media, mass videos (non-skippable ads) and selected boosted posts. Continued to reinforce government restrictions, directing consumers to TICO registrants for consumer protection and clarity of information – in keeping with the zoned messaging matrix. Continued purchasing key search words which, with the help of social media, increased traffic to our website, lengthened the duration of stay, and helped us maintain a low bounce rate. With a streamlined campaign, the March 2021 on-line Consumer Awareness survey reflected a 5% increase score at 21% in awareness compared with prior year while 14% of consumers having knowledge of what we do remained flat. The dedicated 'zoned' consumer landing pages launched mid-March, quickly becoming our second most visited page on TICO.ca with approximately 11k page views since launch. Social media continued to generate the greatest indicators of awareness with approximately 6.3 million impressions overall in fiscal 2020-2021. Instagram had the highest engagement rate of the three platforms at 15.5%. We continued to share travel related news and content with trade media and industry associations, reinforcing TICO's mandate of consumer protection, as well as providing industry insight and expertise.
Establish a communications strategy for the regulation changes proclaimed in response to COVID-19.	Completion and planned implementation of a communications strategy to promote education and awareness of all stakeholders regarding enhancements to Ontario Regulation 26/05.	Explanatory Papers and numerous Registrar Bulletins and advisories have been produced and posted on TICO's website as well as distributed to all registrants. TICO's website updated to reflect new regulatory changes. Webinars held to assist registrants with the preparation of the new Verification Statements.
Enhance TICO's online Education Standards Program with updated curriculum and testing to include regulatory changes including continuing education opportunities.	Updated online Education Standards Program completed and ready for roll-out including a selection of continuing education opportunities.	Work on updating the program curriculum and exam bank of questions to reflect changes to the Regulation is underway by TICO's new Education Specialist. Enhancements to the post-exam survey were made to obtain meaningful metrics and insights into the service delivery experience.
Engage registrants and provide education and familiarization around the 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.	A total of 24 webinars were held in fiscal 2020/21. This represents a combination of webinars designed to both assist registrants with understanding how to prepare the new Verification Statement financial filing document and to educate registrant on financial compliance requirements.

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 2020/2021	ACTIVITIES AND ACCOMPLISHMENTS
Establish a project plan to operationalize the recommended new funding framework.	Prepare project plans for implementation of new funding model including planning for stakeholder consultation.	Board approval of the future funding strategy has been achieved. This new strategy is under review by the Ministry. A detailed critical path and Action Plan are on hold pending further direction.
Sustain and enhance security protocols and protection across TICO system infrastructure.	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.	Online training/awareness was conducted to staff through townhall meetings and email communications on the newest phishing trends and how to spot scam emails. As well, regular updates for staff on system updates and changes ensured staff were aware of this risk.
Enhance data management capabilities to enhance business intelligence and operational effectiveness.	Implementation of project milestones associated with core operating system enhancements and integration reflecting sound data management.	System and Security logs are being gathered from all devices operating systems and being correlated. Logs are monitored for any anomalies and reported on if any were found through a ticketing system or a live agent depending on the type and/or the severity of the anomaly.
Update and modernize crisis management protocol.	Crisis management protocols and communications updated to capture learnings obtained during the global pandemic as well as any new or emerging vulnerabilities and trends.	TICO's crisis management plan is complete and is under constant review to reflect changes in the current environment. A crisis simulation review with senior management and members from the Board was completed to test the plan. Further, crisis management protocols, including Director responsibilities, were reviewed by the Board.
Workforce optimization.	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.	TICO's workforce has experienced a challenging fiscal year with changes in the work environment to working from home. In addition, there has been considerable changes to work processes to enable, and optimize, a work from home environment. Management and the Board continue to engage in various succession planning and talent management initiatives related to senior management.

NEW BALANCED SCORECARD

TICO's 2020 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 2020/2021 TARGET	ACTIVITIES AND ACCOMPLISHMENTS
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.	For fiscal year 2020/21 the existing registrant risk assessment framework has been replaced with limited scope inspections that focused on previously identified high-risk registrants' trust accounting and liquidity. During the year, a total of 263 inspections were completed compared to 304 in the prior year. A total of 44 unregistered operators were identified compared to 183 in the prior year. Of the number of unregistered travel seller files processed, 97% compliance was achieved compared to 95% in the prior.
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.	Through TICO's social platforms (Facebook, Instagram, and Twitter), consumers were continuously updated with important consumer protection messages associated with the pandemic. TICO's website was regularly updated with information to assist consumers with updates associated with cancelled travel, vouchers, and future planning. A concentrated effort in addressing record levels of consumer complaints was achieved during the year. Consumer Engagement Rates (Facebook 2.4% / Instagram 15.5%) exceeded industry benchmarks but were lower than prior year.

OBJECTIVE	MEASURE	FISCAL YEAR 2020/21 TARGET	ACTIVITIES AND ACCOMPLISHMENTS
EDUCATION AND AWARENESS			
Improve Consumer Awareness and Education.	Improve metrics to accurately gauge Ontarian's 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.	Based on an unaided March 2021 online survey, 21% of Ontarians could name TICO as the provincial travel regulator, an increase from 20% in the prior year. The baseline measure (2019) 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.	Based on an unaided March 2021 online survey, 14% of Ontarians correctly identified that TICO provides consumer protection for travelers, an increase from 13% in the prior year. The baseline measure (2019) 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 at March 31, 2021 overall pass rate of 97% on financial bench reviews received was achieved compared to 91% in the prior year.
	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.	As at March 31, 2021 a total of 44 unregistered sellers of travel operating in contravention of the Act have been identified compared to 183 the prior year. Of the number of unregistered travel sellers' files processed, 97% compliance was achieved compared to 95% in the prior year.
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.	Developed and conducted a new value survey of TICO and its services with consumers and achieved an overall value baseline score of 73%

OBJECTIVE	MEASURE	FISCAL YEAR 2020/21 TARGET	ACTIVITIES AND ACCOMPLISHMENTS
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.	Developed and conducted a new value survey of TICO and its services with industry stakeholders and achieved an overall value baseline score of 54% A total of 24 webinars were held in fiscal 2020/21. This represents a combination of webinars designed to both assist registrants with understanding how to prepare the new Verification Statement financial filing document and to educate registrants on the new financial compliance requirements.
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.	As at March 31, 2021, 67% of annual budget was incurred for professional development compared to 48% in the prior year.
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.	Employee Engagement survey conducted with staff. There was 96% staff participation. The baseline score was 87% compared to the previous baseline score of 79% achieved in the survey conducted in 2018.
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 (ROE) after adjusting for the exclusion of the Provision for Gross Claims against the Compensation Fund.	Excess of ROE before net claims of \$2,860,822 is better than the budgeted deficit of \$4,843,583. Excluding TPA funding there is a deficiency of ROE of \$1,249,354.
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 31, 2021, tracking ahead of budget at a ratio of 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 31, 2021, efficiency ratio of 100% slightly missed the budget target compared to 90% in the prior year.

ADDITIONAL BUSINESS ACCOMPLISHMENTS 2020/2021

- 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.
- Met the terms of the Administrative Agreement with MGCS by maintaining operations and systems to protect consumers in Ontario.
- Continued to maintain and enhance TICO's website with up to date and timely information for the benefit of all stakeholders, including changes to Ontario Regulation 26/05.
- Developed a new Verification Statement to assist registrants with new financial filing requirements.
- Established an online request process for registrant filing extensions of verification and/or financial statements.
- Enhanced TICO's website by developing and launching a French microsite.
- Enhanced TICO's Values to provide clarity around embracing diversity through inclusivity, equality, and fairness for all.
- Introduced an online consumer complaint form request on TICO's website.
- 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.
- Finalized a draft TICO Code of Conduct and Professionalism for Inspections and Investigations.
- Conducted two speaking engagements to a consumer group to increase awareness of TICO and the benefits of purchasing travel services from Ontario registered travel agencies and websites.
- TICO conducted speaking engagements to Tourism and Hospitality students at three Ontario Community Colleges and one industry speaking engagement at the Northern Ontario Tourism Spring Training Week.
- Continued to provide advisories and registrar bulletins to all stakeholders containing timely and relative information.
- Distributed and made available on TICO's website, TICO's Annual Report and Business Plan in September of 2020.
- Established a Safe Return to Work Committee composed of employee and Management representatives to develop and implement an ongoing safety program for the safe return of all employees to TICO's office environment.
- 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, 2021, there were a total of 2,095 registrations with TICO compared to 2,305* registrations the previous year. A 9% decrease in the number of registrants compared to the prior year. (Fig. 1).

Of these, 85% (1,784) are retail travel agencies, who sell travel services directly to consumers and 15% (311) are travel wholesalers, who sell travel services through travel retailers.

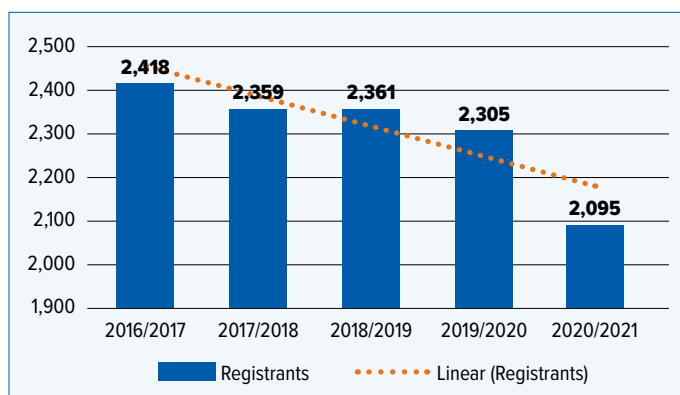


Figure 1: Total Registrations under the Act

*As of March 31, 2020, due to the COVID-19 global pandemic, numerous registrations that were due to be renewed by the fiscal year end were late in filing. At that time, TICO reported 2,096 active registrants in its 2020 Annual Report with a note regarding late filers. Subsequent to March 31, 2020, renewals were received and processed, along with 12 voluntary terminations of registrations to operate, some due to the COVID-19 global pandemic. The 2020 total active registrant number has been adjusted to 2,305 to accurately reflect the number of registrants renewed.

In 2020/2021, there were a total of 263 terminations compared to 172 in the prior year. The increase in terminations received at TICO compared to the prior year were mainly due to the COVID-19 global

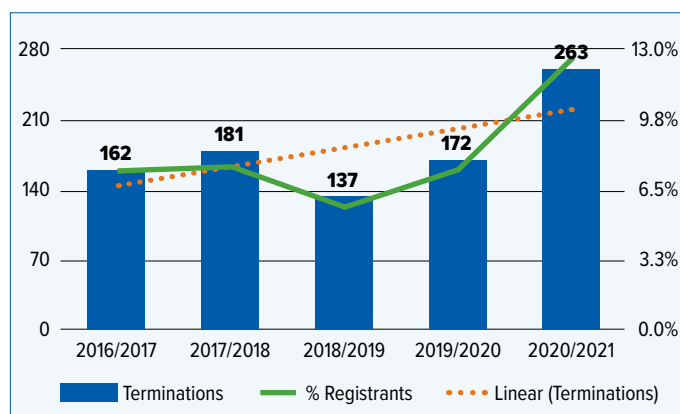


Figure 2: Total Voluntary Termination/Expired Registrations and Revocations

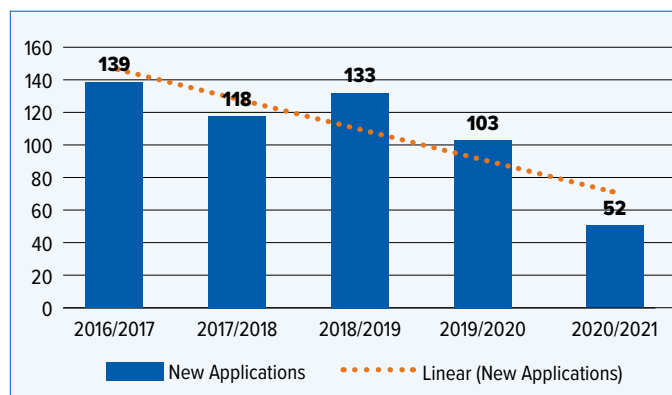


Figure 3: Total New Applications Processed

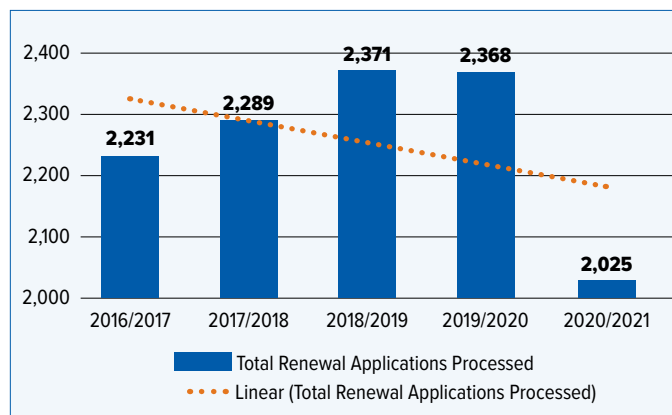


Figure 4: Total Renewal Applications Processed

pandemic. (Fig. 2). A total of 2,077 registrations were processed under the *Travel Industry Act, 2002*, which included 52 new registrations (Fig. 3) and 2,025 renewals (Fig. 4). Registrations are renewed annually.

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 2,033 exams were written compared to 6,076 the prior year, a decrease of 66.5%. The COVID-19 global pandemic and adjustments to community college and travel school curriculum delivery is believed to have contributed to the decrease. The breakdown of exams written during the fiscal year are as follows:

1,713	TRAVEL COUNSELLOR EXAMS
209	SUPERVISOR/MANAGER EXAMS
111	COMBINED EXAMS (TRAVEL COUNSELLOR & SUPERVISOR/MANAGER EXAMS WRITTEN TOGETHER)

As at March 31, 2021, a total of 80,779 exams have been written since the inception of the Education Standards on July 1, 2009. During the fiscal year 2,033 exams were written compared to 6076 in the prior year.

Exams written

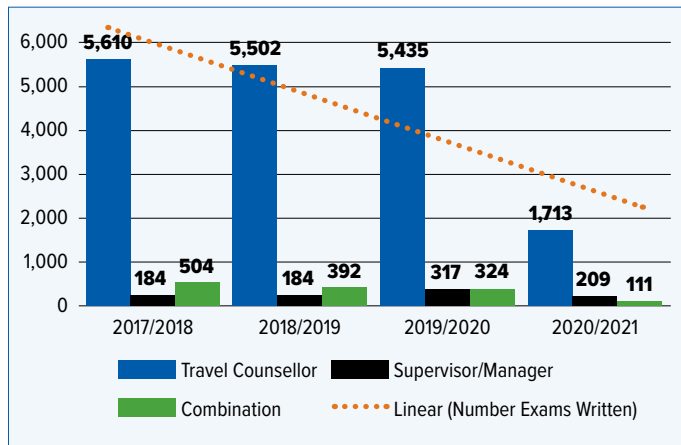


Figure 5: Total Exams Written

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 2020/2021 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

During the 2020/2021 fiscal year, TICO received an unprecedented number of calls and emails from consumers who had their travel bookings adversely affected by the COVID-19 global pandemic. TICO resolved 605 written consumer complaints against registrants in 2020/2021 compared to 139 in the previous year. This represents a 335% increase in the number of consumer complaints resolved compared to the prior year. (Fig. 6). A small number of the complaints related to files that were opened in the previous fiscal year. The number of new complaints received during 2020/2021 was 609 compared to 141 in the previous year. In processing these complaints, TICO successfully assisted consumers in obtaining \$3,112,251 in restitution compared to \$71,102 the previous year. In addition, TICO handled 51,715, telephone complaint inquiries compared to 1,694 in the previous year and 10,650 email complaint inquiries compared to 1,031 in the previous year. TICO's non-financial compliance team were redeployed to assist TICO's Consumer Complaints Department with the extraordinary influx of consumer calls, emails and complaints filed due to the COVID-19 global pandemic.

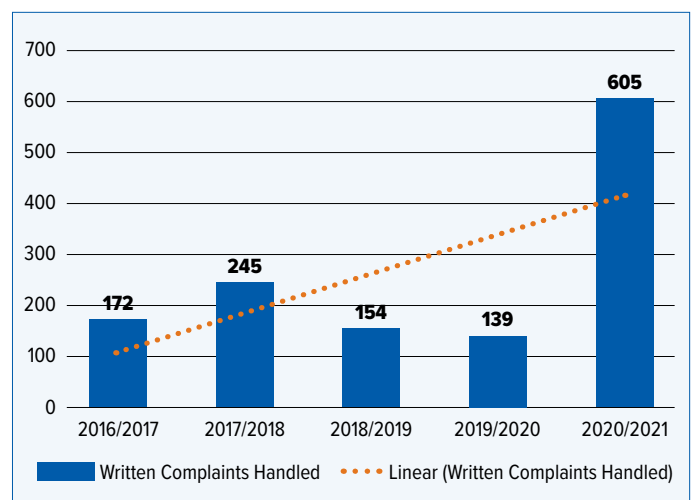


Figure 6: Written Complaints Handled

The 10 most frequent types of written complaints received at TICO in 2020/2021 were:

2020/2021		2019/2020
1. 	Disclosure and invoicing issues related to fees for travel services cancelled due to the COVID-19 global pandemic	Customer Service issues
2. 	Dissatisfaction regarding future travel credit refunds issued in response to supplier failing to provide travel services	Incomplete or incorrect information provided to the consumer (i.e. information regarding the travel services being sold)
3. 	Miscellaneous issues related to the cancellation of travel services due to the COVID-19 global pandemic	Information/documentation. (i.e. issues related to travelling with passports and other travel documents)
4. 	Outstanding refund issues	Itinerary/schedule changes
5. 	Cancellation / non-refundable / no insurance	Outstanding refund issues
6. 	Customer services issues	Ticketing issues
7. 	Failure to provide proper disclosure of required information (ex. availability of travel insurance, terms and conditions and fees, etc.)	Online purchase pricing issues
8. 	Invoicing issues (ex. invoice not issued at time of purchase, etc.)	Cancellation/non-refundable/no insurance
9. 	Suspected fraudulent activity by an individual or company operating unregistered	Suspected fraudulent activity by an individual or company operating unregistered
10. 	Terms and Conditions of Reservation	Failure to provide proper disclosure of required information (i.e. availability of travel insurance, terms and conditions, etc.)

Consumer Survey Results— Complaints Process

During the fiscal year 2020/2021, TICO distributed an online consumer survey to 605 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 2021, there were 15 completed surveys returned to TICO, compared to 19 in the previous year.

The results of the 15 completed surveys received are as follows:

Consumers were asked about their overall satisfaction with service and communications during the complaint process. A 100% of respondents indicated that they were satisfied with both the overall service and communications received from TICO's Complaints Officers.

The survey results also indicated that of the 15 consumer respondents, 94% were satisfied with the complaint turnaround times and 6% were somewhat dissatisfied. Comments received in the survey included, *"Thank you so much for your assistance! I was trying to resolve this for 6 months and with TICO assistance the issue was resolved within 2 days."* Turnaround times may vary considerably depending on the volume of consumer complaints received, 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: 94% of respondents advised they agreed and were satisfied with TICO's process, while 6% indicated that they were somewhat dissatisfied.

When asked to rate their overall satisfaction with TICO's handling of their complaint, 94% of consumer respondents advised they were satisfied, and 6% 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 filings are subject to a bench review to ensure compliance with the financial standards required under the Regulation. The bench review process produces information, which identifies registrants that may pose a risk and/or should receive financial site inspections.

During the fiscal period 2020/21, a temporary amendment to the Regulation, which took effect on December 1, 2020 exempts medium and large registrants from filing an annual financial statement accompanied by a review engagement report or audit opinion and requiring a verification statement instead, subject to a limited exception. This exception applies where a registrant is required for a purpose outside of TIA to prepare an annual financial statement accompanied by a review engagement report or audit opinion, in which case they would be required to submit this financial statement and could not submit a verification statement instead. TICO completed 1,995 bench reviews (Fig. 7) compared to 1,843 bench reviews in the previous year and completed 263 financial site and limited scope inspections compared to 304 site inspections in the previous year (Fig. 8).

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

Inspection Reason	2020/2021 Financial Inspections	2019/2020 Financial Inspections
Limited Scope*	256	0
Working Capital	0	80
New Registrant	1	74
High Risk	6	69
Trust Accounting	0	16
Periodic	0	24
Other/miscellaneous	0	416
Total	263	304

***Limited Scope Inspections:** In response to the COVID-19 global pandemic, TICO's Financial Compliance team conducted desktop limited scope inspections with a focus on trust accounting and working capital requirements, in place of traditional site inspections.

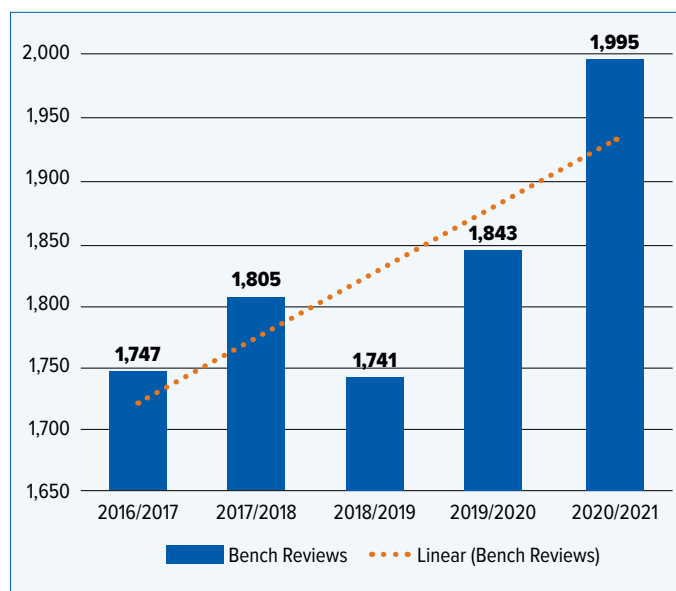


Figure 7: Total Financial Bench Reviews

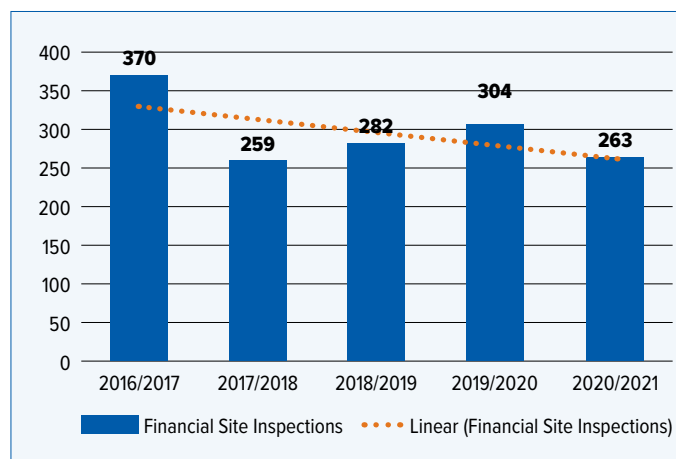


Figure 8: Financial Site Inspections

COMPLIANCE (NON-FINANCIAL)

All non-financial compliance performance metrics were negatively impacted this past fiscal year compared to the prior year, due to the compliance team being redeployed to assist TICO's Consumer Complaints Department with the extraordinary influx of consumer calls, emails and complaints in response to cancellations due to the COVID-19 global pandemic.

During the 2020/2021 fiscal period TICO processed 232 compliance files compared to 453 in the previous year. TICO performed 4 compliance site inspections and 129 desktop registrant closure reviews during the 2020/2021 fiscal year compared to 93 in the prior year. Compliance site inspections are usually performed to address various issues such as invoicing, operating without registration as well as follow up site inspections to ensure former registrants have ceased operating when their registration has been terminated. In response to the global pandemic, registrant closure reviews did not include a physical site inspection.

In 2020/2021, a total of 44 warnings for operating without registration were issued compared to 183 in the previous year (Fig. 9) and 2 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 61 in the previous year (Fig.10). In addition, 19 invoicing warnings (Fig. 11) were issued to registrants who did not provide proper invoices and/ or receipts in accordance with the Regulation compared to 115 in the previous year. Invoicing deficiencies are forwarded to the Compliance Department from consumer complaints, financial inspections and claims.

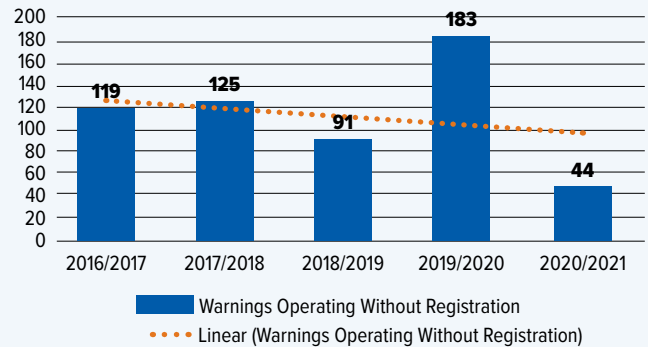


Figure 9: Total Warnings Issued for Operating Without Registration

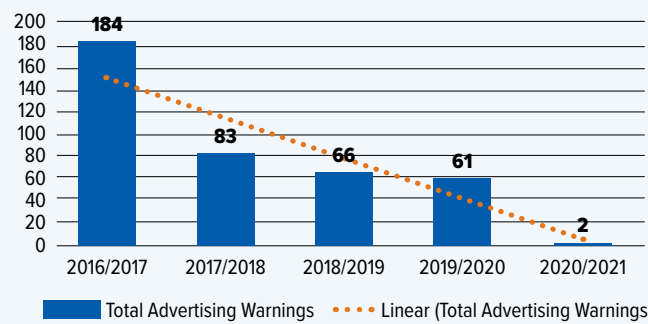


Figure 10: Total Warnings Issued for Advertising Infractions

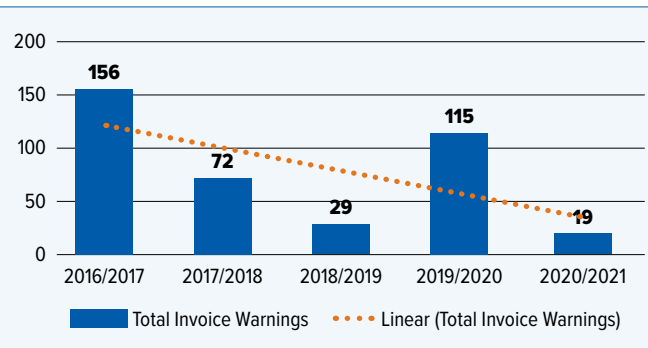


Figure 11: Total Warnings Issued for Invoicing Infractions





TRAVEL INDUSTRY COMPENSATION FUND

TICO is required to hold all Compensation Fund monies in trust. As at March 31, 2021, 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, 2021 compared to the previous year ended March 31, 2020 were as follows:

	2020/21 \$	2019/20 \$
Number of claims paid	4	81
Number of consumers assisted	7	140
Claims paid - Registrant failure	2,700	253,760
Claims paid - End supplier failure	688	5,256
	<u>3,388</u>	<u>259,016</u>
Repatriation/Trip Completion	-	212
Total Claims	<u>3,388</u>	<u>259,228</u>
Accruals ¹	<u>61,369</u>	<u>243,964</u>
As per Statement of Operations	<u>64,757</u>	<u>15,264</u>
Recoveries	(14,850)	(31,817)

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

Closures Resulting in Claims Paid

The following entities ceased operations and resulted in claims paid during the 2020/2021 fiscal year:

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

REGISTRANTS	CLAIMS PAID 2020/2021 \$	RECOVERIES 2020/2021 \$	CLAIMS PAID 2019/2020 \$	RECOVERIES 2019/2020 \$
Adria Airways *	688	-	4,872	24
Akkiratourz Ltd (R)	-	6,200	-	-
Dolphin Travel (R)	-	550	-	600
Executive Worldwide Travel (R)	-	-	-	4,275
Gideon Travel (R)	2,700	-	-	-
Millennium Leisure Travels Inc. (R)	-	-	212	-
Sinorama Holidays Inc. (R)(W)	-	-	253,760	23,718
Smartchoice Travel & Tours (R)	-	5,600	-	-
Skypride Travel & Tours (R)	-	2,500	-	3,200
Wow Airlines *	-	-	384	-
TOTAL CLAIMS PAID (GROSS)	\$3,388	\$14,850	\$259,228	\$31,817

(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 2020/2021 totalled \$3,388 compared to \$259,228 the previous year. Recoveries recognized by TICO in 2020/2021 were \$14,850 compared to \$31,817 recovered in 2019/2020. Claims received at TICO were lower despite the pandemic halting all global travel as a result of temporary changes to the Regulation and government support to reduce burden on business as well as action taken by registrants to significantly reduce expenses through layoffs and other cost reduction measures.

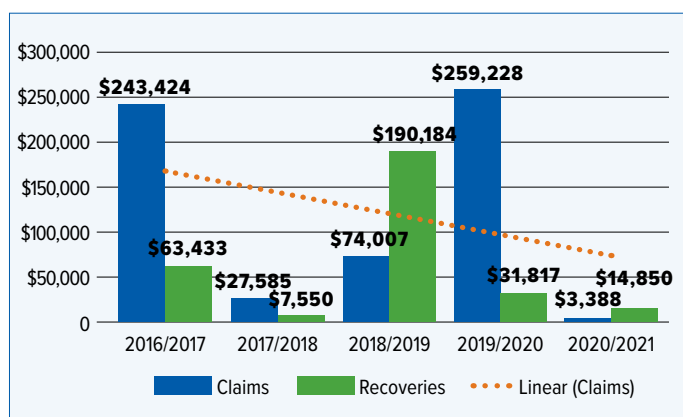


Figure 12: Total Claims paid and Recoveries to the Fund

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 2020/2021 fiscal year, there was a decrease in overall claims paid out of the Compensation Fund as a result of both registrant and end supplier failures.

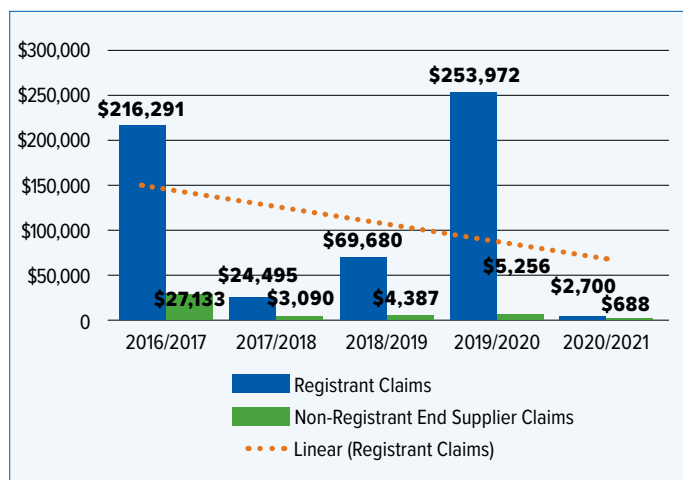


Figure 13: Registrant Claims vs Non-Registrant End Supplier Claims

In 2020/2021, a total of \$2,700 was paid in claims related to registrant failures compared to \$253,972 to the prior year. During the fiscal period 2020/2021, a total of \$688 in claims was paid as a result of end supplier failures compared to \$5,256 in the previous year.

Contributions to the Fund from registrants (Fig. 14) in 2020/2021 were lower compared to the previous year with \$592,905 recognized in 2020/2021 and \$3,929,432 recognized in 2019/2020. The decrease in contributions is attributed to the waiver of all fees that was established for fees due between April 1, 2020 to March 31, 2021. The Fund contributions recognized in 2020/2021 fiscal represented late contribution payments that were owed during the prior year. The waiver of fees was established to reduce the burden on business and allow registrants to focus on their priority business needs in response to the COVID-19 global pandemic, without the added financial stress of meeting certain payment obligations to TICO.

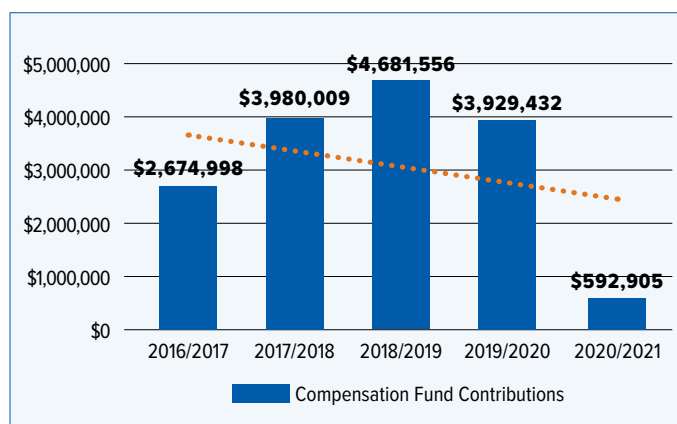


Figure 14: Contributions to the Compensation Fund

Consumer Survey Results—Claims Process

During the fiscal year 2020/2021, 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 2021, there were no completed surveys returned to TICO.

During the fiscal year, TICO did conduct a value survey with consumers to measure the value of the consumer protection TICO administers and enforces, including the Travel Compensation Fund. The results of the value survey may be found on page 33.



LEGAL MATTERS

TICO's enforcement activities were unfortunately hindered due to the Ontario Court of Justice suspending its operations between March 2020 and February 2021 in response to the COVID-19 global pandemic.

During the fiscal 2020/21, TICO opened 2 new investigations and closed 3 investigations. There were no charges laid under the statute during the fiscal year. Some of the investigations were carried over from the prior fiscal year. As at March 31, 2021, there were 6 open investigations.

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, 2021, there was a case conference and hearing held in relation to a decision of the Board to disallow a claim. The hearing resulted in a decision by LAT which upheld the Board's decision.

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.

Prosecutions

Prosecution activities conducted during 2020/2021 resulted in 1 conviction from charges laid in the prior year, an appeal from a conviction in 2019 and another case that was withdrawn subsequent to restitution being paid.

Penalties imposed in relation to these activities include:

- **\$3,750 fines**
- **\$15,879 restitution**
- **\$4,500 charitable donation**
- **50 days jail**

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
Karen Gushue	2	Operating as an unregistered travel agent	Karen Gushue	-	Consumer	\$15,000	Karen Gushue	30 days and 20 days jail, concurrent
Michael Adams	1	Operating as an unregistered travel agent	Michael Adams	\$3,750	-	-	-	-
Travel Partner International Inc. and Hazem El-Maghraby (withdrawn after up-front restitution)	0	Operating as an unregistered travel agent	Travel Partner International Inc. and Hazem El-Maghraby (withdrawn)	-	Consumer	\$724 USD	Hazem El-Maghraby (withdrawn)	\$4,500 charitable donation
TOTALS	COUNTS: 3		FINES: \$3,750		RESTITUTION: \$15,000 \$724 USD		PROBATION: - COMMUNITY SERVICE: - JAIL: 50 days CHARITABLE DONATION: \$4,500	

Proposals to Revoke Registration

A total of 7 proposals to revoke registration were issued during 2020/2021. The proposals were issued for the following reasons:

	2020/21	2019/20
Failure to file Financial Statements	3	9
Failure to maintain Working Capital	1	1
Failure to maintain Trust Accounting	0	1
Failure to file Compensation Fund Assessment (Form 1)	1	0
Other Breaches of the Act and Regulation	2	1
	7	12

TICO attended 10 case conferences and 2 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, 2 registrations were revoked and 2 suspended as a result of a proposal to revoke registration being issued. There were 3 matters settled by consent order. At the beginning 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 675/20 amending Ontario Regulation 26/05 came into force on December 01, 2020.

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

1. New Exemptions from the Act and Regulation

- Exemptions have been added for real estate brokerages, brokers, and salespersons from having to register under the Act if they are trading in short term accommodation rental properties through the brokerage and are registered under the *Real Estate and Business Brokers Act, 2002*.

2. Temporary Reductions to Financial Reporting Requirements

- A two-year exemption from the requirement to file an annual financial statement accompanied by a review engagement report or audit opinion has been provided for medium and large registrants, subject to a limited exception.
- This exemption covers registrants with fiscal year-end dates between December 1, 2020 to November 30, 2022. As a result, registrants benefit twice.

- Registrants who are exempt will be required to file a verification statement instead of the annual financial statement accompanied by a review engagement report or audit opinion.
- If, during the period, a registrant is otherwise required to prepare an annual financial statement with a review engagement report or audit opinion for any purpose, the registrant shall provide this report to TICO.

3. Changes to Obligations under Section 46 of the Regulation

- The time-limited exemption under section 46 implemented on March 30, 2020 is extended for an additional year. This would allow registrants who acquire the rights to travel services for resale to continue to provide a voucher or similar document for future redemption towards travel services until March 31, 2022. The voucher or similar document provided would be in lieu of a refund or comparable alternate travel services acceptable to the customer if a supplier (e.g., airline or cruise line) fails to provide the travel services on or after March 30, 2020 and that failure is related to COVID-19.
- The voucher, certificate, coupon, or similar document must meet the following two conditions:
 - It must be of at least equal value to the travel services not provided.
 - It must be redeemable for a period of at least one year after the day it was issued, but not limited to acquiring travel services that take place during that period.

4. Expanding Compensation Fund Coverage

- The temporary provision implemented on March 30, 2020 expanding coverage under the Travel Industry Compensation Fund for unredeemed vouchers is extended for an additional two years. Customers with unredeemed vouchers or similar documents issued by a registrant that cannot be redeemed due to the failure of a registrant associated with COVID-19 may be eligible for a claim for reimbursement until March 31, 2024.

5. Commission Recalls

- The requirement for a registrant to repay commissions and other remuneration received to the Travel Industry Council of Ontario (TICO), for the purposes of depositing into the Travel Industry Compensation Fund, where a customer has not received the travel services paid for is eliminated. The customer would still receive a full reimbursement for these amounts.

Status of the *Travel Industry Act, 2002* Review

The Ministry of Government and Consumer Services has indicated that it is re-assessing 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

The COVID-19 pandemic continued to present immense challenges not only for TICO, but the entire travel industry. As federal and provincial travel restrictions were implemented it became vitally important to convey clear, accurate and timely information to consumers. We sought to balance messaging focused on reinforcing government sanctioned travel restrictions, with TICO's mandate of ensuring consumer protection through registrants—when the time for travel returns.

During this delicate time our consumer awareness campaign approach revolved around defining TICO through our mandate of providing Ontarian's travel protection; visualizing risk to ease the burden of communication; using a zone-based response framework depending on the travel restrictions in place (grey, red, orange, green) to guide our tone and content; and to develop simple, straightforward content that minimized negative feedback or divisive conversation, but instead promoted shares and link clicks.

Buoyed by improving pandemic indicators, and after having scaled back our campaign activities in response to border closures and stringent travel restrictions, we resumed our campaign activities in the late fall, focusing primarily on our social media channels. Unfortunately, those activities were once again scaled back in the new year as the pandemic worsened and a third wave became a focus.

Our largely digital campaign allowed us the flexibility and capability to pivot seamlessly and with great efficiency. We continue to monitor the travel landscape and adjust our campaign efforts accordingly to address the needs of consumers who look to TICO as a trusted source of travel information and guidance.

During the year, and in response to the devastation caused by the pandemic, the Ontario government and TICO provided critical financial and other burden relief to registrants. From our registrant survey, 4-in-5 registrants found this support valuable while 3-in-4 registrants were satisfied with TICO's overall delivery of pandemic support. The organization remains focused in the future travel industry recovery and is committed to supporting both consumers and registrants in the year ahead.

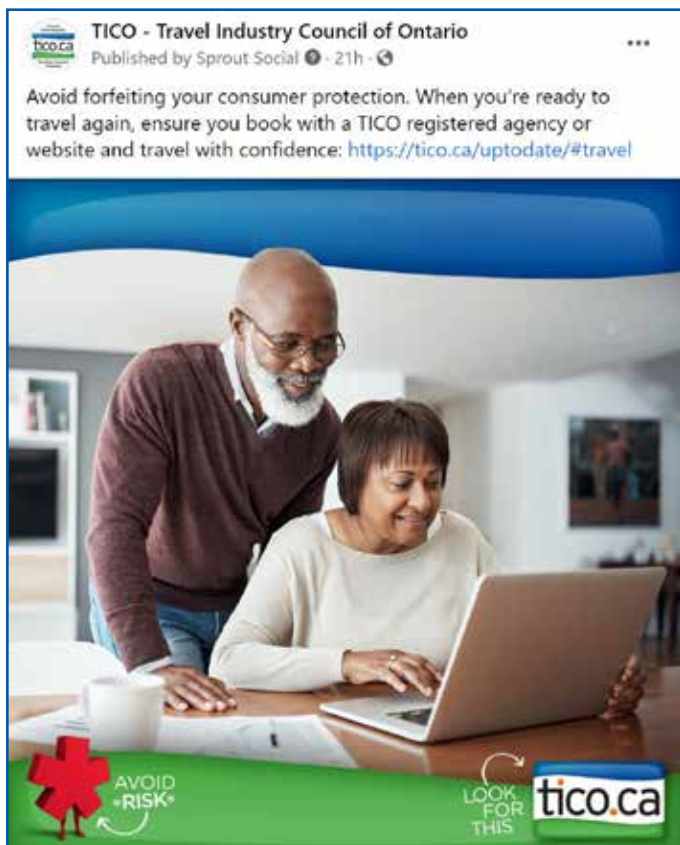
Campaign Flexibility—Fusing Old and New

The bulk of our consumer awareness campaign activities centered on social media engagement designed to reinforce broader travel messaging and drive users to our website. However, in anticipation of travel recovery, we developed a variety of creative collateral aimed at broadening our reach and encouraging consumer engagement. We leveraged some familiar creative assets from TICO's Avoid Risk – Look for This (Asterisk Campaign), while exploring new creative avenues and platforms. Expanded campaign activities included the following:

Social Content: During the brief period when we resumed our campaign activities (November-December), two to three times weekly social posts formed the foundation of our consumer engagement. Our content centered on future travel planning, the value of using a TICO registered travel agency, information about travel vouchers and links to source information for up-to-date regional travel restrictions and quarantining measures, among others.

Mass Video Ads: Consisting of two, non-skippable, 15-second ads that provide a high-level look at TICO's value proposition. These engaging, light-hearted videos appear on our social media platforms and YouTube and are intended to raise awareness of TICO's brand and mandate while directing consumers to their registered travel agency or website.

Registrar Videos: A series of videos featuring our CEO and Registrar where he speaks to consumers on a number of travel related topics as well as the value of using a TICO registered travel agency or website. These videos address relevant and timely topics in an informative and relatable manner and are hosted on TICO's website.



WE ARE ONTARIO'S TRAVEL REGULATOR, OVERSEEING CONSUMER PROTECTION AND PROVIDING YOU WITH THE RIGHT INFORMATION.

The travel landscape is constantly changing, so it's important that you have the most accurate, up-to-date information available. Click on the links below for valuable travel information and remember, the best way to avoid risk is to consult a TICO registered agency or website.



From the CEO & Registrar

Have questions about new and changing travel restrictions, or how to use your travel voucher? Richard Smart answers your FAQs in this informative video series.

[WATCH NOW](#)

For more information or clarification, contact your preferred TICO registered agency or website. Find one [here](#).

TRAVELLING DURING COVID-19

CURRENT TRAVEL REGULATIONS BASED ON LOCKDOWN MEASURES

Now may not be the time to travel, but it's important to stay up to date with the latest travel information. As always, we recommend consulting with a TICO registered agency or website to prepare you for your future travel plans.

- [GOVERNMENT OF CANADA OFFICIAL GLOBAL TRAVEL ADVISORIES](#)
- [REDEEMING A TRAVEL VOUCHER – WHAT YOU NEED TO KNOW](#)
- [PROVINCIAL AND TERRITORIAL TRAVEL RESTRICTIONS](#)
- [THE SMART TRAVELLER'S GUIDE](#)
- [SUPPORT AND INFORMATION FOR LOCAL TRAVEL: CURRENT COVID-19 PUBLIC-HEALTH LEVELS BY REGION \(COLOUR-CODED\)](#)
- [PLANNING FOR FUTURE TRAVEL](#)

Other Useful Links:

Dedicated Consumer Landing Pages: Targeted consumer landing pages which act as a central repository for users to access key travel information quickly and easily. Guided via our social posts, users are directed to content that is related to the current travel zone we are in, i.e. orange to reflect stringent travel restrictions and green to reflect fewer or no travel restrictions. They are housed on TICO's website.



Data Driven Insights

Canadian Travellers Survey: As the COVID-19 pandemic ravaged the travel industry and brought on great uncertainty, TICO sought to gain a better understanding of how consumers feel with respect to travel and how consumer sentiment had shifted during this unprecedented time. It was imperative that we address consumer sentiment using a data driven approach to help us prepare for the eventual recovery period. We enlisted an Ontario based research company PMG Intelligence to conduct two online consumer surveys entitled Canadian Travellers. Initially distributed in October 2020 and again in March 2021 to approximately 1,200-1,500 respondents, they focused on the behavioral examination into traveller market reengagement and decision making, post-COVID-19. This quantifiable data provided us with valuable and necessary insights to help us target our campaign messaging and drive positive engagement with consumers. Highlights of the survey include the following: travel and tourism within Canada currently holds greater appeal and comfort for most consumers; the majority of consumers

noted they will eventually return to travel. With this, 47% would travel today if they were able to and if proper precautions were in place. Three-in-four consumers trust the information provided by their provincial travel regulator. Compared to pre-COVID-19, consumers are more likely to research their travel, especially travel insurance and the travel destination(s).

Consumer Value Survey: TICO also employed PMG Intelligence to conduct a Consumer and registrant Value Survey. The data gleaned from this survey also contributed to our messaging development and enabled us to further tailor our campaign activities on key areas of interest and importance that consumers identified. The data was largely positive and indicated that awareness of TICO is moderate, with nearly 3-in-5 Ontario respondents saying they were aware of TICO. Nearly three-quarters of Ontario respondents felt TICO is valuable to them as a travel consumer, including more than 2-in-5 who feel it is very valuable. Even among other Canadians, 2-in-3 feel an organization like TICO would be valuable to them. A large majority of Ontario respondents feel it is important that the travel agency they are booking through is regulated.

Consumer Awareness Survey: We continued to measure the impact of the consumer awareness campaign through online two-question surveys. Each unaided survey measured Ontarians' awareness of TICO and knowledge of TICO's role in the marketplace. Despite the fact that our consumer awareness campaign was scaled back considerably with only very infrequent social posts, we were able to maintain a relatively steady awareness rate of 21% while consumers' knowledge of TICO's role held at 14%.

By the Numbers

- 6,332,462 overall impressions on social media
- 753,843 video views (for mass video ads)
- 541,413 search impressions
- 28,049 link clicks (through our social media posts and mass video ads to our website)
- 2 minutes 17 seconds – average time spent on our website, with a relatively low bounce rate
- 21.3% awareness rate – unaided online consumer survey
- 14% knowledge rate – unaided online consumer survey
- 15.5% Instagram engagement rate
- 2.4% Facebook engagement rate
- 2-in-5 Ontario respondents feel TICO is very valuable to them as a travel consumer, with 2-in-3 other Canadians indicating an organization like TICO would be valuable to them (PMG Consumer Value Survey)

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

- Continued participation in an office waste and recycling program, with efforts aimed at responsible use of paper, paperless initiatives and recycling.
- Established a paperless working environment by e-blasting the Compensation Fund remittance forms, developed a new online registration renewal portal and an in-house document management system to house all records.
- 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

- TICO successfully raised over \$2,679 through various CSR fundraising events and initiatives and have donated these funds to Mississauga Food Bank and Plan Canada.

Local Initiatives

- Continued partnership with the Mississauga Food Bank.
- In recognition of increased need due to COVID-19, donated funds to the Mississauga Food Bank from total fundraising.

Global Initiatives

- Continued with child and community sponsorship with Plan International Canada. TICO sponsored a 5-year-old girl from Guinea.
- Donated \$1000 to Humanitarian Coalition in response to the Beirut Explosion incident on August 4, 2020.

FRENCH LANGUAGE SERVICES

TICO strives to respond to all inquiries 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:

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

2020-2021 Statistics for French Language Services

During the fiscal year TICO received 5 inquiries in the French language. All written communications with the complainants were provided in French.

Of the 2,033 Education Standards exams written during the fiscal year, a total of 88 were written in French.

FINANCIAL REVIEW

The following financial review is based on the audited financial statements for the Travel Industry Council of Ontario (TICO) for the year ended March 31, 2021 with comparative figures for March 31, 2020.

Overview

The impact of COVID-19 pandemic on the Ontario travel sector has been devastating. This was reflected in an average of 69% decrease in Ontario gross sales reported by registrants (Note: there is a reporting lag on when registrants report their sales). The devastation caused by the pandemic was quickly acknowledged by the government of Ontario and TICO management. Financial burden relief in the form of a fee waiver was provided to registrants for the fiscal year, including refunds for fees already remitted. This loss of revenue resulted in a Transfer Payment Agreement (TPA) between TICO and the Ministry to provide operating funding throughout the year. With TPA funding provided to TICO to offset expenses, revenues subsequently collected for prior periods were recognized during the year, contributing to the net surplus. Investment returns on the managed portfolio also performed extremely well. TICO's expenses also performed better-than-budget and the prior year, due to adoption of emergency cost reduction measures. The final result for the fiscal year was an excess of revenues over expenses.

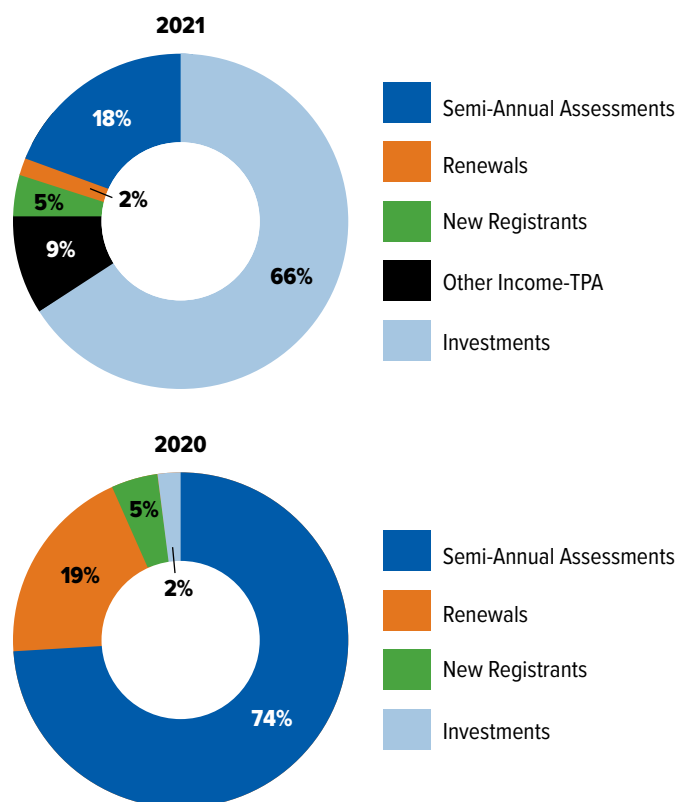
An Excess of revenue over expenses of \$2,810,915 was a result of the TPA funding without which TICO would have posted a significant deficiency in revenues over expenses.

As at March 31, 2021, total Net Assets were \$29,064,320 compared to \$26,253,405 for the year ended March 31, 2020. This increase in Net Assets was the result of the TPA funding of \$4,129,532, (inclusive of capital and net of deferred amounts). Total revenues decreased by \$2,097,647 (39%), while operating expenses, before net claims, were lower by \$579,753 (13%). Claims before recoveries and related costs were higher than prior year \$64,757 (2019 \$15,264) and lower when compared to actuarial expectations. Despite an increased number of voluntary registrant closures, claims were in line with the organization's most recent historical trends.

TICO is required to maintain all Compensation Fund monies in a segregated account. As of March 31, 2021, assets held for the Fund totaled \$23,494,930. Due to fee waivers, no registrant contributions were posted to the fund during the year, and no transfer of excess of revenue over expenses was made to the Fund as the organization prepares itself for an uncertain period of recovery. While claims against the Fund have been low in the past few years, the balance available to fund future claims for potential registrant and/or end-supplier failures remains lower than the recommendation as per the most recent actuary reports.

Revenues

The composition and sources of revenues are provided below:



In total, revenues exceeded budget expectations and were lower than the prior year by \$2,097,647 or 39%. Due to fee waivers issued to current registrants for fees due during the reported fiscal year, the reported semi-annual assessments and renewal revenue represent revenue from prior year's late filers. Although investment income outperformed budget and prior year, all the gains are unrealized. This caused a significant shift in the proportion of individual revenue contribution, whereby investment income contributed highest (66%) of total revenues, while in the prior year its total contribution was at 2%. Semi-annual assessments were the second strongest revenue contributor whose contribution percentage decreased from 74% to 18%. Excluding government assistance and unrealized investment income, operating revenues of \$780,694 compared to \$5,187,606 in the prior year, a reduction of \$4,406,912 (85%).

For the fiscal year, total registrant Ontario gross sales declined by 69% over the prior year for a total of \$4.6 Billion. Due to the reporting requirement lag, the decline of 69% does not represent the full impact of the pandemic on the registration. For example, for the last reported quarter of the fiscal year, which encompasses the whole reporting period under the pandemic, Ontario gross sales reflect a significant decline of 98%.

The number of registrants has declined when compared to prior year, compared with a 2% historical annual attrition rate. Total registrants of 2,095 are lower from prior year by 210, a decrease of 9%. A total of 52 new registrants, including branches, opened business during the year, down from 103 in the year prior. The total number of new registrants was further offset by 261 expired registrations and voluntary terminations during the year (2020—361). Of the 261 expired registrations and voluntary terminations, a spike due to COVID-19, none have since renewed. Additionally, there was one registration reinstated, while two were revoked.

In aggregate, revenues for new registrations and renewals of \$187,789. Renewal revenue represents fees from registrants who were late filers and were required to file in last fiscal year. TICO issued refunds to all registrants who paid whose fees were due during the reported fiscal year-end March 31, 2021. An aggregate amount of \$547,174 in refunds were issued to registrants during the year. Of this amount a \$305,666 was funded by the TPA, which is reported under government assistance - registrant refunds in the statement of operations. Any new registrants during the year were required to pay the initial registration fees.

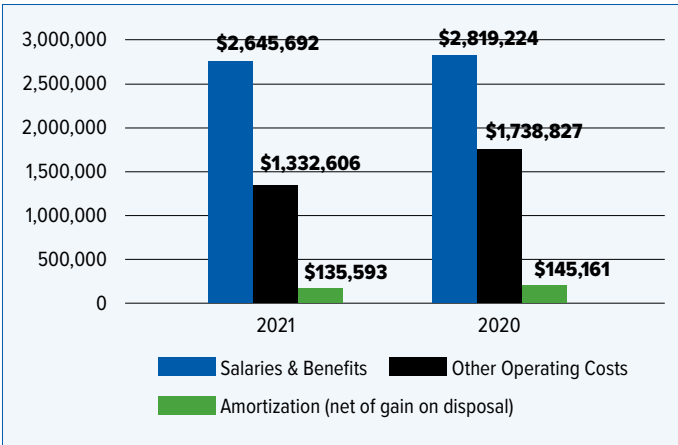
Due to the investments market recovery in early fiscal 2021, the investment losses generated at the end of the prior fiscal year March 2020 rebounded, with incremental unrealized gains this fiscal year. The year ended with investment income of \$2,133,750 compared to the prior year's gains of \$130,151. This result is well above budget expectations. TICO continues to hold all its investments in a diversified low risk portfolio managed by an external investment advisor with oversight provided by management and the Board of Directors.

Operating Expense

Total operating expenses of \$3,978,298 are lower than prior year by \$579,753 or 13%. Overall decrease in expenses was mostly a result of the cost reduction plan implemented during the year. The cost reduction plan was a temporary measure aimed at re-focusing organization efforts during the pandemic. This included reduced spending on consumer and registrant awareness program and company-wide temporary salary-reductions. Staff complement ended the year with a count of 27, higher than the prior year by 2.

The largest decrease in other operating expenses is related to consumer awareness and Ministry oversight fees, which account for more than half of the total decrease in other operating costs. Decrease in Ministry oversight fees reflects a temporary waiver of oversight fees during the pandemic. Other major cost reductions were related to board governance, general and office expenditures as well as travel. During the prior year, as part of a multi-phased governance review, TICO completed its restructuring of the Board of Directors, reducing the total number of board members and the size of committee structures, resulting in a more cost-effective governance model. Majority of the board meetings were held virtually, resulting in further cost savings.

Expenses



TPA capital funding was accounted for as a direct reduction in cost to the capital assets. No amortization was made on these purchases, which is in line with the accounting policy used. This has resulted in a lower amortization expense.

Compensation Fund

The Fund balance at March 31, 2021 was \$23,494,930 (2020—\$23,494,930). The number of approved claims represents another year of low claims for the travel industry. Claims against the Fund for this fiscal year were \$64,757 (2019 - \$15,264) reflecting one registrant failure and one end-supplier failure. The higher amount of prior year's claims was driven by failure of two registrants as well as two end-suppliers. The recoveries relate to various past failures, and partially relate to some claims included above. The net costs of claims totaled \$49,907 for the year (2020 - \$82,148). There were no registrant contributions to the compensation fund related to fiscal year. Prior year reported funding shortfalls remain a focus of management.

Capital Expenditures

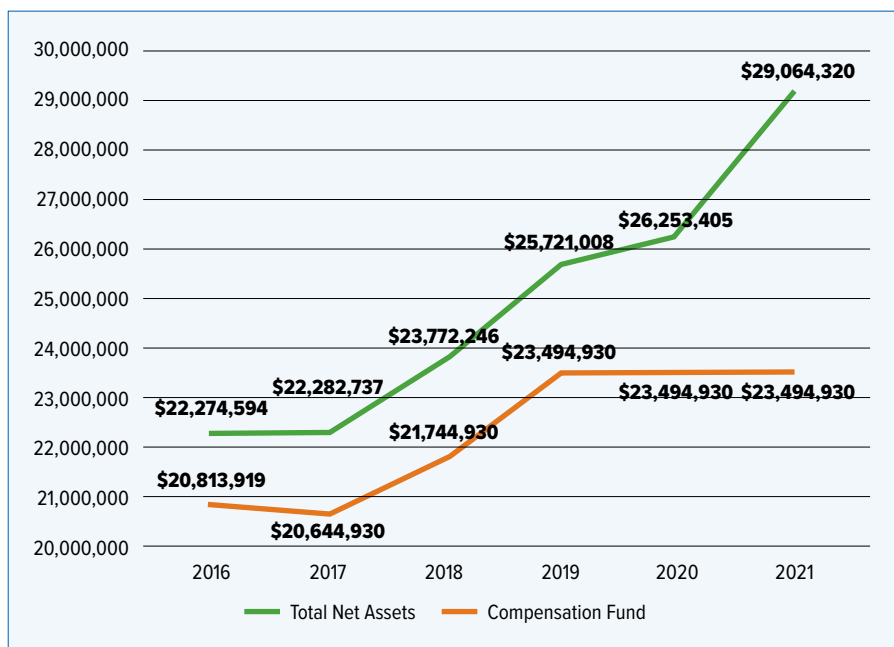
Fixed capital assets deployed in the business at March 31, 2021 totaled \$742,926 (2020—\$878,519). Capital expenditures, fully funded by TPA and totaling \$69,263 were related to technology software and database. Management's longer-term technology plan leverages cloud-computing, with virtually all TICO's infrastructure and applications hosted through various cloud-based services. These enhancements will enable TICO to continue improving its registrant services using e-commerce capabilities. TPA capital funding was accounted for as a direct reduction in cost to the capital assets, which is in line with the accounting policy used.

Statement of Net Assets

For the year-ended March 31, 2021, total net assets are \$29,064,320, an increase of \$2,810,915 reflecting an Excess of revenue over expenses over the past fiscal year (2020—\$532,397).

The total Fund has a balance of \$23,494,930 as at March 31, 2021.

The unrestricted fund of \$3,640,828 (2020 - \$724,999) 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, 2021

51-52 Independent Auditor's Report

53 Financial Statements

53 *Statement of Financial Position*

54 *Statement of Operations*

55 *Statement of Changes in Net Assets*

56 *Statement of Cash Flows*

57 *Notes to Financial Statements*

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 ("TICO"), which comprise the statement of financial position as at March 31, 2021, 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, 2021, 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 25, 2021
Oakville, Ontario

Travel Industry Council of Ontario

STATEMENT OF FINANCIAL POSITION

March 31	2021	2020
ASSETS	\$	\$
Current		
Cash	1,206,398	1,884,296
Short-term investments (Note 2)	21,430,446	13,726,933
Accounts receivable	28	93,651
Prepaid expenses	98,318	105,234
	22,735,190	15,810,114
Investments (Note 2)	10,173,987	14,520,465
Capital assets (Note 3)	742,926	878,519
	33,652,103	31,209,098
LIABILITIES AND NET ASSETS	\$	\$
Current		
Accounts payable and accrued liabilities	186,535	365,967
Deferred revenue (Note 4)	166,159	–
Deposits from registrants	3,803,630	4,138,630
	4,156,324	4,504,597
Deferred leasehold inducement (Note 5)	314,364	345,043
Deferred rent	117,095	106,053
	4,587,783	4,955,693
Net assets		
Compensation fund (Note 5)	23,494,930	23,494,930
Invested in capital assets	428,562	533,476
Internally restricted operating reserve fund (Note 6)	1,500,000	1,500,000
Unrestricted fund	3,640,828	724,999
	29,064,320	26,253,405
	33,652,103	31,209,098

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	2021 \$	2020 \$
Revenue		
Semi-annual payments from registrants	592,905	3,929,432
Renewals	64,989	1,017,699
New registrants	122,800	240,475
Investment income	2,133,750	130,151
Government assistance—registrant refunds (Note 4)	305,666	—
Total revenue	3,220,110	5,317,757
Expenses		
Claims	64,757	15,264
Professional fees	—	98,701
Recoveries	(14,850)	(31,817)
Net claim and related costs	49,907	82,148
Salaries and benefits	2,645,692	2,819,224
Consumer and registrant awareness	403,836	534,785
Computer network and support	278,217	227,357
Facilities	275,198	269,606
General and office	109,070	149,702
Board and governance expense	96,215	173,699
Professional fees	90,667	57,915
Insurance	48,330	47,518
Bank charges and merchant fees	19,741	28,095
Ontario Government oversight and other statutory fees (Note 8)	5,687	204,708
Credit checks	4,328	6,498
Travel and related	1,317	38,944
Total operating expenses	3,978,298	4,558,051
Excess (deficiency) of revenue over expenses for the year before amortization and loss on disposal of capital assets	(808,095)	677,558
Amortization	135,593	148,924
Gain on disposal of capital assets	—	(3,763)
Government assistance—expense reimbursements (Note 4)	3,754,603	—
Excess of revenue over expenses for the year	2,810,915	532,397

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

2021

2020

	Invested in capital assets \$	Restricted for the Ontario Travel Industry Compensation Fund (Note 6) \$	Internally Restricted Operating Reserve Fund (Note 7) \$	Unrestricted Fund \$	Total \$	Total \$
Balance, beginning of year	533,476	23,494,930	1,500,000	724,999	26,253,405	25,721,008
Excess of revenue over expenses for the year	–	–	–	2,810,915	2,810,915	532,397
Deferred lease inducement	30,679	–	–	(30,679)	–	–
Amortization of equipment	(135,593)	–	–	135,593	–	–
Balance, end of year	428,562	23,494,930	1,500,000	3,640,828	29,064,320	26,253,405

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	2021 \$	2020 \$
Cash was provided by (used in)		
Operating activities		
Excess of revenue over expenses before other items	2,810,915	532,397
Adjustments to reconcile excess of revenue over expenses to net cash provided by operating activities		
Amortization	135,593	148,924
Unrealized loss (gain) in investments	(1,943,111)	540,893
Gain on disposal of capital assets	–	(1,785)
Changes in non-cash working capital balances		
Accounts receivable	93,623	385,276
Prepaid expenses	6,916	(4,586)
Accounts payable and accrued liabilities	(179,431)	(746,989)
Deferred revenue	166,159	–
Deposit from registrants	(335,000)	585,000
Deferred lease inducement	(30,679)	(30,680)
Deferred rent	11,042	50,183
	736,027	1,458,633
Investing activities		
Purchase of investments	(8,895,520)	(14,631,919)
Redemption of investments	7,481,595	12,586,010
Purchase of capital assets	69,263	(60,209)
Government assistance—capital assets	(69,263)	–
Proceeds on disposal of capital assets	–	8,637
	(1,413,925)	(2,097,481)
Decrease in cash	(677,898)	(638,848)
Cash, beginning of year	1,884,296	2,523,144
Cash, end of year	1,206,398	1,884,296

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

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 cruise lines 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 and November 27, 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.

Government Assistance

Government assistance related to operations are accounted for as a reduction of the operating expenses. Government assistance related to property and equipment are accounted for as a reduction to the cost and amortized on the same basis as the related property and equipment.

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 0.25% - 3.70% (2020 - 1.40% - 3.70%) and with maturity dates ranging from April 2021 to December 2026 (2020 - April 2020 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

	2021		2020	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
	\$	\$	\$	\$
Furniture and equipment	182,216	72,342	182,216	44,873
Computer and hardware	268,165	244,617	268,165	205,243
Computer software	95,604	88,993	95,604	77,716
Database	347,400	291,620	347,400	271,023
Leasehold improvements	627,488	83,102	627,488	47,394
Vehicles	35,475	32,748	35,475	31,580
	1,556,348	813,422	1,556,348	677,829
Net book value		742,926		878,519

4. Government Assistance

During the year, the Provincial Government provided funding through a Transfer Payment Agreement ("TPA"). In 2021, TICO received \$4,295,690 (2020 - \$nil) which enables TICO to cover its operational expenses while providing burden relief to its Registrants. Of the total funding received in 2021, \$69,263 was used for the purpose of purchasing capital assets.

As of March 31, 2021, \$166,159 (2020 - \$nil) of funding received has been deferred for future use with a TPA agreement for the next fiscal year.

5. Deferred Leasehold Inducement

	2021	2020
	\$	\$
Original inducement	385,950	385,950
Accumulated amortization	(71,586)	(40,907)
	314,364	345,043

6. 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).

7. 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, 2021 is \$1,500,000. The remaining unrestricted reserve will be left to fund continuing operations consistent with the Board approved business plan.

8. 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 2021, based on cost recovery to the Province of Ontario. As at March 31, 2021, this annual fee was waived for the current and next fiscal year (2020 - \$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, 2021, TICO has been notified of the following fees:

2022	\$	–
2023		358,012
Total	\$	358,012

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:

2022	\$	292,132
2023		292,132
2024		306,226
2025		309,909
2026		309,909
Thereafter		1,696,804
Total	\$	3,207,112

9. 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.

10. 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. During the fiscal year, Ontario Government has passed a number of regulatory changes to ease the burden on businesses in the travel sector and TICO has also extended a fee waiver to existing registrants to assist them during these difficult times. During the reported fiscal year, the Ontario Government provided funding, through a Transfer Payment Agreement, allowing TICO it to carry-out its mandate while providing burden relief to Registrants.

Subsequent to year-end, Ontario Government has committed to providing additional funding for the fiscal year ending March 31, 2022 through a second Transfer Payment Agreement. This agreement was not yet signed by the parties at the conclusion of the audit.

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 2022. In turn, this may impact consumer claims filed with TICO as a result of bankruptcy or insolvency of TICO registrants.



2021 BUSINESS PLAN

April 1, 2021 – March 31, 2024

In assuming the delegation from the Ontario Government for administering the *Travel Industry Act, 2002*, which governs approximately 2,100 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 24th 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.

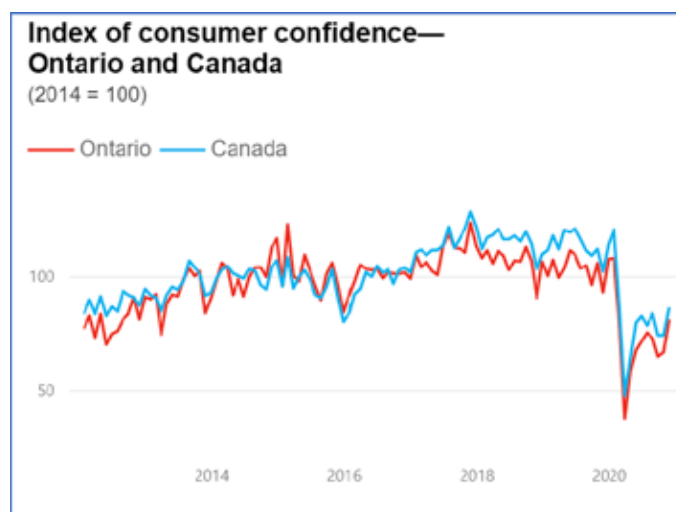
ENVIRONMENT*

**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 June 2021.*

The novel coronavirus (COVID-19) global pandemic has now surpassed its one-year anniversary. More than 179 million cases have been documented and 3.9 million lives have been lost to this generational crisis. The travel and tourism sector has been amongst the worst impacted sectors in Canada and abroad. While public and private sectors remain optimistic, it is clear that future recovery for the travel and tourism sector is in its early days and may last for many years. The ‘new normal’ for travel is beginning to take shape. Underpinning this recovery are the millions of businesses and jobs around the world and the critical importance of travel and tourism contributing to thriving economies, and for the broader societal, cultural, and environmental benefits provided by a vibrant tourism and travel sector.

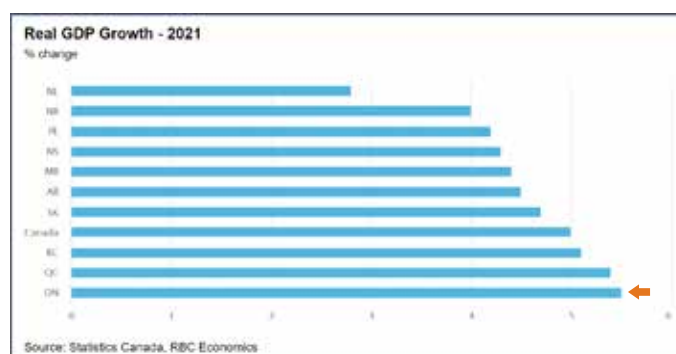
Consumer Confidence

Much has been reported concerning the pent-up demand for leisure and business travel. As a country with long winters and short summers, the yearning for travel has never been stronger. A March 2021 traveller’s survey arranged by TICO reported that almost half of consumers today would like to travel if the proper precautions were in-place. While a third of consumers indicated they are likely to travel within Canada in the next 6 months, the same number of travellers indicate that international travel may take as long as another year. However, we are also a risk-averse society that pays great care to the safety of our family and colleagues. During this pandemic that risk has been compounded by the potential for associated financial loss and the need to protect our travel investments. These safety and financial risks have never been more uncertain and volatile than during the pandemic, along with constantly evolving travel restrictions, advisories, quarantines, and myriad of other travel protection schemes. Clearly, travel has never been so complicated, and will likely be so for years to come. As a result, consumer confidence is hovering near all-times lows, as reflected in the Conference Board of Canada’s Consumer Confidence Index. The value and importance of the consumer protection role for travel agencies and travel counsellors have also been strengthened. While consumer confidence has increased at (index 90.7) since March 2020, it remains 25% lower than pre-pandemic levels. Ontario continues to lag other provinces, likely the result of longer and deeper restrictions than many other provinces. More recently, the emergence of COVID-19 variants is cause for concern for both health reasons and potential further restrictions.



Economy

Economically, the prospects for the Canadian and Ontario economies point to a slow start for the first half of 2021, picking up speed for the balance of the year. Most Canadian banks see GDP growth in the +/-5% range, with economies (including Ontario) accelerating during the second half of 2021. Much of this economic activity will mirror the speed of the COVID-19 vaccination program which began slowly but has gained considerable momentum. Consumer confidence will also very much be tied to job prospects and healthy employment rates. The current unemployment rate while showing signs of improvement remains stubbornly high (RBC Economics, February 8.2%) with year-end projections moderating closer to 7%. These unemployment rates remain historically high, well above pre-pandemic levels. Offsetting these economic headwinds however is the expectation for low-interest rates and low inflation which is expected to remain relatively stable for 2021 and into 2022.



Travel Industry

The Ontario travel industry reflects the broader Canadian and global markets. While government stimulus has been significant throughout the pandemic, calls for sustained and additional assistance are viewed as critical for the future travel recovery. In Canada, both federal and provincial assistance has been unparalleled in scope and availability, but there continues to be a need for more. In addition, an anticipated travel and tourism sector-specific federal assistance package has not been announced. At the industry level, airlines are now not expected to be cash positive until 2022. IATA expects airlines globally will require between \$75-\$95 billion of additional cash funding through the end of 2021, a number that has significantly grown from earlier projections. Similarly, cruise industry bans in Canada through to 2022 have added to the intense challenges facing cruise lines around the world. The Cruise Line Industry Association estimates the impact of the pandemic in 2020 caused a loss of \$77 Billion to global GDP, 518,000 jobs losses and \$23 Billion in lost wages. Despite these staggering shocks, the cruise industry has demonstrated extreme innovation, focusing on innovative health protocols and a complete evolution of the cruise experience.

Travel Recovery

Last year's report outlined the conditions for a travel recovery which included (i) flattening the curve, (ii) introduction of vaccine(s), (iii) sector-specific financial assistance and (iv) restoration of consumer confidence. The first two conditions have been achieved, although the prospects of a fourth wave remains a possibility. The other two conditions—financial and consumer confidence—remain elusive. The Ontario government and TICO continue to focus on an eventual travel recovery while ensuring consumer protections are maintained along with a renewed focus on rebuilding consumer confidence. Regulatory reforms aimed at reducing financial burden were introduced in 2020 and are expected to contribute to enhanced flexibility and cost savings in the future. During the past year and into 2021/22 the Ontario government provided TICO with funds to assist TICO operations during the pandemic. As a result, TICO provided a fee waiver for all registrants last year and into 2021/22. In addition, TICO's staff have worked from home throughout the pandemic and have adjusted compliance monitoring and associated activities to respond to significant hardships within the registrant community. We remain committed to a strong consumer protection regulatory

framework with the goal of working with registrants in support of travel recovery. At the same time, a new and enhanced consumer awareness campaign has launched, emphasizing the value and importance of working with a registered travel agency or website for their future travel needs. In addition, TICO is committed to providing consumers a source of trusted information that will assist in understanding and planning future travel, ultimately helping to restore consumer confidence.

Looking ahead

While eradicating COVID-19 remains a global priority, this past year and the future have also been impacted by broad and far-reaching societal issues. The Black Lives Matter (BLM) movement brought about increased awareness of inequities for Black, Indigenous and People of Colour (BIPOC) which have reminded all of us of the incredibly harmful impacts of systemic racism. Diversity, inclusion, and equity for all people regardless of gender, race, religion, or ethnicity are vital to eradicating this blight on society. Solving the global pandemic will be much more achievable if we embrace the benefits of diversity in all that we do. At TICO we have embraced a culture of diversity through a restatement of our Core Values and the conscious way in which we engage our people, with both new and existing resources. With these values, we believe TICO is better positioned to meet the challenges ahead and to emerge from COVID-19 an even stronger regulator.

COVID-19 continues to present unparalleled challenges for the entire travel eco-system. The global travel industry recovery will start slow and should accelerate through 2021 and beyond. Economies around the world and closer to home are slowly beginning to re-open. The 'new normal' is beginning to take shape and travel will once again become part of our daily lives. We will never forget the loss of human life, the sacrifices of all front-line and health care workers and the significant tolls on society, but COVID-19 will become an event of the past. 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 that we will rise to the challenge in the days ahead.

At TICO, we are committed to our vision and mission and look forward to working together to a healthier and brighter travel industry for all.

THREE-YEAR BUSINESS PLAN: FISCAL YEAR 2021/2022 TO 2023/2024

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



STRATEGIC PRIORITIES FOR 2021/2022 AND 2022-2024

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 2021/2022	Conduct consultations with stakeholders regarding the proposed restructuring of TICO's funding model.	Based on a proposed Business case and recommendations to restructure TICO's funding model, conduct a consultation process with all stakeholders to ensure sufficient funding for TICO to effectively deliver its consumer protection mandate.	Complete stakeholder consultations and subject to the travel industry recovery from the pandemic, have an appropriate new funding model in place by 2022/2023 to administer and enforce the Act and Regulation.
	Promote and advance legislative and regulatory reform.	In collaboration with the Ministry and in consultation with stakeholders identify and address the 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.
	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.
	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 due to the COVID-19 global pandemic.	Insights from productive and meaningful engagement via the Consumer and Industry Advisory Committee proactively addressing issues, where appropriate as a Regulator, to support the economic viability of the travel industry and consumer protection mandate.
	Improve consumer protection by enhancing TICO's compliance model.	Complete a review of TICO's compliance model to seek further innovation and efficiencies to become a more effective and efficient Regulator.	Based on the outcomes identified during the compliance model review, complete a plan for enhancements for operationalization.
FY 2022/2023 – 2023/2024	Conduct a review of the Travel Compensation Fund to ensure sufficient funding and consumer protection to effectively deliver TICO's consumer protection mandate.	Complete a review of the Compensation Fund to identify the feasibility of various options to ensure sufficient funding and address any gaps in consumer protection.	Complete a business case with recommendations to support sufficient funding with enhanced consumer protections from Ontario's Travel Compensation Fund.
	Continue to foster collaboration and engagement with stakeholders to address the impact of the COVID-19 global pandemic on the industry and consumers.	Based on insights identified by the Consumer and Industry Advisory Committee, develop opportunities and initiatives to assist with the challenges with the recovery of the travel industry and address issues impacting consumer confidence.	Proactively create opportunities to advance meaningful consumer and registrant engagement to support the economic viability and recovery of the travel industry and restore consumer confidence when travel resumes.
	Continue to mitigate risk and enhance consumer protection.	Operationalize efficiencies and initiatives identified from the review of TICO's compliance model to effectively reduce high-risk registrants and unregistered sellers of travel services to enhance consumer protection.	Complete implementation of the new compliance efficiencies to enhance TICO's compliance model.

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 marketing, 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 2021/2022	Continue to build and enhance consumer awareness 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.	Maintain overall awareness and understanding by continuing to engage consumers by executing a modest digital media strategy. Seek opportunities to engage consumers through online educational presentations, and social media to build awareness and confidence by leveraging technology (i.e., webinars). Conduct a consumer survey to gauge overall consumer engagement and value. Produce and distribute various editorial and media releases to secure coverage in consumer publications to enhance education and awareness.
	Renew communications and an education strategy to inform consumers about Ontario Regulation 26/05 changes proclaimed in response to COVID-19 global pandemic.	Develop and implement an enhanced communications strategy and corresponding initiatives to engage and inform consumers regarding the recent consumer protection regulatory changes.	Implementation of a communications and education strategy completed to promote education and awareness of consumers 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 recent 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 2022/2023 – 2023/2024	Continue to build and enhance consumer awareness in Ontario.	Continue to build and increase consumer awareness of TICO's role and the consumer protection in Ontario	Improve overall awareness and understanding of TICO and the consumer protection available by engaging consumers and leveraging social and digital media.
	Continue to enhance the Education Standards Program with new education opportunities.	Leveraging the technology and tools available on TICO's online education platform, develop and introduce new educational opportunities and study tools on various topics beneficial to professional development.	Various new online educational opportunities and initiatives extended to registrants and stakeholders wishing to enter the travel industry.
	Continue to engage registrants with education and familiarization opportunities.	Provide opportunities to provide refresher and familiarization webinars around recent regulatory changes.	Various online initiatives and engagement opportunities conducted with registrants and industry stakeholders.

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 staff.

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.

TICO's strategic priorities in this area will include:

STRATEGY THREE: ORGANIZATIONAL EFFECTIVENESS			
	INITIATIVE(S)	DESCRIPTION	TARGET
FY 2021/2022	Implement the new adopted funding model framework.	Based on an agreed funding framework, determine appropriate changes to policies, processes, and systems to support the implementation of a new funding model.	Operationalize and execute TICO's new funding structure including all policies, processes, and system enhancements for the new funding model in place by 2022/2023.
	Sustain and enhance security protocols and protection across TICO system infrastructure.	Continue with an internal focus to reinforce and strengthen TICO's system infrastructure as well as educate and raise awareness of cyber security risks and vulnerabilities to minimize unauthorized access, data breaches and enhanced risk mitigation.	Continued innovative enhancements to harden and solidify TICO's system infrastructure against cyber security risks and data breaches and continuous education initiatives with TICO management, staff, and Board of Directors to further test and increase understanding of risk response scenarios to avoid potential data breaches.
	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.
	Continue to update and modernize crisis management protocol and communications.	Complete a further assessment of TICO vulnerabilities in relation to priority risks to capture new or emerging vulnerabilities and trends and ensure appropriate corresponding crisis management protocols and communications are developed and in place.	Crisis management protocols and communications are updated to capture emerging vulnerabilities and trends identified to ensure TICO's responses are effective in times of crisis.
	Enhance TICO's overall performance and value proposition to stakeholders.	Based on the insights and perceptions obtained from a stakeholder value survey, identify areas of performance enhancements and service improvements to optimize TICO's overall value proposition and develop a strategy to address and resolve any identified deficiencies.	An action plan and strategy to optimize TICO's overall value proposition and effectiveness to stakeholders is complete ready for implementation.
	Workforce optimization and drive employee engagement.	Based on the results of an employee engagement survey review and identify opportunities and initiatives to improve any lower performing attributes and develop an action plan to improve staff engagement and overall future score.	Strategy and action plan completed and implementation underway to ensure TICO's future employee engagement and lower performing attributes improve.
FY 2022/2023 – 2023/2024	Conduct a review and analysis of TICO's new funding model.	Monitor and assess overall effectiveness of policies, processes and systems implemented to administer the new funding model framework.	Review of funding model systems and processes completed including a final report including observations and recommendations for further efficiencies to be actioned.
	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 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 2021/2022

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 2022 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 2021/22 TARGET
CONSUMER PROTECTION		
Mitigate Risk and Enhance Consumer Protection.	Overall pass rate of financial filing bench reviews based on established financial criteria per the Regulation.	Achieve initial financial filing bench review pass rate of a minimum of 90% .
	Percentage of compliance achieved for the number of identified unregistered sellers of travel operating in contravention of the Act and Regulation.	Achieve a compliance rate of 97% from 95% of all unregistered sellers of travel identified and processed in 2021/2022.
Enhance Engagement with Consumers.	Actively interact with consumers and improve social media engagement rate (defined as likes, comments and shares).	Seek opportunities to increase consumer engagement rate on social media by achieving an increase of 2.8% to 5% on Facebook and 15.4% to 18% on Instagram.
EDUCATION AND AWARENESS		
Improve Consumer Awareness and Education.	Improve metrics to accurately gauge Ontarian's awareness of the existence of TICO and the consumer protection available when purchasing travel services from Ontario registered travel agencies and websites.	Exceed consumer awareness achieved from 21% to 24% that the travel industry in the province is regulated and TICO is Ontario's Travel Regulator.
		Exceed consumer awareness achieved from 14% to 17% that consumer protection is available when purchasing travel services from an Ontario registered travel agency or website.
Determine and Measure Overall Consumer and Value.	Develop and implement a survey tool that provides a comprehensive measure of consumer's value of TICO's services and the consumer protection available in the province.	Improve the overall value baseline score of 73% of consumer's value of TICO and its services as a basis for future enhancement strategies.
Enhance TICO's Education Standards Program.	Update and provide new study tools to assist individuals meet the legislated Educational Standard to sell travel services in Ontario.	Achieve a new X% baseline satisfaction rate of TICO's Education Standards Program and educational resources in 2021/2022.
Enhance Education Opportunities for Registrants.	Develop educational webinars and online continuing education resources to engage and revitalize the knowledge of registrants and their travel counsellors.	Achieve a new X% baseline satisfaction rate of TICO's educational initiatives with registrants in 2021/2022.
ORGANIZATIONAL EFFECTIVENESS		
Enhance TICO Value Proposition to Registrants.	Develop and implement a survey tool that provides a comprehensive measure of registrant value of TICO and its services.	Improve the overall value baseline score of 54% for registrant value of TICO and its services as a basis for future enhancement strategies.
Enhance Employee Engagement	Conduct an employee engagement survey including review of outcomes and address opportunities to increase the lower performing attributes identified.	Improve the overall employee engagement score on the lowest score attributes by 10% .
FINANCIAL PERFORMANCE		
Deliver Budget Operating Expenses.	Operating expenses, excluding extraordinary items.	Achieve operating expenses within a range of +/- 5% of annual budget.

REVENUE AND EXPENSE FORECAST*

FY 2021/2022 to FY 2023/2024

* Due to the impact of the global pandemic and the evolving nature of events and uncertainty which may result in a review of TICO's current fee framework, TICO's Revenue & Expense Forecast is based on best estimates and may be subject to change.

	Fiscal Year 2021/2022 (Budget) \$	Fiscal Year 2022/2023 (Projection) \$	Fiscal Year 2023/2024 (Projection) \$
Three-Year Projections			
Revenues:	740,000	\$4,015,794	\$5,254,358
Consisting of:			
- Compensation Fund Assessments	–	2,644,277	3,769,307
- Renewals	–	610,517	680,817
- New Registrations	140,000	161,000	204,234
- Investment Income	600,000	600,000	600,000
Claims against Compensation Fund, net	1,410,000	1,465,000	1,527,000
Operating Expenses:	4,685,349	4,685,349	4,685,349
Consisting of:			
- Salaries & Benefits	3,043,051	3,103,912	3,165,990
- Other Operating Expenses	1,082,298	896,437	834,359
- Consumer Awareness	410,000	535,000	535,000
- Amortization	150,000	150,000	150,000
- Transfer Payment Agreement Expense Recovery	(3,700,000)	–	–
Excess (deficiency) of Revenues over Expenses	(1,655,349)	(2,134,555)	(957,991)
Excess (deficiency) of Revenues over Expenses Before Compensation Fund Claims	(245,349)	(669,555)	569,009
Compensation Fund, end of year	23,494,930	23,495,000	23,495,000
Number of Resources	27	27	27

Key Assumptions:

1. Budget year includes Registrant fee waivers.
2. Renewal Revenue and Compensation Fund Assessments include post pandemic recovery of 61% and 85% in years 2 and 3 respectively.
3. Registrant attrition at 4%.
4. Projections reflect current regulatory framework.
5. Compensation Fund claims supported by actuary study.
6. Normal market adjustments for salaries and benefits.

APPENDIX II

TICO Board of Directors 2020-2021

As of March 31, 2021

Industry Representatives

Nicole Bursey

Commercial Director
Transat Tours Canada
Toronto, ON

Rick Edwards, CPA, CGA

Controller
Travel Corporation Canada
Toronto, ON

Douglas Ellison

President
Ellison Travel & Tours Ltd.
Exeter, ON

Mike Foster

President
Nexion Canada
London, ON

Ted Goldenberg

Vice President
Chapman Cultural Tours Ltd.
Richmond Hill, ON

Rocky Racco

CEO
TTI Travel
Toronto, ON

Robert Townshend, CTC

President
Total Advantage Travel & Tours Inc.
Toronto, ON

Ministerial Appointments

Jean Hébert—Chair

Consultant
Ottawa, ON

Michael Levinson

Chief Strategist
YouNeedAStrategy.com
Toronto, ON

Scott Stewart—Vice Chair

President
G. Stewart Travel Services Ltd.
Peterborough, ON

Leanna Vilella

President
Rose City Travel Ltd.
Welland, ON

Board of Director Biographies

Nicole Bursey

Nicole's 27-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. In this role, Nicole manages commercial agreements and leads the sales team in Ontario, Atlantic and Western Canada. Nicole has served on the TICO Board for 3 years as a representative of the Canadian Association of Tour Operators and is a member of 2 TICO committees: Governance/Human Resources and Audit, Technology & Risk Management.

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 fourteen 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.

Doug Ellison

Prior to opening Ellison Travel & Tours in 1980, Doug Ellison spent 14 years in education organizing school trips. In 1980 Ellison Travel was established and today has grown to more than 90 in 3 locations—Exeter and London, ON and North Vancouver, BC with a sales team in Calgary, Ottawa and Toronto.

Over the years Doug has volunteered for many organizations including Lions Club, Western Ontario Athletic Association, Student & Youth Travel Association, to name a few. He organized the Terry Fox Run locally while participating annually since 1981 and ran a charity golf tournament for 20 years raising thousands of dollars for charities. Doug continues to support youth sports teams, music programs and hospitals.

Customized planning for private groups is Ellison Travel's specialty. Strong relationships have been developed with music groups, seniors groups, community organizations and schools with a focus on music and are proud to be the appointed travel provider for MusicFest Canada and Con Brio Festivals.

Ellison's public tour division designs customized travel for like-minded travellers from women's and seniors' tours to international culinary experiences offering a variety of destinations worldwide.

Experienced travel agents with product and destination knowledge plan vacations and business travel while continually updating their skills as they adapt to new travel procedures in a post-pandemic world. As Ellison Travel moves into their 42nd year in business, they continue their commitment to their clients to increase the quality of their travel experiences.

Mike Foster

Mike Foster is President of Nexion Travel Group - Canada, 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's 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 situation 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 on 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.

Michael Levinson

Michael Levinson has a diverse background that includes over 35 years of experience in hotel development & operations, real estate, property management, and over 25 years of experience in software development. Michael was a founding partner of two award-winning Ottawa hotels: Albert at Bay Suite Hotel (1985), and Best Western Plus Ottawa Downtown Suites (1990). Both hotels permanently closed in October 2020 and have been repurposed for rental housing. Michael was at the forefront of online hotel reservations technology launching Bookdirect Hotel Reservations System in 1996 and oversaw its development and operations for 18 years. Michael was President of the Ottawa Gatineau Hotel & Motel Association, and Vice President of the Ontario Hotel & Motel Association. He was a board member of the Human Resources Executives of the Canadian Tourism Research Institute (CTRI), a division of the Conference Board of Canada. In the mid-1990's Michael sat on Best Western Hotels' International Marketing Advisory Board for 5 years. Michael is currently the founder and chief strategist of a business consultancy.

Rocky Racco

Rocky Racco is the CEO of TTI Travel. Having taken over the business from his parents and growing it into a preeminent custom travel solutions provider, Rocky has over 40 years experience in the travel industry. Rocky oversees the business at a strategic level as well as being firmly in the drivers seat, ensuring the company sustains positive growth and remains connected with the best industry resources and alliances. Rocky is at the forefront of industry issues and has contributed his time and expertise to many associations and boards, such as The Association of Canadian Travel Agencies (ACTA), the Advisory Board of the BCD Affiliate program, Co-Chair of The Canadian Corporate Travel Association (CCTA), The Air Canada Circle of Excellence Advisory Board, The Travel Council, The Accor/Fairmont Luxury Travel Agency Board, and many other supplier boards. His passion for travel and extensive experience in global business has helped build TTI Travel's strong reputation for innovation, excellence, and extraordinary tailored services.

Scott Stewart

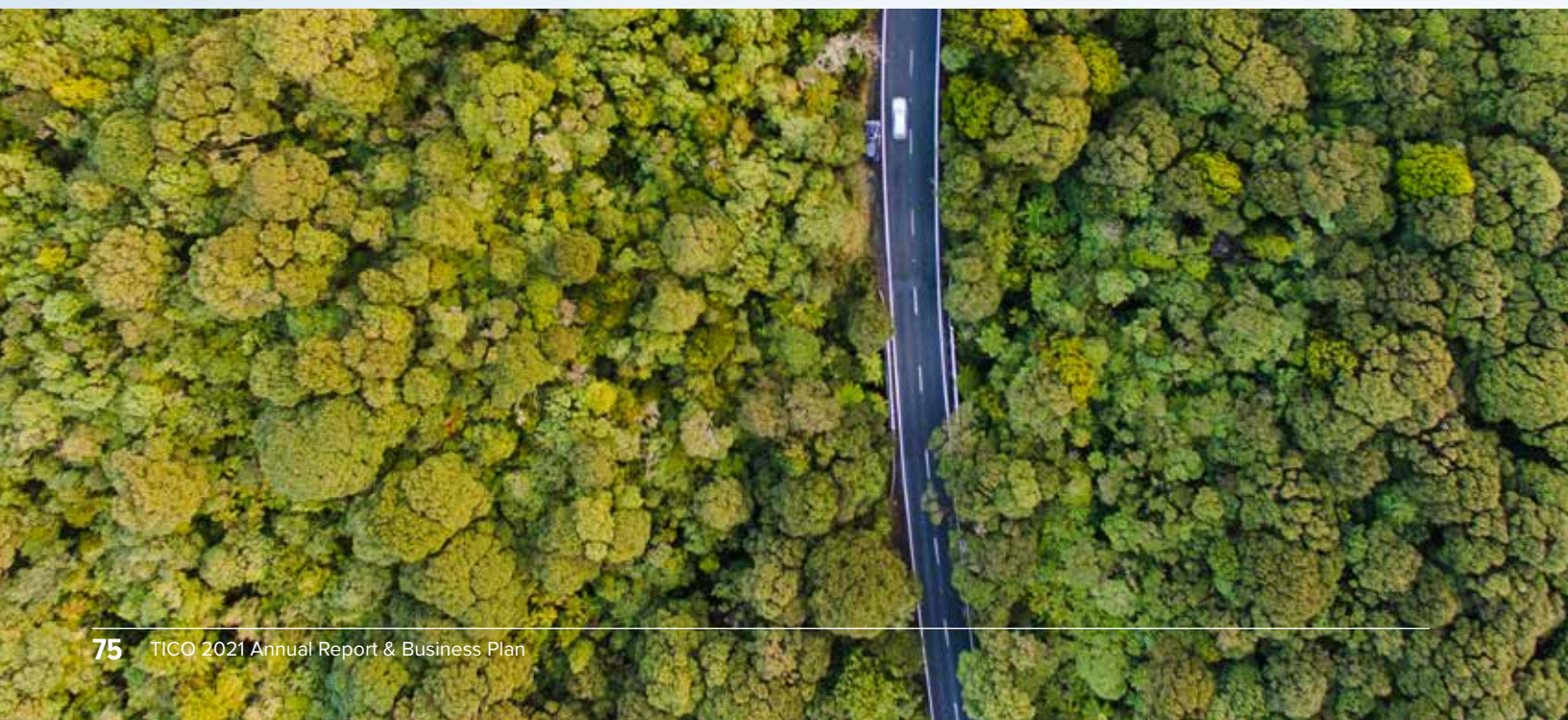
Scott Stewart is co-owner and President of Blowes & Stewart Travel Group Ltd. with six full service retail CWT Vacations offices throughout Ontario, and head office located in Peterborough. Their merged family owned and operated agencies, combined with over 123 years in business, hold both retail and wholesale licenses. For over 35 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, as well as vice-chair.

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 Vilella

Leanna Vilella 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, 2021

Richard Smart

Statutory Registrar,
Travel Industry Act, 2002

Michael Pepper

Statutory Director,
Travel Industry Act, 2002

TICO Leadership Team

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

John J.S. Park, JD, MBA, CIC.C

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. 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'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, Controllerships, 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 Education Standards and Development.

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.

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