



Travel Industry Council of Ontario



# 2023 ANNUAL REPORT

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# Message from the Chair

September 26, 2023

Honourable Kaleed Rasheed  
Minister of Public and Business Service Delivery  
777 Bay Street, 5th floor  
Toronto, Ontario  
M5B 2H7

Dear Minister Rasheed,

Over the past year, Ontario's travel industry has seen an accelerated recovery from the devastating lows experienced during the COVID-19 pandemic. Increased consumer demand for travel is driving a resurgence for travel sales, and consumers increasingly seek the support of knowledgeable and professional travel advisors. While there is positive progress being made, it will take more time for the industry as a whole to see a complete recovery.

## Preparing for the future

As we adjust to a new normal, the Board of Directors has been singularly focused on robust governance oversight to ensure the Travel Industry Council of Ontario (TICO) is positioned to meet the needs of consumers and registrants today and into the future. This year, TICO renewed its commitment to the Ministry of Public and Business Service Delivery (Ministry) and stakeholders with a new Administrative Agreement, executed with the Minister, which enhances accountability and transparency, and focuses on customer service excellence and operational efficiency. This includes ensuring a strong strategic governance framework that guides TICO's operational priorities, activities and enhancements for years to come.

Over the past year, there was a focus on a comprehensive review of TICO's existing funding framework and fee model. Our goal is to introduce a new funding framework that upholds strong consumer protection principles, is more equitable for registrants and endows TICO with the stability needed to carry out its consumer protection mandate effectively. TICO is committed to undertaking a comprehensive consultation with stakeholders before implementing any recommended changes to TICO's funding framework.

Risk management has always been a focus for TICO, ensuring that we consider both existing and emerging threats, and that we incorporate valuable lessons learned from the pandemic. Our Board of Directors' meticulous oversight of priority risks has helped TICO navigate through a difficult period.

## Commitment to consumer protection

The past three years have brought an unprecedented level of uncertainty and upheaval to consumers and to the travel industry. While the past year saw a resurgence of travel, it also saw many challenges across the broader travel landscape as the industry came back to life.

There was significant media attention highlighting the difficulties being experienced by travellers, from airline delays and cancellations, to airport wait times, and passport processing setbacks. TICO has remained a steadfast supporter of consumers providing assistance and reliable information, and directing them to other pertinent organizations and resources when necessary. Travel is truly a global enterprise, and the travel eco-system is complex and interconnected with many players. TICO continues to demonstrate its important role in ensuring the travelling public is informed and consumers remain confident. Dependable consumer protection and support will continue to drive consumer trust in Ontario's travel industry throughout the recovery period.

## Acknowledgments

I consider it an honour and privilege to serve as TICO's Chair for the second consecutive year. I would like to extend my sincere gratitude to TICO's Board of Directors for their unwavering support, invaluable expertise, and significant contributions over this past year. I appreciate the strong collaborative relationship with the Ministry as we jointly endeavour to advance travel consumer protection in the province.

I would also like to express my admiration and thanks to TICO's leadership and staff. Their unwavering commitment, dedication, and industriousness have been nothing short of exemplary.

Looking ahead, I am confident that Ontario will sustain its reputation as a reliable and trusted marketplace where consumers feel assured about purchasing travel from registered professionals.

Yours truly,  
Travel Industry Council of Ontario



Michael Levinson,  
Chair of the Board of Directors



# Message du président du conseil d'administration

Le 26 septembre 2023

L'honorable Kaleed Rasheed  
Ministre des Services au public et aux entreprises  
777, rue Bay, 5<sup>e</sup> étage  
Toronto (Ontario)  
M5B 2H7

Monsieur le ministre,

Au cours de la dernière année, l'industrie du voyage de l'Ontario a connu une reprise accélérée après les points bas dévastateurs de la pandémie de COVID-19. L'augmentation de la demande de voyages chez les consommateurs est à l'origine d'une résurgence des ventes de voyages, et les consommateurs cherchent de plus en plus à obtenir le soutien de conseillers en voyages compétents et professionnels. Bien que des progrès positifs aient été réalisés, il faudra plus de temps à l'industrie dans son ensemble pour voir une reprise complète.

## Préparer l'avenir

Depuis que nous nous adaptons à une nouvelle normalité, le conseil d'administration met l'accent sur une surveillance rigoureuse de la gouvernance afin de s'assurer que l'Organisme de Réglementation de Voyage de l'Ontario (TICO) est en mesure de répondre aux besoins des consommateurs et des inscrits aujourd'hui et à l'avenir. Cette année, TICO a renouvelé son engagement envers le ministère des Services au public et aux entreprises (le Ministère) et les intervenants au moyen d'une nouvelle entente administrative, signée avec le ministre, qui améliore la responsabilisation et la transparence, et met l'accent sur l'excellence du service à la clientèle et l'efficacité opérationnelle. Il s'agit notamment d'assurer un cadre de gouvernance stratégique solide qui oriente les priorités opérationnelles, les activités et les améliorations de TICO pour les années à venir.

Au cours de la dernière année, on a mis l'accent sur un examen exhaustif du cadre de financement et du modèle de frais actuels de TICO. Notre objectif est de mettre en place un nouveau cadre de financement qui respecte de solides principes de protection des consommateurs, qui est plus équitable pour les inscrits et qui donne à TICO la stabilité nécessaire pour s'acquitter efficacement de son mandat de protection des consommateurs. TICO s'est engagé à entreprendre une consultation exhaustive avec les intervenants avant de mettre en œuvre les changements qu'il a recommandés pour le cadre de financement.

La gestion des risques a toujours été une priorité pour TICO, qui veille à tenir compte des menaces actuelles et émergentes, et des leçons utiles tirées de la pandémie. La surveillance méticuleuse des risques prioritaires par son conseil d'administration a aidé TICO à traverser une période difficile.

## Engagement en faveur de la protection des consommateurs

Les trois dernières années ont engendré un niveau sans précédent d'incertitude et de bouleversements pour les consommateurs et l'industrie du voyage. Bien qu'il y ait eu une résurgence des voyages au cours de la dernière année, nous avons également connu de nombreux problèmes dans l'ensemble du secteur pendant la reprise.

Les médias ont beaucoup parlé des difficultés éprouvées par les voyageurs, qu'il s'agisse des retards et des annulations des compagnies aériennes, des temps d'attente dans les aéroports ou des retards dans le traitement des passeports. TICO a toujours soutenu les consommateurs en leur offrant de l'aide et des renseignements fiables et en les aiguillant vers d'autres organisations et ressources pertinentes au besoin. Le secteur des voyages est véritablement une entreprise mondiale, et l'écosystème de voyage est complexe et interconnecté avec de nombreux acteurs. TICO continue de démontrer son rôle important en s'assurant que les voyageurs sont informés et que les consommateurs demeurent confiants. La fiabilité de la protection et du soutien des consommateurs continuera de renforcer leur confiance dans l'industrie du voyage de l'Ontario tout au long de la période de reprise.

## Remerciements

Je considère que c'est un honneur et un privilège de présider TICO pour la deuxième année consécutive. Je tiens à exprimer ma sincère gratitude au conseil d'administration pour son soutien indéfectible, son expertise inestimable et ses contributions importantes au cours de la dernière année. J'apprécie la solide relation de collaboration que nous entretenons avec le Ministère dans le cadre de nos efforts conjoints pour promouvoir la protection des consommateurs de voyages dans la province.

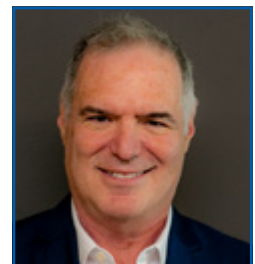
Je tiens également à exprimer mon admiration envers le personnel et la direction de TICO, et à les remercier. Leur engagement indéfectible, leur dévouement et leur ardeur au travail ont été tout simplement exemplaires.

Pour ce qui est de l'avenir, je suis convaincu que l'Ontario maintiendra sa réputation de marché fiable et digne de confiance où les consommateurs se sentent rassurés lorsqu'ils achètent des voyages à des professionnels inscrits.

Cordialement,  
Président, Conseil d'administration de TICO



Michael Levinson,  
Président du conseil d'administration



# Chief Executive Officer's Report

## A year of reflection

While the pandemic poses a continuing risk to some countries around the world, we are increasingly returning to a state of normalcy in both our family and business lives.

With most pandemic travel restrictions now lifted, global travel demands are approaching pre-pandemic levels. In Ontario, many registrants are experiencing high demand for travel as consumers plan long-anticipated vacations, reunite with family and friends, and visit colleagues near and far after an extended absence.

Emerging economic headwinds are creating potential concerns for the ongoing recovery of the industry. However, optimism for better days ahead continues to grow. With the recent acceleration of travel, there have also been some major mishaps along the way – some related to mother nature, while other shortfalls point to broader issues in the travel eco-system. With every challenge, there are opportunities. The industry as a whole has responded with new enhancements and innovations, and an increased focus on customer service.

At TICO, we continue to focus on our core consumer protection mandate, supporting consumers through what were challenging summer and winter travel seasons.

We also seized the opportunity to take a deep look into our business model and how we recover our costs to carry-out our mandate. We completed a comprehensive strategic review of our funding model, engaging stakeholders along the way. This strategic review is now complete and our final fee review analysis (business case) is with the Ministry, prior to launching our consultations. We are committed to keeping stakeholders informed as this strategic review progresses, and we invite stakeholders to participate in our upcoming consultations and to provide feedback before the funding framework is finalized.

## Awareness and Education

At the core of TICO's mandate is enhancing consumer and registrant awareness of the protections available for all travellers, before and after their travel purchase with a travel agent.

We conducted comprehensive values and satisfaction surveys with consumers and registrants in early 2023. Further details of these survey results are reported later in our Annual Report.

All feedback is carefully considered by management, and the Board of Directors, to ensure future programs continue to reflect stakeholder needs.

While I acknowledge the dip in awareness of TICO and the regulated travel marketplace, I also understand the overall challenges experienced by consumers and industry alike during a difficult holiday travel period. This included extensive news coverage of issues and regulations primarily related to airlines.

These surveys confirmed the growing importance and value of travel advisors, as travel complexities and challenges have also grown. Notably, 7-in-10 consumers believe in the value TICO provides as a regulator of travel services.

The surveys also identified the overall travel 'experience' was growing in relative importance compared to other factors, such as cost, further supporting the key role of travel retailers and advisors.

There is a continued focus on enhancing our education program for the benefit of consumers, but also for new travel advisors entering the profession.

I was particularly pleased with our new education videos, which were promoted digitally to assist the industry in attracting new travel advisors during a tight labour market. These award-winning videos encouraged prospective advisors to "get started" by visiting [tico.ca/getstarted](https://tico.ca/getstarted) to learn more about becoming TICO certified and working with a registered travel retailer.

## Support for consumers

During these uncertain times of travel industry recovery, it was important that TICO remained focused on consumer engagement and customer service.

We hear from consumers in a variety of ways as they ask for information, look for direction, and seek help with complaints.

We take all forms of engagement seriously, striving to be helpful and always with the best interest of the consumer in mind. Our team successfully balances the needs of customers and registrants, through a fair and balanced approach.

## Financial stewardship

TICO remains committed to its fiduciary responsibilities, placing high importance on its budget commitments and internal controls. TICO exceeded its budget commitment, in large part to keeping total operating expenses below budget and consistent with prior year's spending levels.

Unfortunately, but not unexpected, consumer claims against the Compensation Fund reached levels not seen in a decade. Levels of consumer claims to the Compensation Fund correlate with a large number of Registration terminations. The 2022/2023 fiscal year was the third and final year the provincial government provided temporary financial support to TICO in response to the COVID-19 pandemic, which allowed for the extension of a fee waiver for annual renewal fees and Compensation Fund assessments for registrants for three consecutive years.

Effective April 1, 2023, TICO returned to its prior fee model, pending transition to a potential future funding framework and fee model, which is a key focus and priority for the new fiscal year.

## Thank-you

With the pandemic receding, we now turn our focus to enhancing Ontario's consumer protection model, while strengthening the travel agent and wholesaler marketplace. I remain confident these two goals are truly complementary. The continued resiliency of Ontario's travel industry, combined with the burgeoning travel demand from consumers, provides a wonderful springboard for memorable travel experiences, future growth and profitability for registrants.

I remain grateful for the wonderful and passionate team at TICO, as well the dedication and overall governance oversight provided by our Board of Directors. I appreciate the continued collaboration from the Ministry of Public and Business Service Delivery.

Ontario's travel marketplace allows consumers to be confident with their travel purchases from travel agents, while maintaining a fair and trusted environment for travel businesses to thrive.

It continues to be my honour and privilege to serve this great organization.

Yours truly,  
Travel Industry Council of Ontario



Richard Smart  
President & C.E.O.



# Rapport du chef de la direction

## Une année de réflexion

Bien que la pandémie continue de poser un risque dans certains pays du monde, nous revenons de plus en plus à un état de normalité dans notre vie familiale et professionnelle.

Comme la plupart des restrictions de voyage liées à la pandémie sont maintenant levées, la demande mondiale de voyages approche des niveaux d'avant la pandémie. En Ontario, bon nombre des inscrits font face à une forte demande de voyages, car les consommateurs planifient des vacances attendues depuis longtemps, se réunissent avec des membres de leur famille et des amis, et rendent visite à des collègues proches ou loin après une absence prolongée.

Les difficultés économiques émergentes suscitent des préoccupations potentielles pour la reprise continue de l'industrie. Cependant, l'optimisme continue de croître. Avec l'accélération récente des voyages, il y a également eu des incidents majeurs en cours de route, certains liés à *dame Nature*, tandis que d'autres laissent entrevoir des problèmes plus généraux dans l'écosystème touristique. Chaque défi offre des possibilités. L'industrie dans son ensemble a réagi en apportant des améliorations et des innovations, et en mettant davantage l'accent sur le service à la clientèle.

À TICO, nous continuons de mettre l'accent sur notre mandat de base en matière de protection des consommateurs, en les soutenant pendant les périodes estivales et hivernales difficiles.

Nous avons également profité de l'occasion pour examiner en profondeur notre modèle d'affaires et la façon dont nous récupérons nos coûts pour nous acquitter de notre mandat. Nous avons terminé un examen stratégique exhaustif de notre modèle de financement, en mobilisant les intervenants en cours de route. Cet examen stratégique est maintenant terminé et notre analyse finale de l'examen des frais (analyse de rentabilisation) est entre les mains du Ministère, avant le lancement de nos consultations. Nous sommes déterminés à tenir les intervenants au courant de l'évolution de cet examen stratégique, et nous les invitons à participer à nos prochaines consultations et à nous faire part de leurs commentaires avant que le cadre de financement ne soit finalisé.

## Sensibilisation et éducation

Le mandat de TICO consiste essentiellement à sensibiliser davantage les consommateurs et les inscrits aux protections offertes à tous les voyageurs, avant et après leur achat auprès d'un agent de voyages.

Au début de 2023, nous avons mené des sondages exhaustifs sur les valeurs et la satisfaction auprès des consommateurs et des inscrits. De plus amples renseignements sur les résultats de ces sondages sont présentés plus loin dans notre rapport annuel.

Tous les commentaires sont examinés attentivement par la direction et le conseil d'administration afin que les programmes futurs continuent de refléter les besoins des intervenants.

Bien que je reconnaisse la baisse de la notoriété de TICO et du marché réglementé des voyages, je comprends également les défis généraux que doivent relever les consommateurs et l'industrie pendant une période difficile, notamment la couverture médiatique exhaustive des problèmes et de la réglementation touchant principalement les compagnies aériennes.

Ces sondages ont confirmé l'importance et la valeur grandissantes des conseillers en voyages, car la complexité des voyages et les problèmes connexes ont également augmenté. En particulier, 7 consommateurs sur 10 croient à la valeur que TICO offre en tant qu'organisme de réglementation des services de voyage.

Les sondages ont également révélé que l'expérience de voyage globale prend de plus en plus d'importance par rapport à d'autres facteurs, comme le coût, ce qui appuie davantage le rôle clé des détaillants et des conseillers en voyages.

Nous continuons de mettre l'accent sur l'amélioration de notre programme de formation au profit des consommateurs, mais aussi pour les nouveaux conseillers en voyages qui entrent dans la profession.

Je me suis particulièrement réjoui de nos nouvelles vidéos de formation, qui ont été promues sur les réseaux sociaux pour aider l'industrie à attirer de nouveaux conseillers en voyages sur un marché du travail restreint. Ces vidéos primées ont encouragé les conseillers potentiels à « commencer » en visitant [tico.ca/getstarted](https://tico.ca/getstarted) pour en savoir plus sur la certification TICO et trouver du travail auprès d'une agence de voyage inscrite.



## Soutien aux consommateurs

En ces temps incertains de reprise de l'industrie du voyage, il était important que TICO continue de mettre l'accent sur la mobilisation des consommateurs et le service à la clientèle.

Nous écoutons les consommateurs de diverses façons lorsqu'ils demandent des renseignements, des directives et de l'aide pour régler les plaintes.

Nous prenons toutes les formes d'engagement au sérieux, en nous efforçant d'être utiles et toujours dans le meilleur intérêt du consommateur. Notre équipe parvient à équilibrer les besoins des clients et des inscrits grâce à une approche juste et équilibrée.

## Gérance financière

TICO respecte ses responsabilités fiduciaires et accorde une grande importance à ses engagements budgétaires et à ses contrôles internes. Il a dépassé son engagement budgétaire, en grande partie pour maintenir les dépenses d'exploitation totales en deçà du budget et en conformité avec les niveaux de dépenses de l'exercice précédent.

Malheureusement, mais sans surprise, les réclamations des consommateurs à l'égard du Fonds d'indemnisation ont atteint des niveaux inégalés depuis une décennie. Les niveaux de réclamations des consommateurs au Fonds d'indemnisation correspondent à un grand nombre de résiliations d'inscriptions. L'exercice 2022/2023 était la troisième et dernière année au cours de laquelle le gouvernement provincial a fourni un soutien financier temporaire à TICO en réponse à la pandémie de COVID19, ce qui a permis pendant trois années consécutives la prolongation de l'exonération des frais pour les frais de renouvellement annuels et les cotisations au Fonds pour les inscrits.

Le 1er avril 2023, TICO est revenu à son modèle de tarification précédent, en attendant la transition vers un éventuel cadre de financement et un modèle de tarification futurs, qui constituent une priorité clé pour le nouvel exercice.

## Merci

Avec le recul de la pandémie, nous mettons l'accent sur l'amélioration du modèle de protection des consommateurs de l'Ontario, tout en renforçant le marché des agences de voyages et des grossistes en voyage. Je demeure convaincu que ces deux objectifs sont vraiment complémentaires. La résilience continue de l'industrie du voyage de l'Ontario, combinée à la demande croissante des consommateurs en matière de voyages, constitue un formidable tremplin pour les expériences de voyage mémorables, la croissance future et une rentabilité pour les inscrits.

Je reste reconnaissant envers l'équipe merveilleuse et passionnée de TICO, ainsi qu'envers le dévouement et la supervision de la gouvernance globale de notre conseil d'administration. J'apprécie la collaboration continue du ministère des Services au public et aux entreprises.

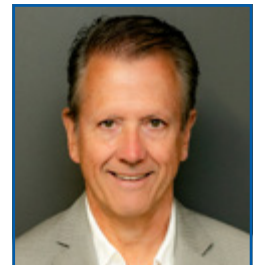
Le marché du voyage de l'Ontario permet aux consommateurs d'acheter en toute confiance des voyages à des agents de voyages, tout en maintenant un environnement équitable et fiable pour que les entreprises du secteur prospèrent.

C'est toujours un honneur et un privilège pour moi de servir cette grande organisation.

Cordialement,  
L'Organisme de réglementation  
de voyage de l'Ontario



Richard Smart  
Président et C.E.O.



# Mandate



For the purposes of this 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 agents and travel wholesalers operating in the province which TICO administers and enforces on behalf of the Ministry of Public and Business Service Delivery.

**The Ministry of Public and Business Service Delivery (the Ministry):** is the ministry in the Government of Ontario that is responsible for policy for the *Travel Industry Act, 2002* and oversight of TICO, 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 agents not located in Ontario.
- Companies that 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.




## Mandate

TICO's mandate is to support the Ministry of Public and Business Service Delivery in its mission of maintaining a fair, safe and informed marketplace as it relates to the Act. This mandate is accomplished by developing and fostering high standards in:

- Consumer protection;
- Registration, inspection, supervision and discipline of registrants;
- Consumer education and awareness; and
- 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; and
  - 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**

# 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 reaches consumers through digital communications, media outreach, social media, consumer surveys and consumer inquiries. TICO's website provides consumers with helpful information about the consumer protections available when purchasing travel services from TICO registrants.

**TICO Registrants (Ontario travel agents and travel wholesalers):** While TICO 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:** 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 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:
  - » updating registration profile for any changes to the record during the past year.

- » 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 Act.
- 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 24.

### Government liaison

- Working closely with the Ministry of Public and Business Service Delivery for purposes of issues management, regulatory reform and matters of public interest.

### Additional responsibilities

In addition to the delegated responsibilities, TICO proactively provides the following:

- Consumer education and awareness on the benefits of purchasing travel services from Ontario registrants and the inherent risks of dealing with non-registrants.
- Ensuring that registrants are kept aware of important emerging issues, such as regulatory updates related to the pandemic, and the state of the travel industry recovery as it affects consumers and registrants in Ontario.

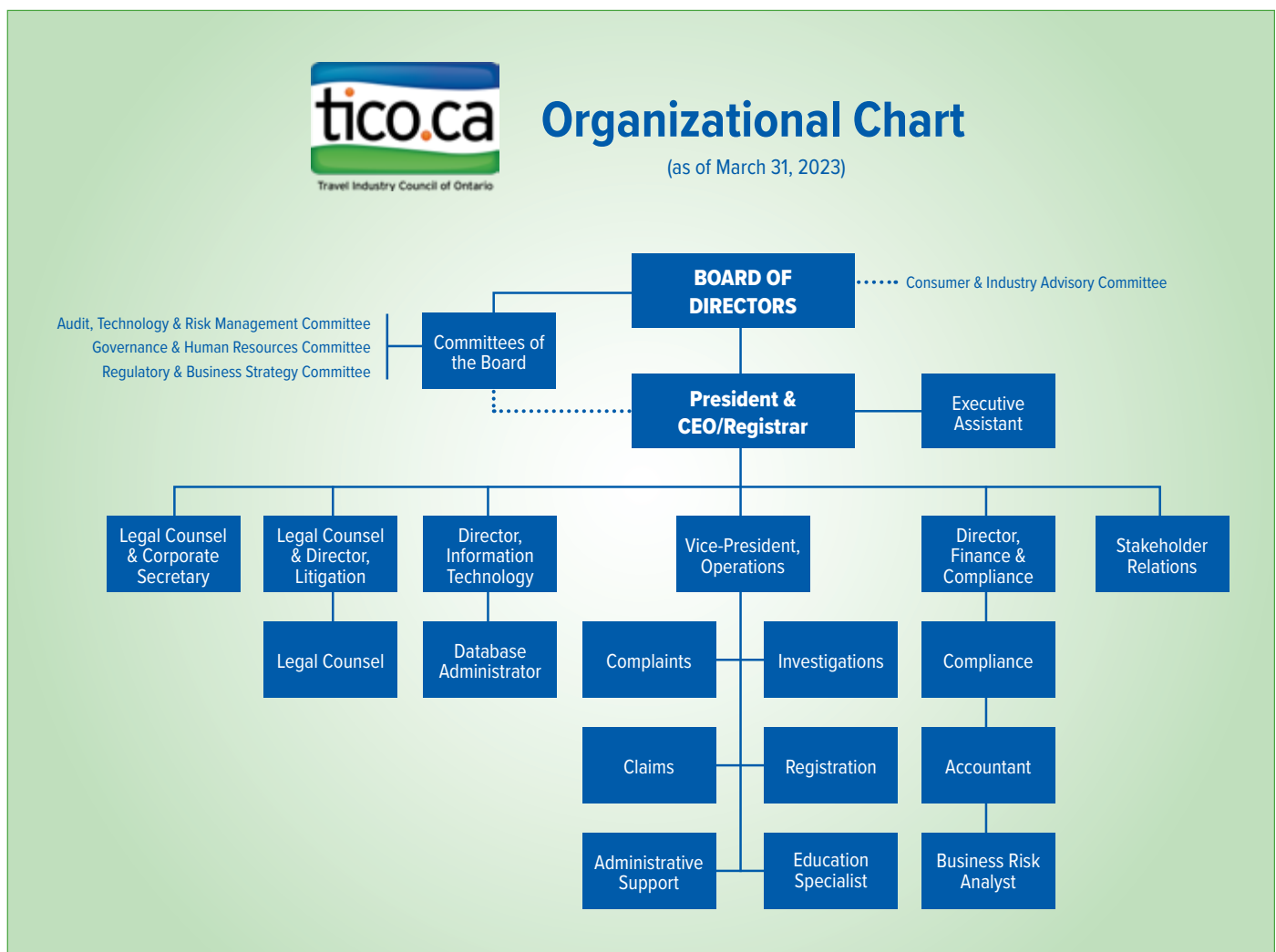
# TICO Structure

## Organization

TICO is a not-for-profit corporation financed through fees from its approximately 2,000 travel retail and wholesale registrants. The Ontario government delegated responsibility for the administration of the Act to TICO in June 1997. The Act governs Ontario travel retailers and wholesalers and provides for the operation of a travel industry Compensation Fund. The Ministry of Public and Business Service Delivery is responsible for the Act and Regulation.

## Governance

TICO's 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) and one from the Ontario Motor Coach Association (OMCA) and four appointed by the Minister of Public and Business Service Delivery. There are also two members who 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, to enhance overall governance practices. More information regarding these competencies can be found on TICO's website. (See Appendix II for information on Board of Directors)



## Remuneration of Board and Committee Members (Per Diems)

TICO's by-laws provide for the remuneration of Directors. The Board has approved the following levels of remuneration effective April 1, 2022, which will be adjusted annually with the Consumer Price Index (CPI):

TICO's Board Remuneration Policy sets out the following per diem levels.

### BOARD MEETINGS:

Chair: \$744  
Vice-Chair: \$583  
Member: \$472

### COMMITTEE MEETINGS:

Committee Chair: \$583  
Committee Member: \$472  
(including non-Board committee members)

Statutory Director / Deputy Statutory Director under the Act\*  
\$6,276 /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 between one and three hours, one-half of the established per diem is paid. If the work period is one hour or less, one-quarter of the established per diem is paid. This per diem includes preparation time. Board members who normally spend two hours or longer in total travel time to and from a meeting are entitled to receive remuneration of \$250 in addition to any per diem to which they are entitled. The Board will approve in advance those members entitled to receive a travel per diem for the fiscal year.



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

## Surplus Funds

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

## Claims

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

Claims may be filed against the Compensation Fund to provide the reimbursement of reasonable expenses incurred (transportation, accommodation and meals) to complete a trip where the travel services have not been provided as the result of the closure of a TICO registered travel retailer or a TICO registered travel wholesaler. Provided that the consumer purchased their original travel services from an Ontario registered travel retailer, trip completion claims may be eligible when the consumer’s travel services commenced prior to the failure of the TICO registrant and the consumer is in destination and unable to receive the travel services purchased to complete their travel plans. Trip completion claims must be submitted in writing to the Board within six months after the relevant registrant becomes bankrupt or insolvent or ceases to carry on business.

The Director under the Act 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 against a decision of the Board of Directors to the Licence Appeal Tribunal (LAT). 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 determining 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. TICO's Risk Management Framework and risk mitigation initiatives are reviewed throughout the year with the Board.

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

With the risks associated with the pandemic receding, management turned their focus onto other priority risks associated with TICO's funding framework and fee model, and workforce planning. A comprehensive strategic review of the organization's funding model was completed during the year. Recommendations were provided to the Board of Directors, and the final fee review analysis (business case) submitted to the Ministry of Public and Business Service Delivery, prior to launching comprehensive consultations. To address long-term workforce planning, the organization also realigned certain responsibilities by separating the role of Chief Executive Officer (CEO) and Registrar. This separation of roles, effective April 1, 2023, will allow the CEO to provide greater focus on strategy development and implementation, governance, and other stakeholder engagement priorities. All other risks to the organization continue to be monitored and reported to the Board of Directors and Ministry as required.

The safety and health of TICO's employees remains a key organizational priority, while ensuring high employee engagement and continued productivity. TICO's employees continue to work in a hybrid environment, allowing maximum flexibility for a balanced approach to workplace goals and mental health.

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 of the Act. 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 filings of all registrants, a more frequent review of the financial statements of larger registrants and site inspections. TICO's proactive measures include offering training to all new registrants to ensure their understanding of the Act and Regulation 26/05 ("the Regulation") governing the travel industry. Additionally, TICO proactively conducts inspections of many new registrants within their first year of operation to assess their compliance with the Act and the Regulation.

# TICO Committees

The following are Committees of the Board of Directors of the TICO:

## Audit, Technology & Risk Management Committee

**Chair: Ted Goldenberg**

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 oversees financial statements, internal control structures, compliance, technology strategic plan and roadmap, risk management frameworks and the audit functions of TICO. The Committee reviews, oversees and provides recommendations to the Board in the following areas:

- Audit
- Investment Management, Budgets and Finance
- Technology
- Risk Management

## Regulatory and Business Strategy Committee

**Chair: Nicole Bursey**

The Regulatory and 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 in the following areas:

- Corporate Governance
- Human Resources
- Complaints against TICO

## Consumer and Industry Advisory Committee

**Chair: Elliot Finkelman**

The Consumer and Industry Advisory Committee was created to advise the Board by identifying and providing invaluable feedback and insights on consumer and industry issues related to TICO's consumer protection mandate in the following areas:

- Emerging or substantive issues in the travel industry sector
- Information on issues of interest and importance to consumers and registrants
- Advice related to strategies that will enhance consumer and registrant awareness of available consumer protections now and in the future
- Ongoing advice related to regulatory matters and other initiatives aimed at enhancing the consumer legislation administered and enforced by TICO

# Business Accomplishments

## 2022/2023

### 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 2022/2023	ACTIVITIES AND ACCOMPLISHMENTS
FY 2022/2023	Complete a review of the Compensation Fund and conduct consultations with stakeholders to ensure sufficient funding and consumer protection to effectively deliver TICO's consumer protection mandate.	Complete stakeholder consultations and prepare a report with recommendations to the Ministry with appropriate options for the Compensation Fund.
	Conduct consultations with stakeholders regarding the proposed restructuring of TICO's funding framework and fee model.	Initial stakeholder consultations for the Compensation Fund review were completed and recommendations developed. A final report will be delivered to the Ministry following finalization of the business case. Comprehensive consultations with registrants and stakeholders on the proposed new funding framework and Compensation Fund recommendations are planned for fall 2023.
	Promote and advance legislative and regulatory reform.	Initial stakeholder consultations for the new funding and fee model review were completed and recommendations developed. A final report is planned to be delivered to the Ministry following finalization of the business case. Comprehensive consultations with registrants and stakeholders on the proposed new funding framework and Compensation Fund recommendations are planned for fall 2023.
	Mitigate risk and enhance consumer protection.	The ministry is re-assessing proposals under the Travel Industry Act that were under consideration prior to the pandemic. Two temporary regulatory amendments are scheduled to sunset in 2024 unless the government proposes to extend them.
	Improve consumer protection by enhancing TICO's compliance model.	A total of 85 unregistered sellers were brought into compliance during the fiscal year while 4 were referred for investigation. Further, inspections were performed, including site inspection, pertaining to high-risk registrants. In total for the fiscal year, 196 inspections were conducted.
	Complete an operational review of the compliance function and begin operationalizing opportunities for greater efficiency, transparency and effectiveness.	An updated compliance strategy was presented to the Board of Directors at the November 2022 Strategy Session and received broad support. Measurable milestones remain under development.

## 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 2022/2023	ACTIVITIES AND ACCOMPLISHMENTS
FY 2022/2023	Continue to build and enhance consumer awareness in Ontario.	<p>Maintain overall awareness and understanding by continuing to engage consumers by executing a modest digital media strategy.</p> <p>Seek opportunities to engage consumers through online educational presentations, and social media to build awareness and confidence by leveraging technology (i.e., webinars).</p> <p>Conduct a consumer survey to gauge overall consumer awareness and knowledge of TICO.</p> <p>Produce and distribute various editorial and media releases to secure coverage in consumer publications to enhance education and awareness.</p>	<p>Through a primarily digital consumer awareness campaign, TICO's consumer protection message was seen more than 3.3 million times by Ontarians in FY22/23.</p> <p>The campaign engaged Ontarians via Google search ads, social media posts and ads, collaborations with content creators, and targeted media collaborations.</p> <p>TICO's registrants were equipped with a variety of resources to share the consumer protection message with their clients, including a PDF available in 16 languages.</p> <p>TICO conducted a consumer values survey with 1,200 Ontarians to measure awareness of availability of consumer protection, TICO, confidence in regulations, and more. The insights are being used to continuously enhance our consumer awareness strategy.</p> <p>TICO executed a robust media relations program, which yielded 111 media mentions for TICO in FY22/23. TICO has collaborated with a network of community newspapers to distribute content in 21 outlets across the province.</p>
	Enhance TICO's online Education Standards Program.	Develop and begin implementation of a new modernized online interactive e-learning course for TICO's Education Standards Program underway.	<p>Framework and design of new curriculum for an interactive e-learning course for TICO's Education Standards Program is underway.</p> <p>Course architecture established; module development commenced and sample e-learning course prototype completed.</p>
	Provide opportunities to industry and registrants to participate in continuing education sessions.	Various engagement opportunities extended to registrants online to refresh and familiarize themselves with the regulatory requirements to operate and sell travel services in Ontario.	A total of 55 live webinars were held during the fiscal year. This includes new registrant orientation sessions, with the goal of providing informative compliance-related learning opportunities. A calendar of scheduled live sessions is made available to registrants months ahead of time.
	Strengthen registrant engagement in support of a robust consumer protection model for the province of Ontario.	Provide opportunities for registrant engagement with TICO both in person and by leveraging technology to promote the sharing of information and enhance understanding and relations.	<p>Registrants were engaged during the year with the Funding Framework and Compensation Fund review, as well for their input addressing TICO's value proposition. Through largely a digital registrant engagement program, registrants were further engaged through ongoing digital initiatives.</p> <p>TICO's compliance team continues to provide educational webinars to engage and inform registrants.</p>

# Organizational Resiliency

**Goal:** TICO is committed to its consumer protection mandate through innovation, creativity and lifelong learning within an environment that is safe and secure and is resolved to enhance diversity, equity, and inclusion throughout.

BUSINESS OBJECTIVE		PERFORMANCE MEASURE 2022/2023	ACTIVITIES AND ACCOMPLISHMENTS
FY 2022/2023	Drive continuous improvement in core service delivery.	Review, analyze and implement process improvements for core service deliverables including setting measurable service delivery targets.	<p>Process reviews for registration, compliance and complaints commenced during the year and some incremental enhancements were implemented. With the start of a value-for-money audit undertaken by the Office of the Auditor General of Ontario, further process work has been paused pending the Auditor General's recommendations.</p> <p>Further focus is required to identify, prioritize and develop project plans to transition toward a complete process review and implementation. Concurrently, management continues its migration plan where key processes, from an older legacy system, are migrated to the current membership CRM system. Resource constraints were managed within the budget. The 23/24 budget includes additional staffing to address challenges and move forward with needed enhancements. Recent disruptions within the travel marketplace and support of the value-for-money audit have diverted resources to more immediate needs.</p>
	Ensure technology infrastructure remains secure and robust.	Continued innovative enhancements to harden and solidify TICO's system infrastructure against cyber-security risks and data breaches.	Various security protocols, policies, firewalls, and other tools were enhanced during the year to ensure technology infrastructure remains robust.
	Enhance value proposition to stakeholders.	A strategy and action plan to optimize TICO's overall value proposition and effectiveness to stakeholders is complete and ready for implementation underway.	Various action plan initiatives to enhance TICO's value proposition completed, including consumer awareness activities and opportunities for registrant engagements. This included 55 webinars and two roundtable sessions. For further details on the outcomes of TICO's value proposition activities during the year refer to the sections titled "Consumer Awareness and Registrant Awareness" in the Annual Report.
	Build a more resilient workforce to increase agility, raise productivity and further empower workers.	Empower and optimize TICO's workforce through innovative work environment and execution of enhanced skills, performance management and competencies supported by a culture of life-long learning. A new and innovative workplace policy and learning maps will be delivered for all employees.	TICO's hybrid work environment reflects a mandatory one-day per week in the office. All staff attend the office on the same day to maximize manager/employee interaction and for broader team engagement. Health and safety and strong employee engagement remain a primary focus as the pandemic recedes. Management continues to encourage and engage staff in planning and executing meaningful professional development aligned with business needs.

# Balanced Scorecard

TICO's 2022-23 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.

CONSUMER PROTECTION			
OBJECTIVE	MEASURE	FISCAL YEAR 2022/23 TARGET	ACTIVITIES AND ACCOMPLISHMENTS
<b>Mitigate Risk and Enhance Consumer Protection.</b>	Overall pass rate of financial filing bench reviews based on established financial criteria per the Regulation.	Achieve a financial filing bench review pass rate of a minimum of 90%.	A pass rate of 97% has been achieved.
	Complete financial bench reviews on a timely basis.	Develop the baseline metric for average days bench reviews completed.	A 30-day average turnaround time for completing bench reviews was established as a baseline metric. Actual performance for this metric was lower than the 30-day target and will be reported in future scorecards.
	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 95% from 94% of all unregistered sellers of travel identified and processed in 2022/2023.	A compliance rate of 96% was achieved working with unregistered sellers of travel in 2022/2023.
<b>Enhance Engagement with Consumers.</b>	<p>Actively interact with consumers and maintain our social media engagement rate (defined as likes, comments, and shares).</p> <p>Provide timely information to consumers who are searching for consumer protection travel information online and enhance our Google Ad Grants metrics.</p>	<p>Seek opportunities to enhance consumer engagement on social media by maintaining an engagement rate of 3.5% on Facebook.</p> <p>Routinely update keywords and messaging to drive consumers to the TICO website. Aim for a click-through rate of 15% and a conversion rate (more than one minute on site) of 27.5%.</p>	<p>TICO's social media messaging continued to resonate with travel consumers as we shared timely and informational content. We ended the year at an engagement rate of 6.5%, significantly higher than industry benchmarks and our target.</p> <p>Throughout the year, we made many updates to our Google search ad keywords to reflect what was happening in the broader travel environment to maintain relevance. Despite intensified competition for keywords, we ended the year with a click-through rate of 13% (above industry average) and a conversion rate of 28.9%.</p>
<b>Improve Service Delivery.</b>	Improve service delivery of TICO's core mandate including the areas of registration, compliance, and complaints.	<p>Registration application process completed within 30 days from receipt of all required documentation.</p> <p>Complete termination compliance review within 30 days of the closing date.</p> <p>Completion of financial inspections, representing a minimum 10% of the number of registrants in the year.</p> <p>Complaints processing completed within 30 days from receipt of all required information and supporting documentation.</p>	<p>A total of 140 new registration applications were processed during the fiscal year. This metric was implemented and measured starting with Q2. From Q2 to Q4 114 new registrations were processed, within an average of 32 days from receipt of all the required documentation. Of the 114 registrations, 61% were processed within the 30-day target.</p> <p>At year-end, 80% of terminated registration reviews were completed within 30 days of the closing date (this metric was implemented in Q2).</p> <p>A total of 196 financial inspections were completed during the fiscal year, which represents 12% of the year-end registrant base head offices.</p> <p>A total of 222 consumer complaints were processed and closed during the fiscal year. This metric was implemented in Q3, and since its implementation through to end of Q4 77 complaints were processed within an average of 57 days from receipt of all the required documentation. Of the 77 complaints, 87% were processed within the 30-day target.</p>

## EDUCATION AND AWARENESS

OBJECTIVE	MEASURE	FISCAL YEAR 2022/23 TARGET	ACTIVITIES AND ACCOMPLISHMENTS
<b>Improve Consumer Awareness.</b>	Improve metrics to accurately gauge Ontarians' awareness of the existence of a regulated marketplace and TICO as a regulator when purchasing travel services from Ontario registered travel agencies and websites.	Exceed consumer awareness achieved from 60% to 62% that TICO is the regulator of travel services in the province.	TICO's consumer values survey found that 41% of Ontario respondents were aware of TICO. The decline may be a result of timing (significant media attention and broad regulatory response from all levels of government on airlines and other travel disruptions and the generally unfavourable coverage of the federal Air Passenger Protection Regulations during survey period), a decrease in advertising spending, and an overall awareness baseline readjustment following elevated awareness and engagement levels during the pandemic.
		Exceed consumer awareness achieved from 68% to 70% that consumer protection is available when purchasing travel services from an Ontario registered travel agency or website.	TICO's consumer values survey found that 53% of Ontario respondents were aware that Ontario's travel industry is regulated. While lower than prior surveys, this level of awareness is consistent with declines in the awareness of TICO, likely for the same reasons as above.
<b>Determine and Measure Overall Consumer and Value.</b>	Develop and implement a survey tool that provides a comprehensive measure of consumers' value of TICO's services and the consumer protection available in the province.	Improve the overall value from 75% to 77% of consumer's value of TICO and its services as a basis for future enhancement strategies.	TICO's consumer values survey found that 71% of Ontario respondents find value in TICO and its services. Consumers did respond with continued improvement in overall confidence with TICO's consumer protection services, with more than half responding favourably.
<b>Enhance TICO's Education Standards Program.</b>	Update and provide new study tools to assist individuals meet the legislated Educational Standard to sell travel services in Ontario.	Improve the satisfaction rate from 71% to 75% for TICO's Education Standards Program and educational resources in 2022/2023.	During the fiscal year, the overall satisfaction rate for TICO's Education Standards Program was 69%.
<b>Enhance Education Opportunities for Registrants.</b>	Develop educational webinars and online continuing education resources to engage and revitalize the knowledge of registrants and their travel counsellors.	Maintain a minimum 91% satisfaction rate of TICO's educational initiatives with registrants in 2022/2023.	An 84% satisfaction rate was achieved for the educational webinars held.

## ORGANIZATIONAL RESILIENCY

OBJECTIVE	MEASURE	FISCAL YEAR 2022/23 TARGET	ACTIVITIES AND ACCOMPLISHMENTS
<b>Enhance TICO Value Proposition to Registrants.</b>	Develop and implement a survey tool that provides a comprehensive measure of registrant value of TICO and its services.	Improve the overall value from 63% to 65% for registrant value of TICO and its services as a basis for future enhancement strategies.	TICO's registrant values survey found that 67% of registrants find value in TICO and its services, an increase over the past year and exceeding the set target.

## FINANCIAL PERFORMANCE

OBJECTIVE	MEASURE	FISCAL YEAR 2022/23 TARGET	ACTIVITIES AND ACCOMPLISHMENTS
<b>Deliver Budget Operating Expenses.</b>	Operating expenses, excluding extraordinary items.	Achieve operating expenses within a range of +/- 5% of annual budget.	TICO has achieved total operating expenses favourable to budget by 4%.



# Additional Business Accomplishments in 2022/2023

- Successfully administered TICO's Education Standards Program.
- Increased IT security monitoring of the network environment and provided ongoing employee training on cyber-security awareness.
- Continued to seek operational efficiencies through enhanced IT tools and processes.
- Executed new and enhanced Administrative Agreement with the Minister of Public and Business Service Delivery.
- Met the terms of the new Administrative Agreement with the Minister of Public and Business Service Delivery by maintaining operations and systems to protect consumers in Ontario.
- Maintained eligibility with Google to continue funding from their not-for-profit Google Ad Grants program, up to \$10,000 USD per month.
- Completed third-party salary benchmarking review, including pay-equity compliance, to ensure consistency with policy.
- Provided quarterly, detailed financial reporting and analysis required under the government's transfer payment agreements.
- Continued to maintain and enhance TICO's website with up to date and timely information for the benefit of all stakeholders.
- Made further enhancements to TICO's Verification Statement to assist registrants with new financial filing requirements.
- Developed Quick Guides for advertising compliance requirements that contain QR codes for easy reference.
- Published TICO Talk e-newsletter on TICO's website and distributed by email to all registrants.
- Enhanced forms (semi-annual assessments), which include automatic fee calculation for more convenient reporting.
- Launched online portal verification statement submission capabilities, so that registrants can submit their verification statement filing directly through the portal.
- Conducted various speaking engagements to Tourism and Hospitality students at Ontario community colleges.
- Continued to provide advisories and registrar bulletins to all stakeholders, containing timely and relevant information.
- Distributed and made available on TICO's website, TICO's Annual Report and three-year Business Plan.
- 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.
- Continued to offer virtual reception to provide professional customer service support to stakeholders from a hybrid work environment.
- Shared best practices and other updates through ongoing collaboration with other Ontario delegated administrative authorities.

# Operational Performance Review

## Registration

On March 31, 2023, there were a total of 1,920 registrations with TICO compared to 2,035 registrations the previous year. A 6% decrease in the number of registrants compared to the prior year. (Fig. 1).

Of these, **85% (1,638)** are retail travel agencies, who sell travel services directly to consumers and **15% (282)** are travel wholesalers, who sell travel services through travel retailers.

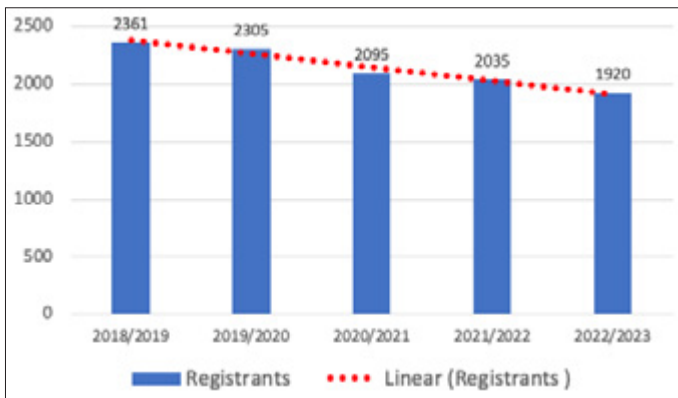


Figure 1: Registrations under the Act

In 2022/2023, there were a total of 328 terminations compared to 265 in the prior year. Terminations received due to the COVID-19 global pandemic accounted for 17% of total terminations. (Fig. 2). A total of 2,015 registrations were processed under the *Travel Industry Act, 2002*, which included 140 new registrations (Fig. 3) and 1,875 renewals (Fig. 4). The year 2022/2023 marked the highest percentage of terminations in relation to number of registrations. Registrations are renewed annually.

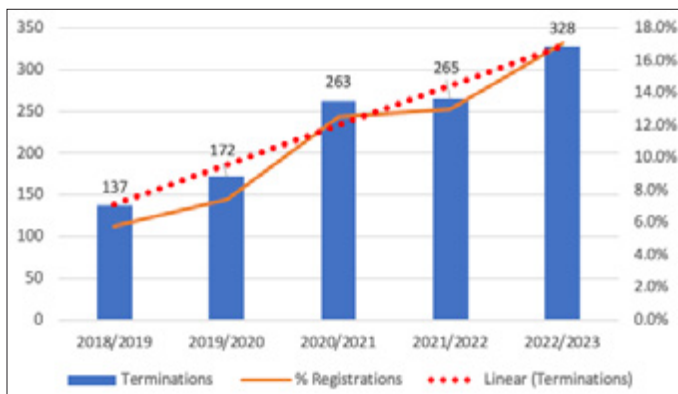


Figure 2: Voluntary Termination/Expired Registrations and Revocations

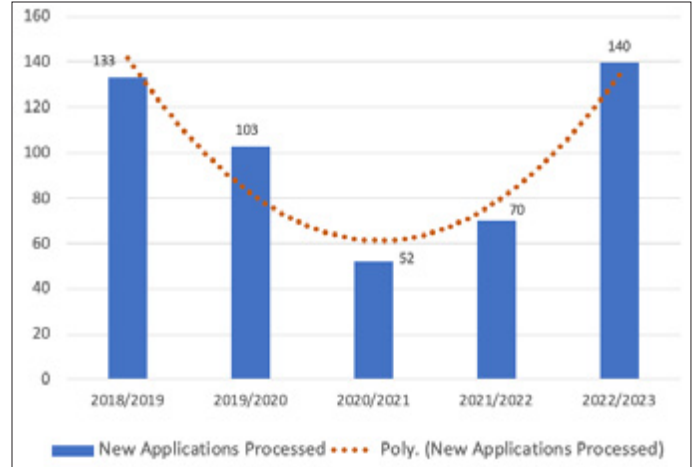


Figure 3: New Applications Processed

TICO strives to complete its new registration application process within 30 days from receipt of all required documentation.

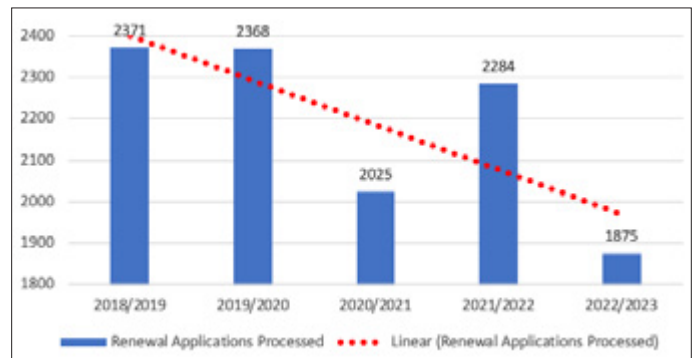


Figure 4: Renewal Applications Processed

## Education Standards

Every person in Ontario who works 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 modern 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 7,143 exams were written compared to 4,678 the prior year, an increase of 53%. The number of exams written has exceeded the pre-pandemic levels due to demand for human resources to meet the industry recovery needs. The breakdown of exams written during the fiscal year are as follows:

**6,775 Travel Counsellor Exams**

**348 Supervisor/Manager Exams**

**20 Combined Exams (Travel Counsellor & Supervisor Manager Exams written together)**

As at March 31, 2023, a total of 92,600 exams have been written since the inception of the Education Standards on July 1, 2009.

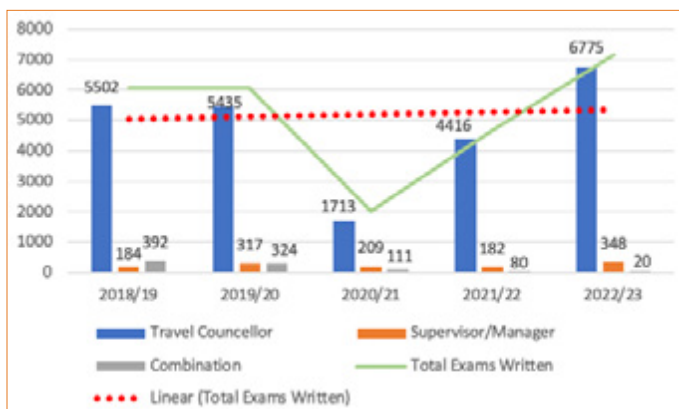


Figure 5: Exams Written

## 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 assistance for consumer-to-registrant disputes. After encouraging consumers to pursue all avenues with the registrant, TICO staff will assist consumers 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 non-compliance with the Act and the Regulation 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 2022/2023 fiscal period, there was one complaint against TICO that was subject to a review by the Committee. A complaint from an individual (non-registrant) was received pertaining to the selling of travel services by other than a registered retail agency. The complainant raised issues with the overall fairness of the compliance process related to unregistered selling of travel services, including certain communications between the parties, and the extended time to resolve the matter. This matter was addressed by management in accordance with established policy, following which updates to due process and procedures were completed. The matter was raised to the CEO who responded to the complainant and brought closure to the matter.

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

## Consumer Complaints

During the 2022/2023 fiscal year, TICO continued to receive a large number of calls and emails from consumers.

TICO resolved 204 written consumer complaints against registrants in 2022/2023 compared to 139 in the previous year. This number of written consumer complaints resolved during the fiscal year is comparable to pre-pandemic levels. (Fig. 6). The number of new complaints received during 2022/2023 was 222 compared to 146 in the previous year. In processing these complaints, TICO successfully assisted consumers in obtaining \$353,682 in restitution compared to \$156,953 the previous year.

In addition, TICO handled 1,713 telephone complaint inquiries compared to 5,250 in the previous year and 1,410 email complaint inquiries compared to 5,700 in the previous year.

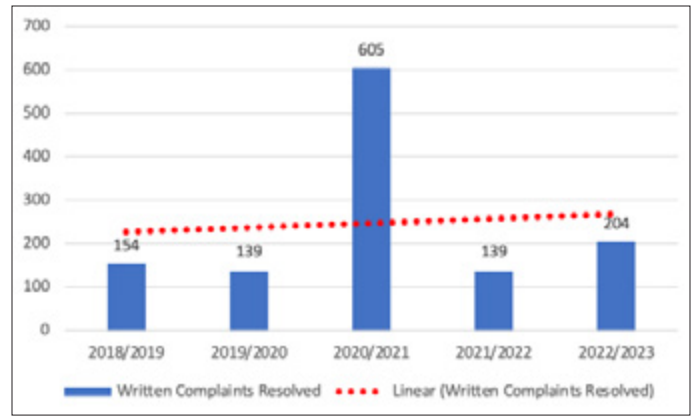


Figure 6: Written Complaints Handled

### The 10 most frequent types of written complaints received at TICO in 2022/2023 were:

	2022/2023	2021/2022
1.	↑ Dissatisfaction regarding future travel credit refunds issued in response to supplier failing to provide travel services.	Miscellaneous issues related to the cancellation of travel services due to the COVID-19 global pandemic (ex. redemption issues, date expiration issues, pricing and additional fees).
2.	↑ Invoicing issues (ex. invoice not issued at time of purchase, etc.).	Dissatisfaction regarding future travel credit refunds issued in response to supplier failing to provide travel services.
3.	↓ Miscellaneous issues related to the cancellation of travel services due to the COVID-19 global pandemic (ex. redemption issues, date expiration issues, pricing and additional fees).	Outstanding refund issues.
4.	↑ Terms and Conditions of Reservation.	Miscellaneous complaint issues related to a company or travel supplier which may have ceased operations.
5.	↑ Cancellation/non-refundable/no insurance.	Disclosure and invoicing issues related to fees for travel services cancelled due to the COVID-19 global pandemic.
6.	➡ Customer services issues.	Customer services issues.
7.	↑ Suspected fraudulent activity by an individual or company operating unregistered.	Cancellation / non-refundable / no insurance.
8.	↑ Ticketing Issues (ex. Erroneous ticking numbers, tickets not issued, and tickets cancelled).	Failure to provide required disclosures of information / travel documentation. (ex. issues related to travelling with passports and other travel documents).
9.	↑ Flight delays and cancellations.	Invoicing issues (ex. invoice not issued at time of purchase, etc.).
10.	↓ Outstanding refund issues.	Terms and Conditions of Reservation.

## Consumer Survey Results – Complaints Process

During the fiscal year 2022/2023, TICO distributed an online consumer survey to 204 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 2023, there were 43 completed surveys returned to TICO, compared to 14 in the previous year.

The results of the 43 completed surveys received are as follows:

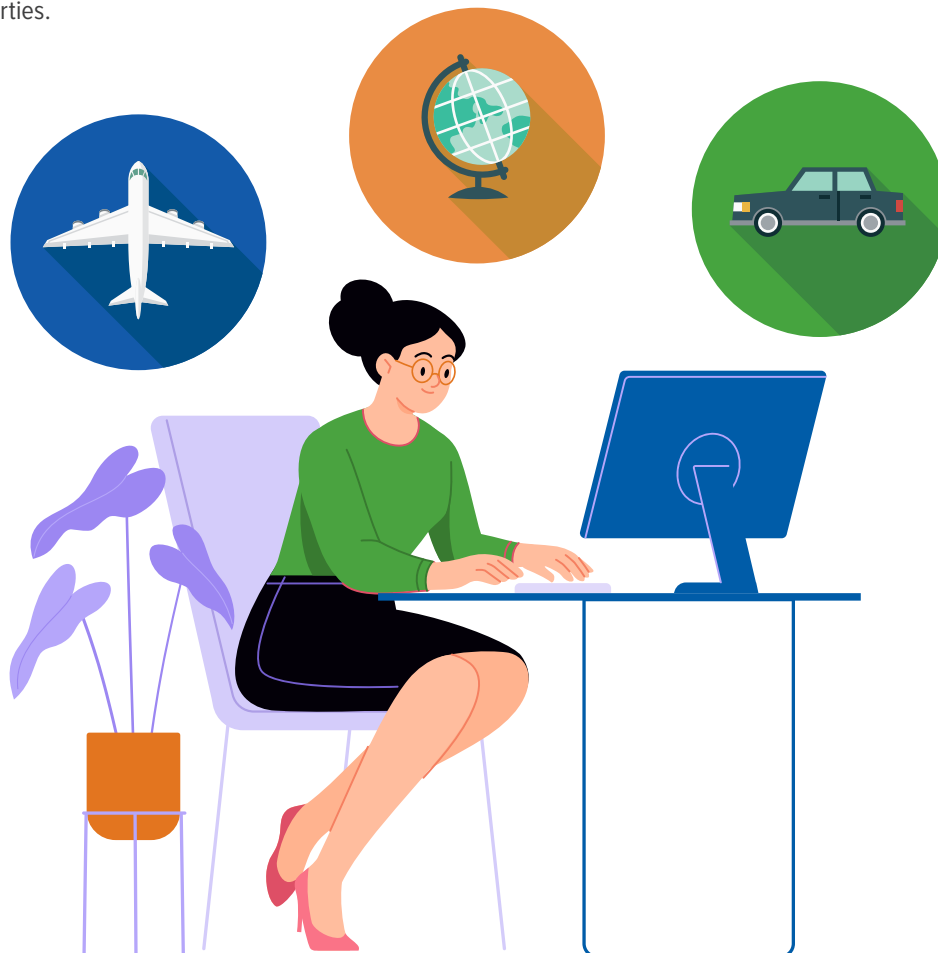
Consumers were asked about their overall satisfaction with service relating to communications during the complaint process. 98% of respondents indicated that they were satisfied with the communications received from TICO’s Complaints Officers during the complaints process while 2% indicated they were somewhat dissatisfied.

The survey results also indicated that of the 43 consumer respondents, 98% were satisfied or somewhat satisfied with the complaint turnaround times and 2% were dissatisfied. Comments received in the survey included, “Got a very quick reply and follow up” and “everything was handled perfectly!” 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: 100% of respondents advised they were satisfied or somewhat satisfied with TICO’s process. When asked to rate their overall satisfaction with TICO’s handling of their complaint, 93% of consumer respondents advised they were satisfied, and 7% somewhat satisfied.

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, TICO is responsible for conducting an inspection program. All registrants are subject to compliance with the financial standards required under the Regulation, which are verified by TICO through a bench review.

Through the bench review process, TICO gathers relevant information that helps identify registrants who may pose a risk to consumers or the industry as a whole. In addition to compliance issues, this information could include financial irregularities, potential insolvency issues, or other indicators that suggest a registrant’s financial situation may be precarious. Identifying such risks allows TICO to take appropriate action to protect consumers and ensure the stability of the travel industry.

During the fiscal period 2022/23, the burden relief sections of the Regulation continued to provide support to registrants through a simplified financial reporting structure, requiring a self-attestation of their financial position, in place of externally verified financial statements. TICO completed 1,922 bench reviews (Fig. 7) compared to 1,700 bench reviews in the previous year and completed 196 financial site and limited scope inspections compared to 159 in the previous year (Fig. 8). Limited scope inspections are in-house inspections that focus on trust accounting and working capital compliance.

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

Inspection Reason	2022/2023 Financial Inspections	2021/2022 Financial Inspections
Limited Scope	59	138
Other/miscellaneous	48	6
Trust Accounting	38	7
New Registrant	32	7
Working Capital	19	1
<b>Total</b>	<b>196</b>	<b>159</b>

## New Registrant Training

During the year, TICO continued to hold virtual training sessions for new registrants, which in part replaced site inspections conducted by TICO. The training sessions provide a full overview of the compliance requirements under the Act and the Regulation, as well as information on the resources available to registrants. A total of 15 sessions were conducted and 54 registrants participated.

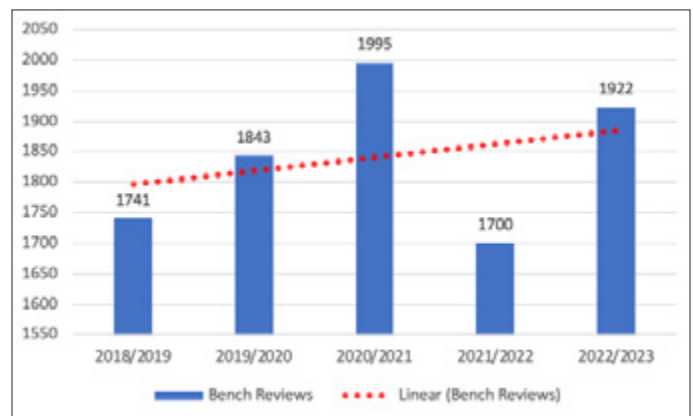


Figure 7: Financial Bench Reviews

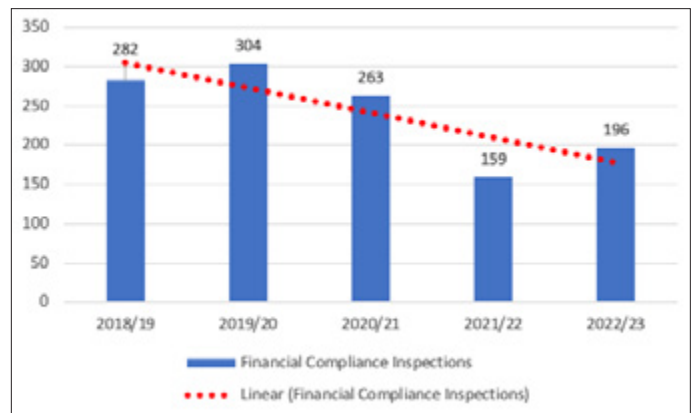


Figure 8: Financial Compliance Inspections

# Compliance (Non-financial)

During the 2022/2023 fiscal period TICO processed 421 compliance files compared to 216 in the previous year. In 2022/2023 TICO performed 101 compliance site inspections and 164 desktop registrant closure reviews compared to previous year's two compliance site inspections and 63 desktop registrant closure reviews. Compliance site inspections are typically 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. Registrant closure site inspection surged during the year as a result of a drop in pandemic restrictions. TICO's goal is to perform registrant closure reviews within 30 days of the closure taking place. This includes closure reviews of those registrants who have voluntarily terminated their registration as well as those whose registration was revoked by TICO.

In 2022/2023, a total of 93 warnings for operating without registration were issued compared to 56 in the previous year (Fig. 9) and 18 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 13 in the previous year (Fig.10). In addition, 85 invoicing warnings (Fig. 11) were issued to registrants who did not provide proper invoices and/or receipts in accordance with the Regulation compared to 18 in the previous year. This increase in invoicing deficiencies is a result of the overall industry sales recovery and the resulting increase in TICO's compliance activity.

Non-financial compliance performance metrics were impacted during the current the year due to members of the compliance team being redeployed to assist TICO's Consumer Complaints Department with the influx of consumer calls, emails and complaints in response to cancellations and/or refunds due to the COVID-19 global pandemic.

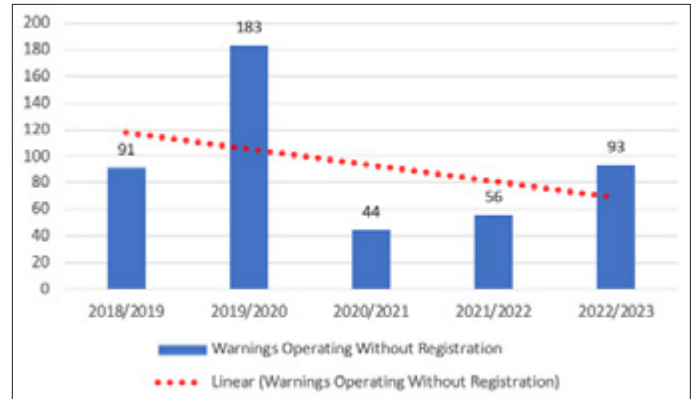


Figure 9: Warnings Issued for Operating without Registration

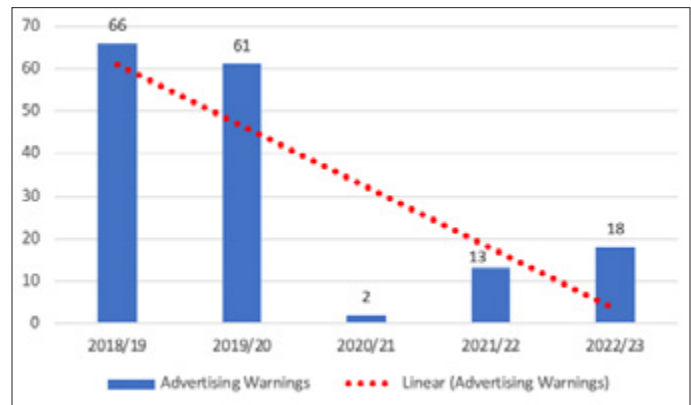


Figure 10: Warnings Issued for Advertising Infractions

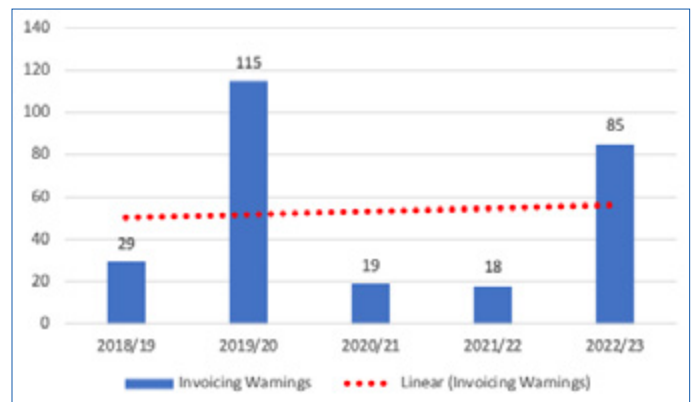


Figure 11: Warnings Issued for Invoicing Infractions

# Travel Industry Compensation Fund

TICO is required to hold all Compensation Fund monies in trust. As at March 31, 2023, the assets held for the Compensation Fund were \$22,786,930.

## Claims and Repatriation (net of professional fees)

Claims paid (or accrued) during the fiscal year ended March 31, 2023, compared to the previous year ended March 31, 2022, were as follows:

	2022/23	2021/22
	\$	\$
<b>Number of claims paid</b>	<b>129</b>	<b>184</b>
<b>Number of consumers assisted</b>	<b>278</b>	<b>376</b>
Claims paid - Registrant failure	128,709	288,081
Claims paid - End supplier failure	434,839	140,731
	563,548	428,812
Repatriation/Trip Completion	-	-
<b>Total Claims Paid</b>	<b>563,548</b>	<b>428,812</b>
Accruals <sup>1</sup>	52,994	62,661
As per Statement of Operations	616,542	491,473
Recoveries	(6,278)	(108,927)

1. Represents change in accrual. Claims paid are expensed in the period to which the commitment was incurred which follows the claims accounting policy. Claims paid represent cash payments made during the year. Due to timing, expense reflected in the financial statements, which is accrual based, often differs from the amount of claims cash payments.

## Closures Resulting in Significant Claims Paid

The following entities ceased operations and resulted in claims paid during the 2022/2023 fiscal year:

### Crystal Cruises, LLC

Crystal Cruises, LLC operating out of Miami, Florida, USA ceased operations on February 11, 2022. Crystal Cruises sold luxury cruises that included cruises to the Pacific/Southeast Asia, Europe, North and Central America and Caribbean. During the year ended March 31, 2023, a total of \$403,214 was paid out of the Compensation Fund, assisting 127 consumers.





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

REGISTRANTS	CLAIMS PAID 2022/2023 \$	RECOVERIES 2022/2023 \$	CLAIMS PAID 2021/2022 \$	RECOVERIES 2021/2022 \$
Albarkah Travel and Tours Inc (R)	-	-	229,803	103,944
Angie's All Seasons Travel Inc. (R)	-	-	3,917	-
Crystal Cruises *	403,214	-	-	-
Dolphin Travel (R)	-	600	-	650
Flybe *	-	-	490	-
Fly Jamaica Airways *	12,868	-	55,022	-
Gideon Travel (R)	-	-	2,250	-
Jacco Tours (R) (W)	12,904	-	-	-
Jet Airways *	18,757	-	85,219	-
Luxury Travel Centre Inc. (R)	2,377	-	-	-
Rejoice Holidays (R)	45,657	-	-	-
Skymoon Travels & Tours (R)	-	-	55	-
Skypride Travel & Tours (R)	-	-	-	2,000
Sinorama Holidays Inc. (R) (W)	-	2,280	-	-
Sunmed Holidays (R)	64,471	3,398	42,808	-
Tucan Travel Inc. (R) (W)	-	-	9,248	-
World Travel Inc. (R)	3,300	-	-	-
<b>TOTAL CLAIMS PAID (GROSS)</b>	<b>563,548</b>	<b>6,278</b>	<b>428,812</b>	<b>106,594</b>

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

**Note on recoveries:** Recoveries listed may relate to claims paid out in previous years. Recovery amount can sometimes be less than what is presented in the Statement of Operations as payment received from registrant represented restitution payable to a consumer and not the Compensation Fund.

Figure 12 illustrates the total claims paid by the Fund over the last five years. The total claims paid during 2022/2023 totalled \$563,548 compared to \$428,812 the previous year. Recoveries recognized by TICO in 2022/2023 were \$6,278 compared to \$106,594 recovered in 2021/2022.



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 2022/2023 fiscal year, there was an increase in overall claims paid out of the Compensation Fund as a result of end supplier failures.



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

In 2022/2023, a total of \$128,709 was paid in claims related to registrant failures compared to \$288,081 the prior year. During the fiscal period 2022/2023, a total of \$434,839 in claims was paid as a result of end supplier failures compared to \$140,731 in the previous year.

Contributions to the Fund from registrants (Fig. 14) in 2022/2023 were lower compared to the previous year with \$Nil recognized in the current year and \$738 recognized in 2021/2022. The current year results reflected continuation of fee waivers of all fees due between April 1, 2022, to March 31, 2023, while despite the waiver period being in effect in the prior year, there were some late filers in the prior year, which resulted in TICO reflecting revenue related to contributions to the Fund. The waiver of fees was established during the pandemic to reduce the burden on business and allow registrants to focus on their priority business needs and recovery, without the added financial stress of meeting certain payment obligations to TICO.

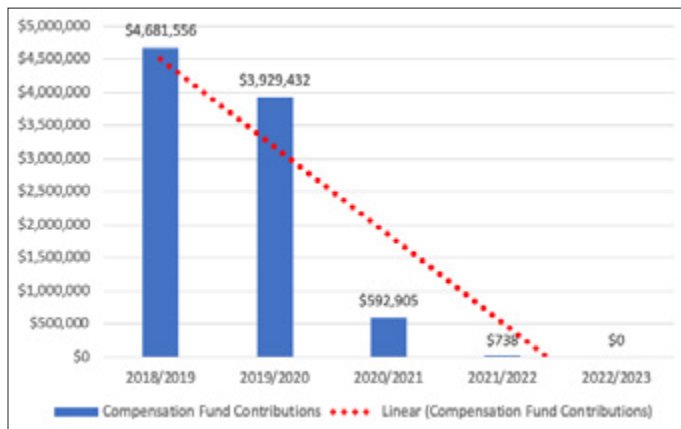


Figure 14: Contributions to the Compensation Fund

## Consumer Survey Results – Claims Process

During the fiscal year 2022/2023, 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 2023, there were 17 completed surveys returned to TICO which was the same number completed in the previous year.

The results of the 17 completed surveys received are as follows:

The survey results indicated 94% consumers were satisfied or somewhat satisfied with the length of time to process their claim, with 6% of consumers indicating they were dissatisfied. Turnaround times vary considerably depending on the complexity of the claims and the supporting documentation required to prove a claim from claimants, registrants, suppliers and/or other third parties.

When asked to rate their satisfaction with the fairness of the claims process, 88% of respondents advised they were satisfied and 12% were somewhat satisfied with the fairness of TICO's claims process. When asked to rate their overall satisfaction with TICO's handling of their claim, 88% of respondents advised they were satisfied and 12% somewhat satisfied. Comments received in the survey included, "I found out about TICO on the internet. From the time I connected, I was surprised how well all details were provided and the ease with which everything was processed. Thank you."

During the fiscal year, TICO conducted a comprehensive survey with Ontario consumers to measure the value of the consumer protection TICO administers and enforces, including the Compensation Fund. The results of the values survey can be found on page 36.

# Legal Matters

## Claims

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, 2023, there was one claim appeal to LAT, which was withdrawn by the claimant.

## Investigations

TICO initiates and conducts investigations when it becomes apparent that there may have been a breach of the legislation. Investigations can result in charges being laid under the statute. During the fiscal 2022/23, TICO opened 15 new investigations and closed 14 investigations. There were 79 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, 2023, there were three open investigations.

## Prosecutions

Prosecution activities conducted during 2022/2023 resulted in 57 convictions.

Penalties imposed in relation to these activities include:

- **\$16,250 fines (includes \$5,000 charitable donation)**
- **\$60,050 restitution**
- **12 years' probation**
- **200 community service hours**



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
Albarkah Travel and Tours Inc. and Mahmood Bashir	8	Failing to deposit consumer funds to trust account	Albarkah Travel and Tours Inc.	–	TICO	\$25,000 (before plea)	–	–
	3	Failing to issue receipts to consumers	Albarkah Travel and Tours Inc.	–	TICO	\$25,000	–	–
	1	Officer/ Director’s negligence	Mahmood Bashir	–	–	–	2-year probabtion	200 hours community service
Brian McKinlay o/a Meridien Cottages	1	Operating as an unregistered travel agent	Brian McKinlay	\$2,500	–	–	2-year probabtion	–
Barrett & Carlyle Travel (2003) Ltd. and Tanja Schneider-Steinbock	40	Operating as an unregistered travel agent	Barrett & Carlyle Travel (2003) Ltd.	\$3,750	–	–	2-year probabtion	–
	1	Operating as an unregistered travel agent	Tanja Schneider-Steinbock	–	–	–	2-year probabtion	–
	1	Officer/ Director’s negligence	Tanja Schneider-Steinbock	–	–	–	suspended sentence	–
Sherkston Trailer Rentals Inc. and Patricia D. Levasseur	1	Operating as an unregistered travel agent	Sherkston Trailer Rentals Inc.	\$5,000	–	–	2-year probabtion	–
	1	Operating as an unregistered travel agent	Patricia D. Levasseur	–	–	–	2-year probabtion	–
Withdrawn matters subject to diversion/ settlements out of court	–	–	–	\$5,000 (charitable donation)	consumer	\$10,050	–	–
<b>TOTALS</b>	<b>COUNTS: 57</b>		<b>FINES: \$16,250</b>		<b>RESTITUTION: \$60,050</b>		<b>PROBATION: 12 years</b>	<b>COMMUNITY SERVICE: 200 hours</b>

## Proposals to Revoke/ Refuse Registration

In 2022/2023, 56 proposals to revoke/refuse registration against were issued by TICO. The proposals were issued for the following reasons:

	2022/23	2021/22
Failure to submit Financial Filings	49	0
Registrant's Conduct Issues	4	2
Working Capital Deficiency	2	0
Refuse to Renew Registration	1	0
	<b>56</b>	<b>2</b>

In fiscal year 2022/2023, there were 17 registration revocations issued by LAT as a result of TICO proposals. Additionally, two immediate suspension orders were issued by TICO, while special terms and conditions were imposed on 23 registrants.

## Changes to Ontario Regulation 26/05

Throughout the COVID-19 pandemic, TICO and the Ministry of Public and Business Service Delivery have been proactive in identifying regulatory amendments to provide burden relief for Ontario's travel agencies and wholesalers.

At the start of pandemic, several temporary regulatory amendments were enacted, aimed at maintaining consumer protection, while addressing significant adversity by reducing burden on registrants during this challenging time.

**The following temporary burden relief measures are still in effect:**

- **Temporarily exempting registrants from filing Annual Financial Statements.** Continue to reduce administration and expenses associated with financial reporting.
  - Providing a temporary exemption from the requirement to file an annual financial statement, accompanied by a review engagement report or audit opinion, for registrants with annual Ontario gross sales greater than \$2 million. Only a verification statement needs to be filed, subject to the exception listed below.
  - This exemption covers the above registrants with fiscal year-end dates until November 30, 2024.

- The exemption would not apply if the registrant is required for any other reason to prepare an annual financial statement for a fiscal year that ends during that period and the annual financial statement is accompanied by either a review engagement report or an audit opinion, prepared by a public accountant licensed under the *Public Accounting Act, 2004*. In that case, the financial statements and review engagement report or audit opinion shall be provided to TICO and a verification statement would not be acceptable.

- **Consumers' eligibility to claim unredeemed vouchers through the Compensation Fund remains unchanged:**

- If a consumer is unable to redeem a voucher or similar document issued by a TICO-registered travel agency, website or tour operator (does NOT include a voucher issued directly by an end supplier to a customer, including airline, cruise line or hotel) for future travel services because of a registrant failure associated with COVID-19, the consumer may be eligible for reimbursement under the Travel Industry Compensation Fund until March 31, 2024.

**The following burden relief measure expired shortly subsequent to year-end:**

- **Registrants' choice to issue travel vouchers/credits expired on April 1, 2023**

- As of April 1, 2023, registrants who acquire the rights to travel services for resale can no longer continue to choose to provide a voucher or similar document for future redemption towards travel services, unless it is acceptable to the customer. Registrants, who acquire the rights to travel services for resale and experience a situation where a supplier (e.g., airline or cruise line) fails to provide the travel services, are required to provide one of the following options to the customer: a refund; comparable alternate travel services acceptable to the customer; or a voucher, certificate or similar document that is acceptable to the customer, for future redemption towards travel services. For more details, please see Section 46 of Ontario Regulation 26/05.

## Status of the *Travel Industry Act, 2002* Review

The Ministry of Public and Business Service Delivery has indicated that it is re-assessing the regulatory proposals under the *Travel Industry Act, 2002* that were under consideration before the COVID-19 pandemic, including regulating travel salespersons.

# Consumer and Industry Advisory Committee Report

## Chair – E. Finkelman

During the past year, the Consumer & Industry Advisory Committee (CIAC) met three times, including a return to in-person meetings.

CIAC met during the fiscal year to review matters of importance to both consumers and the travel sector, and to provide input for Board consideration. CIAC meetings were observed by a representative from both TICO's Board of Directors and the Ministry of Public and Business Service Delivery.

CIAC was updated on TICO's consumer and registrant awareness campaigns, including obtaining insights and advice related to the recent consumer and registrant values surveys. This exchange of ideas and considerations will assist the Board's oversight and management's development of future campaigns.

CIAC was also updated, and provided feedback, on the continued recovery of the travel sector, insights into the funding framework review conducted during the year and perspectives on the future prospects of individual registration of travel advisors.

CIAC remains committed to understanding its role as advisors to the Board of Directors and assisting management in navigating through the challenges and opportunities associated with the post-pandemic travel marketplace.

## Consumer Awareness Campaign

As the COVID-19 pandemic receded in 2022, TICO actively engaged Ontario's travellers to remind them of the consumer protection that's available when booking with a TICO registered travel agency or website. Demand for travel sky-rocketed, while challenges in the broader travel environment impacted consumer sentiment and brought the difficulties experienced by travellers into the spotlight.

### Strategy

Building on the success of previous years, TICO continued with a digital-first strategy to engage Ontarians in a targeted way. We maintained flexibility in our approach and frequently adapted to the changing circumstances in the broader travel industry.

We provided information that was timely, helpful and credible, while further explaining the role of TICO within Ontario's travel ecosystem. The digital campaign was complemented by proactive public relations and digital collaborations to further increase reach with key audiences.

### Messaging

TICO's messaging focused on the consumer protection benefits of booking with a TICO registered travel agency or website, and the ease of verifying if an agency or website is registered. We reminded travellers about TICO's consumer complaints process and the availability of the Compensation Fund.

### Campaign highlights

- **Google Ads** (search engine marketing) – Through Google Ads, TICO addressed consumers' concerns and questions by making information easy to find and readily available. Throughout the year, we adjusted the keywords to be relevant to the needs of Ontario travellers. As a not-for-profit organization, TICO accessed nearly \$111,000 USD in free advertising through the Google Ad Grants program, while driving approximately 68,000 visits to TICO's website. Year-over-year, overall website traffic increased by nearly 10% and the average session duration increased by 20% (1:42 compared to 1:25 in the prior year).

- **Social media** – TICO continued an ‘always on’ approach with social media, with both organic posts and advertising throughout the year. Content was timely, relevant and informational, while leveraging aspirational visuals to draw in consumers’ attention. TICO’s social media content was seen more than 2.5 million times by Ontarians, with engagement rates significantly higher than industry averages.
- **Public relations** – TICO’s spokespeople continue to be recognized as trustworthy and knowledgeable travel industry experts. Through a combination of proactive media outreach, editorial placements and responding to reporters’ enquiries, TICO was featured in 111 media articles and broadcasts throughout the year. This included both top-tier national media outlets and community publications across the province.
- **Digital collaborations** – TICO partnered with four digital content creators to produce custom videos that were posted across social media. Additionally, TICO sponsored content in Curiosity Toronto and EverythingZoomer.com to reach additional priority audiences. These targeted collaborations resulted in nearly 300,000 impressions.

## Consumer Values Survey Results

TICO conducted a comprehensive survey with Ontario consumers in early 2023. The survey found respondents’ perceived value of TICO remained relatively steady at 71%, compared to 75% in fiscal year 2021/2022. Confidence in what TICO is doing to ensure consumer protection for travellers increased to 55% from 52% in fiscal year 2020/2021.

The survey found that 53% of respondents were aware that travel agencies and tour operators are regulated, down from 68% in fiscal year 2021/2022. Similarly, 41% of respondents were aware of TICO, down from 60% in fiscal year 2021/2022.

When this year’s survey was fielded in January 2023, it was during a tumultuous time for airlines after severe holiday disruptions. Media outlets referred to the nationwide storms and ensuing travel upheaval as once-in-a-generation. Much of the media coverage at the time focused on airline delays, cancellations, baggage issues, and consumers’ potential recourse through the federal Air Passenger Protection Regulations (APPR). Airline CEOs were testifying in front of the House of Commons to respond to the issues experienced by travellers.

As airline issues were so prominent in early 2023, there is a high likelihood that consumers completing the survey were confusing TICO’s consumer protection and that of APPR. Many of the respondents’ open-ended comments addressed airline concerns.

Additionally, as the pandemic represented an abnormal and extraordinary period for the travel industry, consumer knowledge and engagement with TICO was at its highest. What we are seeing now can be considered as a new baseline for the new normal.

TICO is using these consumer survey insights to further refine its messaging and strategy to engage Ontario travellers.

## By the numbers

**3,337,533**

total campaign impressions

**2,517,690**

overall impressions on social media

**519,917**

search impressions (free Google search ads)

**67,615**

link clicks to TICO’s website

**1 min. 42 sec.**

average time spent on TICO’s website

**111**

media articles and broadcasts that featured TICO

**13.8%**

Instagram engagement rate

**6.5%**

Facebook engagement rate

**71%**

of Ontario respondents feel TICO is valuable to them as a travel consumer (PMG Consumer Value Survey)

## Registrant Engagement

Ontario's registered travel agencies, booking websites and tour operators are vital in helping consumers be aware of and understand the consumer protection available through TICO.

Through a digital Registrant Toolkit ([www.tico.ca/toolkit](http://www.tico.ca/toolkit)), TICO provides Ontario's travel agents, agencies, websites and tour operators with shareable resources that speak to the value of booking with a TICO-registered business. The available resources come in a variety of online and traditional formats, including an information sheet in 17 different languages. The Registrant Toolkit was accessed more than 8,000 times during the 2022/2023 fiscal year.

### Registrant Values Survey Results

TICO surveys registrants to measure their perceived value of TICO and their confidence and satisfaction in TICO's services. TICO's 2023 survey found an increase across many key performance indicators. This includes registrants' perceived value of TICO, which increased to 67% from 63% in the prior year.

Similarly, registrants' overall satisfaction with TICO increased to 71% from 65% in 2022. Confidence in TICO remained steady, with nearly 3-in-4 respondents being very confident or confident in TICO as a regulator.

Registrants' perception that TICO works to ensure positive consumer protection outcomes increased to 74%, an increase of 3% over 2022 and 16% since 2021.

Fiscal year 2022/2023 marked the third year of TICO providing fee waivers to assist with registrants' recovery following the COVID-19 pandemic. More than 9-in-10 registrants found this support to be valuable to their business. Similarly, close to 9-in-10 registrants found regulatory changes related to financial reporting and working capital requirements were valuable to them.

Registrants saw opportunities related to elevated consumer demand for travel, coupled with a greater appreciation of the value of travel agents. Registrants continue to experience challenges associated with a labour shortage and seeing their businesses reach pre-pandemic levels.

TICO is dedicated to continuously improving its service delivery for consumers and registrants through enhanced engagement and data-driven strategies.



# Corporate Social Responsibility (CSR), French Language Services, Accessibility

## 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 a paperless working environment by e-blasting the Compensation Fund remittance forms, developed a new online TICO registration certificate and continued an in-house document management system to house all records.



## Charitable Initiatives

TICO successfully raised over \$2,134 through various CSR fundraising events and initiatives for the purpose of donating funds to the Mississauga Food Bank and Plan Canada. TICO also organized a food drive at Christmas to receive donations from businesses located in TICO's office building and successfully collected 177 pounds of food for the Mississauga Food Bank.

## Global Initiatives

Continued child and community sponsorship with Plan International Canada. TICO sponsors a 7-year-old girl from Guinea.

## French Language Services

TICO strives to respond to all enquiries received in French, whether verbal or written. Communications received in French are responded to in French. TICO provides timely, courteous and quality responses to all French language enquiries.

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, proctor guide, forms, etc.)

- TICO exams
- Complaint forms and Compensation Fund claim forms
- Informational materials promoting awareness of TICO and its services.

During the fiscal year, TICO received 19 enquires in French.

Of the 7,143 Education Standards exams written during the fiscal year, a total of 1,318 were written in French.

## Accessible Goods, Services, or Facilities

TICO is committed to providing services that are accessible to people with disabilities in accordance with the *Accessibility for Ontarians with Disabilities Act (AODA)*. TICO strives to ensure the provision of customer service in a manner that reflects the AODA core principles: Dignity, Independence, Integration and Equal Opportunity. All TICO stakeholders can make an accessibility accommodation request by telephone, mail, e-mail or in person. TICO's Accessibility Policy is available online at [www.tico.ca](http://www.tico.ca).

During the fiscal year no accessible services requests were received.

## Local Initiatives

In recognition of the increased food insecurity within our community, TICO donated \$1,000 to the Mississauga Food Bank from its fundraising efforts.

The Shoebox Project for Women is a registered charity that collects and distributes gift-filled shoeboxes to local women impacted by homelessness across Canada. During the holiday season, TICO staff produced and delivered 17 shoeboxes to the charity filled with products valued at \$850.



# 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, 2023, with comparative figures for March 31, 2022.

## Overview

Fiscal year 2022/2023 was marked by uncertainty about the recovery of the travel industry and the state of the COVID-19 pandemic, with some countries not having fully dropped their restrictions as of the date of this report. The aggregate recovery of TICO registrants' Ontario Gross Sales is at approximately 83% compared to pre-pandemic levels, taking into consideration that there is up to a three-month lag on registrants reporting their sales.

Financial burden relief in the form of a fee waiver continued to be provided to registrants this fiscal year. Additional burden relief was provided through both permanent and temporary regulatory provisions that require less onerous financial reporting requirements. TICO's management is undertaking a review of the organization's funding framework, which is anticipated to be presented to stakeholders through consultations in the fall timeframe.

TICO's funding shortfall that resulted from the loss of revenue due to the fee waiver being extended to registrants, was covered through a combination of a Transfer Payment Agreement (TPA) from the Ministry and the use of TICO's unrestricted reserves. TICO received \$2.5 million in TPA funding to cover its operating expenses, which is substantially less than \$3.6 million received last year, and used \$1.5 million from its unrestricted reserve fund to cover TICO's remaining 2022-23 operating expenses. This reduction in funding contributed to a large deficiency of revenues over expenses. The TPA funding was recorded as a reimbursement of operating expenses, which is consistent with prior years' reporting.

Investment returns on the managed portfolio were volatile during the year and reflected overall market declines, which also contributed to a net deficiency of revenues over expenses for the year. This year marked an increased level of Compensation Fund claims paid out to consumers, compared to prior year, which was substantially driven by a large end-supplier failure. TICO's operating expenses performed better-than-budget and were lower than the prior year, as further explained below. The final result for the fiscal year was a deficiency of revenues over expenses.

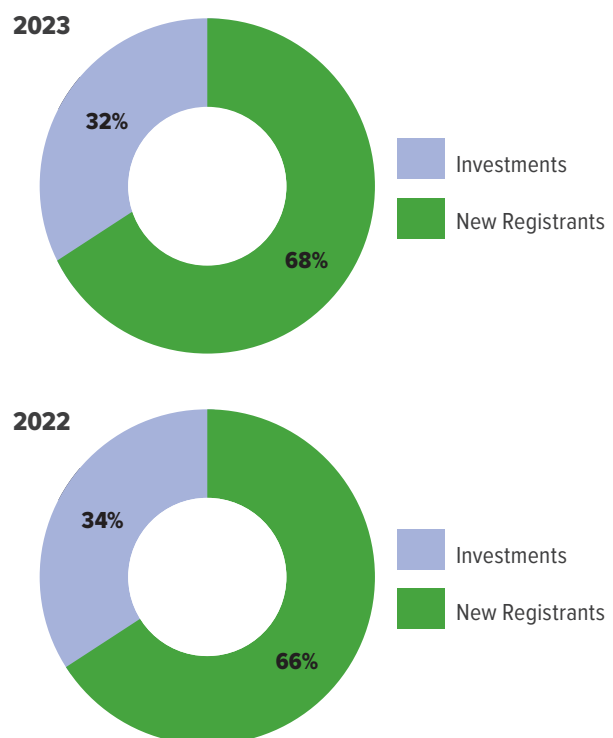
TICO realized an overall deficiency of revenues over expenses of \$2,314,803. This performance is better than budgeted mainly due to lower net claims and saving in operating expenditures.

As of March 31, 2023, total net assets were \$25,524,913 compared to \$27,839,716 for the year ended March 31, 2022. Consistent with the prior year, investment income was much lower than historical performance, generating returns reflective of market conditions but better than benchmarks. However, these low returns were anticipated, as there was generally a lot of fluctuation in the investment markets throughout the pandemic. Further, a sharp increase in interest rates has caused a devaluation of the bond market, which underpins some of TICO's investments. Total revenues increased by \$104,122 (42%), while operating expenses, before net claims, were lower by \$98,912 (2%). Claims before recoveries and related costs were higher than the prior year at \$616,542 (2022 - \$491,473) and lower when compared to actuarial expectations from 2018. TICO saw its highest number of Compensation Fund claims since 2014.

As of March 31, 2023, assets held for the Compensation Fund totalled \$22,786,930, which is a decrease from the prior year mainly due to claims paid out. Zero registrant contributions were posted to the Compensation Fund due to the fee waiver. An interfund transfer of \$708,000 from the Compensation Fund was reflected in the Statement of Changes in Net Assets to reflect the Compensation Fund activity.

## Revenues

The composition and sources of revenues are provided below:



Revenues were lower than budget expectations but were higher than the prior year by \$104,122 (42%) due to strong new registrant revenue performance. Throughout the pandemic, TICO experienced a significant reduction to its registrant base, resulting in a 15% decline in the total number of registrants compared to 2019/2020. New registrant revenue performance was driven by new entrants who saw opportunities within the travel marketplace despite challenging times.

There was no semi-annual assessment revenue due to the fee waivers in place during the year, while last year's revenue recorded was solely related to late filers. Investment income was lower than the budget and slightly higher than the prior year. Overall weak investment performance was similar to last year and is consistent with generally unfavourable economic conditions.

The distribution of revenue from various sources remains consistent with the previous year's revenue mix. Revenue from new registrants emerged as the primary contributor to overall revenue, representing 68% compared to 66% in the prior year. Operating revenues consisted of new registrant revenues of \$239,900 compared to \$165,200 in the prior year, an increase of \$74,700 (45%).

Registrants' Ontario Gross Sales have recovered by 384% over the prior year, for a total of \$12.1 billion. This represents an 83% recovery compared to the 2019/2020 fiscal year.

The number of registrants declined by 6% compared to the prior year, which is higher than the 2% pre-pandemic annual attrition rate. There were a total of 1,920 registrants, a decline of 115 from the prior year (2,035). This includes 140 new registrations (including branches) that opened during the fiscal year, up from 70 in the prior year.

The total number of new registrants was offset by 328 terminations (expired registrations, voluntary terminations and revocations) during the year (2022 – 265). Of the 328 terminations, a spike primarily attributed to the pandemic, 56 have since been renewed, while 17 were revoked.

In aggregate, new registration and renewal revenues totalled \$239,900. All annual renewal fees and Compensation Fund assessments were waived during the year. New registrants were required to pay the initial registration fees, which is consistent throughout the pandemic years.

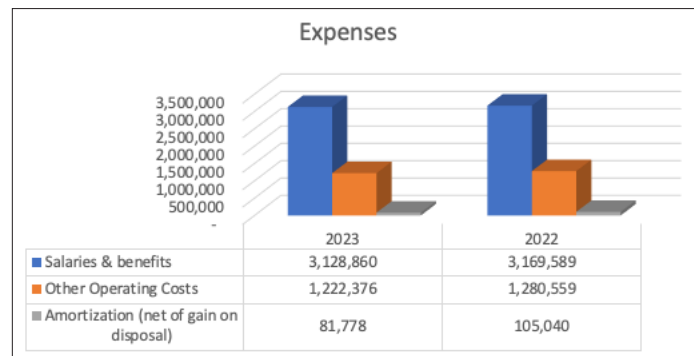
The year ended with investment income of \$114,311, compared to \$84,151 in gains the prior year. This result is significantly below budget expectations. High interest rates and decreased consumer confidence have contributed to investment performance similar to the prior year. TICO holds its investments in a diversified low-risk portfolio, which is managed by an external investment advisor with oversight provided by management and the Board of Directors.

## Operating Expense

Total operating expenses of \$4,351,236 were lower than the prior year by \$98,912 (2%). The overall decrease in expenses was largely a result of decreased spending in consumer and registrant awareness. Consumer and registrant awareness efforts were conducted in-house by dedicated TICO staff. Salary and benefits were lower by \$40,729 (1%) when compared to the prior year. TICO has maintained a zero-growth headcount policy during the pandemic, other than replacing staff due to normal turnover. TICO ended the year with 27 staff, which is marginally lower than the prior year at 28 staff.

The areas that saw the highest increases in expenses were related to professional fees in the amount of \$131,775, and an incremental \$80,396 related to Board meeting expenses. The increase in professional fees can be attributed to consultant fees for work related to the new funding framework proposal. Out of the total increase, \$97,718 was attributed to the funding and compensation fund framework review.

The increase in Board meeting expenses is a result of the increased number of Board meetings held in-person compared to last year. Other operating expenses were maintained at levels similar to the prior year.



TPA capital funding of \$28,018 was accounted for as a direct reduction in cost to the capital expenditures, which totalled \$81,824 for the year. No amortization was recorded on the capital purchases related to TPA funding, consistent with accounting policy. The remaining capital assets of \$53,806 were funded through TICO's unrestricted reserves and were amortized in accordance with the capital assets amortization policy.

## Compensation Fund

The Compensation Fund balance at March 31, 2023, was \$22,786,930 (2022 – \$23,494,930). Claims against the Compensation Fund for this fiscal year were \$616,542 (2022 - \$491,473), reflecting registrant and end-supplier failures that occurred during the year. The recoveries recorded relate to past years' failures. The net cost of claims totalled \$610,264 for the year, reflecting the highest net claims since fiscal year 2014 (2022 - \$382,546).

A total of \$97,718 was recorded as a professional fee related to the Compensation Fund, as a result of the funding framework and Compensation Fund review.

The Compensation Fund balance has been reduced by the total of net claims paid out and the professional fees charged in relation to the funding framework review. The total decrease of the Compensation Fund is \$708,000 and was recorded as an interfund transfer on the Statement of Changes in Net Assets.

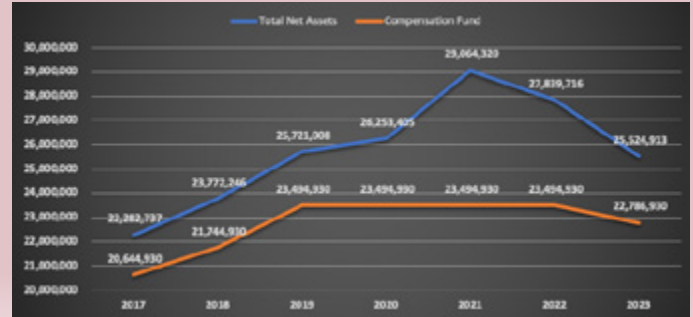
While average claims against the Compensation Fund have generally been considered low in recent years, the balance available for future claims for potential registrant and/or end-supplier failures remains lower than recommended in the most recent actuary report.

## Capital Expenditures

Capital assets deployed in the business at March 31, 2023, totaled \$609,914 (2022 – \$637,886). Capital expenditures, partially funded by TPA and totaling \$81,824, were technology related. Management’s longer-term technology plan leverages cloud-computing, with virtually all of TICO’s infrastructure and applications hosted through various cloud-based services. Enhancements made throughout the year will enable TICO to continue to modernize its services using e-commerce capabilities. TPA-related 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, 2023, total net assets were \$25,524,913, a decrease of \$2,314,803 reflecting a deficiency of revenues over expenses compared to last year’s deficiency ROE (2022 - \$1,224,604).



The Compensation Fund had a balance of \$22,786,930, as of March 31, 2023. Net claims and professional fees, as noted above, were transferred to the unrestricted fund as a reimbursement.

The unrestricted fund of \$934,879 (2022 - \$2,490,584) will be used for operations for the year 2023/2024 consistent with the Business Plan.

# Appendix I

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**Travel Industry Council of Ontario  
Financial Statements  
For the year ended March 31, 2023**

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## Independent Auditor's Report

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### 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, 2023, 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, 2023, 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.

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## Independent Auditor's Report (Continued)

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### 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.



Chartered Professional Accountants, Licensed Public Accountants  
May 30, 2023  
Oakville, Ontario

## Travel Industry Council of Ontario Statement of Financial Position

March 31	2023	2022
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 501,718	\$ 892,099
Short-term investments (Note 2)	19,982,016	19,471,445
Accounts receivable	-	77,021
Prepaid expenses	97,098	95,772
	20,580,832	20,536,337
<b>Investments (Note 2)</b>	<b>8,435,806</b>	<b>10,366,894</b>
<b>Capital assets (Note 3)</b>	<b>609,914</b>	<b>637,886</b>
	<b>\$ 29,626,552</b>	<b>\$ 31,541,117</b>
<b>Liabilities and Net Assets</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (Note 4)	\$ 425,828	\$ 435,951
Deposits from registrants	3,283,630	2,853,630
	3,709,458	3,289,581
<b>Deferred leasehold inducement (Note 5)</b>	<b>253,004</b>	<b>283,684</b>
<b>Deferred rent</b>	<b>139,177</b>	<b>128,136</b>
	<b>4,101,639</b>	<b>3,701,401</b>
<b>Net assets</b>		
Compensation fund (Note 6)	22,786,930	23,494,930
Invested in capital assets	303,104	354,202
Internally restricted operating reserve fund (Note 7)	1,500,000	1,500,000
Unrestricted fund	934,879	2,490,584
	25,524,913	27,839,716
	<b>\$ 29,626,552</b>	<b>\$ 31,541,117</b>



## Travel Industry Council of Ontario Statement of Operations

<b>For the year ended March 31</b>	<b>2023</b>	<b>2022</b>
<b>Revenue</b>		
Semi-annual payments from registrants	\$ -	\$ 738
New registrants	239,900	165,200
Investment income	114,311	84,151
<b>Total revenue</b>	<b>354,211</b>	<b>250,089</b>
<b>Expenses</b>		
Claims	616,542	491,473
Professional fees	97,718	-
Recoveries	(6,278)	(108,927)
<b>Net claim and related costs</b>	<b>707,982</b>	<b>382,546</b>
Salaries and benefits	3,128,860	3,169,589
Computer network and support	286,400	313,281
Facilities	265,727	268,234
Board and governance expense	182,366	101,970
Professional fees	170,827	39,052
General and office	118,922	108,583
Consumer and registrant awareness	99,723	372,318
Insurance	55,434	50,960
Travel and related	19,881	2,925
Bank charges and merchant fees	8,913	12,917
Credit checks	7,907	4,183
Ontario Government oversight and other statutory fees (Note 8)	6,276	6,136
<b>Total operating expenses</b>	<b>4,351,236</b>	<b>4,450,148</b>
<b>Deficiency of revenue over expenses for the year before amortization and government assistance</b>	<b>(4,705,007)</b>	<b>(4,582,605)</b>
Amortization	(81,778)	(105,040)
Government assistance - expense reimbursements (Note 4)	2,471,982	3,463,041
<b>Deficiency of revenue over expenses for the year</b>	<b>\$ (2,314,803)</b>	<b>\$ (1,224,604)</b>

**Travel Industry Council of Ontario**  
**Statement of Changes in Net Assets**

For the year ended March 31

2023

2022

	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	\$ 354,202	\$23,494,930	\$ 1,500,000	\$ 2,490,584	\$27,839,716	\$29,064,320
Deficiency of revenue over expenses for the year	-	-	-	(2,314,803)	(2,314,803)	(1,224,604)
Deferred lease inducement	30,680	-	-	(30,680)	-	-
Amortization of equipment	(81,778)	-	-	81,778	-	-
Inter-fund transfers (Note 6)	-	(708,000)	-	708,000	-	-
<b>Balance, end of year</b>	<b>\$ 303,104</b>	<b>\$22,786,930</b>	<b>\$ 1,500,000</b>	<b>\$ 934,879</b>	<b>\$25,524,913</b>	<b>\$27,839,716</b>

## Travel Industry Council of Ontario Statement of Cash Flows

<b>For the year ended March 31</b>	<b>2023</b>	<b>2022</b>
<b>Cash was provided by (used in)</b>		
<b>Operating activities</b>		
Deficiency of revenue over expenses before other items	<b>\$ (2,314,803)</b>	\$ (1,224,604)
Adjustments to reconcile deficiency of revenue over expenses to net cash provided by operating activities		
Amortization	<b>81,778</b>	105,040
Unrealized loss in investments	<b>338,021</b>	128,424
Changes in non-cash working capital balances		
Accounts receivable	<b>77,021</b>	(73,506)
Prepaid expenses	<b>(1,326)</b>	(941)
Accounts payable and accrued liabilities	<b>(10,123)</b>	249,416
Deferred revenue	<b>-</b>	(166,159)
Deposit from registrants	<b>430,000</b>	(950,000)
Deferred lease inducement	<b>(30,680)</b>	(30,680)
Deferred rent	<b>11,041</b>	11,041
	<b>(1,419,071)</b>	(1,951,969)
<b>Investing activities</b>		
Purchase of investments	<b>(7,632,291)</b>	(7,766,943)
Redemption of investments	<b>8,714,787</b>	9,404,613
Purchase of capital assets	<b>(81,824)</b>	(98,602)
Government assistance - capital assets	<b>28,018</b>	98,602
	<b>1,028,690</b>	1,637,670
<b>Decrease in cash</b>	<b>(390,381)</b>	(314,299)
<b>Cash, beginning of year</b>	<b>892,099</b>	1,206,398
<b>Cash, end of year</b>	<b>\$ 501,718</b>	\$ 892,099

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# Travel Industry Council of Ontario

## Notes to Financial Statements

March 31, 2023

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### 1. Significant Accounting Policies

#### Nature and Purpose of Agency

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

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

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

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 travellers impacted by the COVID-19 outbreak. On March 1, 2022, extensions to temporary amendments were announced to further support the industry recovery.

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.

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 incurred 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.

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# Travel Industry Council of Ontario

## Notes to Financial Statements

March 31, 2023

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### 1. Significant Accounting Policies (Continued)

#### 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.

#### 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.

## Travel Industry Council of Ontario Notes to Financial Statements

**March 31, 2023**

### 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 0.75% - 4.70% (2022 - 0.55% - 3.70%) and with maturity dates ranging from April 2023 to August 2027 (2022 - April 2022 to December 2026). Mutual funds and GICs 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

	2023		2022	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Furniture and equipment	\$ 182,216	\$ 111,896	\$ 182,216	\$ 94,317
Computer and hardware	282,033	269,354	268,165	266,101
Computer software	110,860	99,128	95,604	93,451
Database	372,082	331,204	347,400	312,216
Leasehold improvements	627,488	154,518	627,488	118,810
Vehicles	35,475	34,140	35,475	33,567
	<b>\$ 1,610,154</b>	<b>\$ 1,000,240</b>	<b>\$ 1,556,348</b>	<b>\$ 918,462</b>
Net book value		<b>\$ 609,914</b>		<b>\$ 637,886</b>

### 4. Government Assistance

During the year, the Provincial Government provided funding through a Transfer Payment Agreement ("TPA"). In 2023, TICO received \$2,500,000 including a carryover from the prior year of \$Nil (2022 - \$166,159) which enables TICO to cover its operational expenses while providing burden relief to its Registrants. Of the total funding received in 2023, \$28,018 (2022 - \$98,602) was used for the purpose of purchasing capital assets.

As of March 31, 2023, \$Nil (2022 - \$88,166) of funding received remains payable to the Provincial Government.

## Travel Industry Council of Ontario Notes to Financial Statements

**March 31, 2023**

### 5. Deferred Leasehold Inducement

	2023	2022
Original inducement	\$ 385,950	\$ 385,950
Accumulated amortization	(132,946)	(102,266)
	\$ 253,004	\$ 283,684

### 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.

During the year, \$708,000 (2022 - \$Nil) was transferred from the Compensation fund to the unrestricted fund.

### 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, 2023 is \$1,500,000. The remaining unrestricted reserve will be left to fund continuing operations consistent with the Board approved business plan.

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# Travel Industry Council of Ontario

## Notes to Financial Statements

March 31, 2023

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### 8. Commitments and Contingencies

a) Under terms of an Administrative Agreement executed in April 2022 between TICO and the Ministry of Public and Business Services Delivery (the "MPBSD"), TICO is obligated to pay a maximum annual fees based on cost recovery to the Province of Ontario. As at March 31, 2023, this annual fee was waived for the current fiscal year.

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:

2024	\$	306,226
2025		309,909
2026		309,909
2027		309,909
2028		322,993
Thereafter		<u>1,063,901</u>
Total	\$	<u>2,622,847</u>

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### 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.



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# Travel Industry Council of Ontario

## Notes to Financial Statements

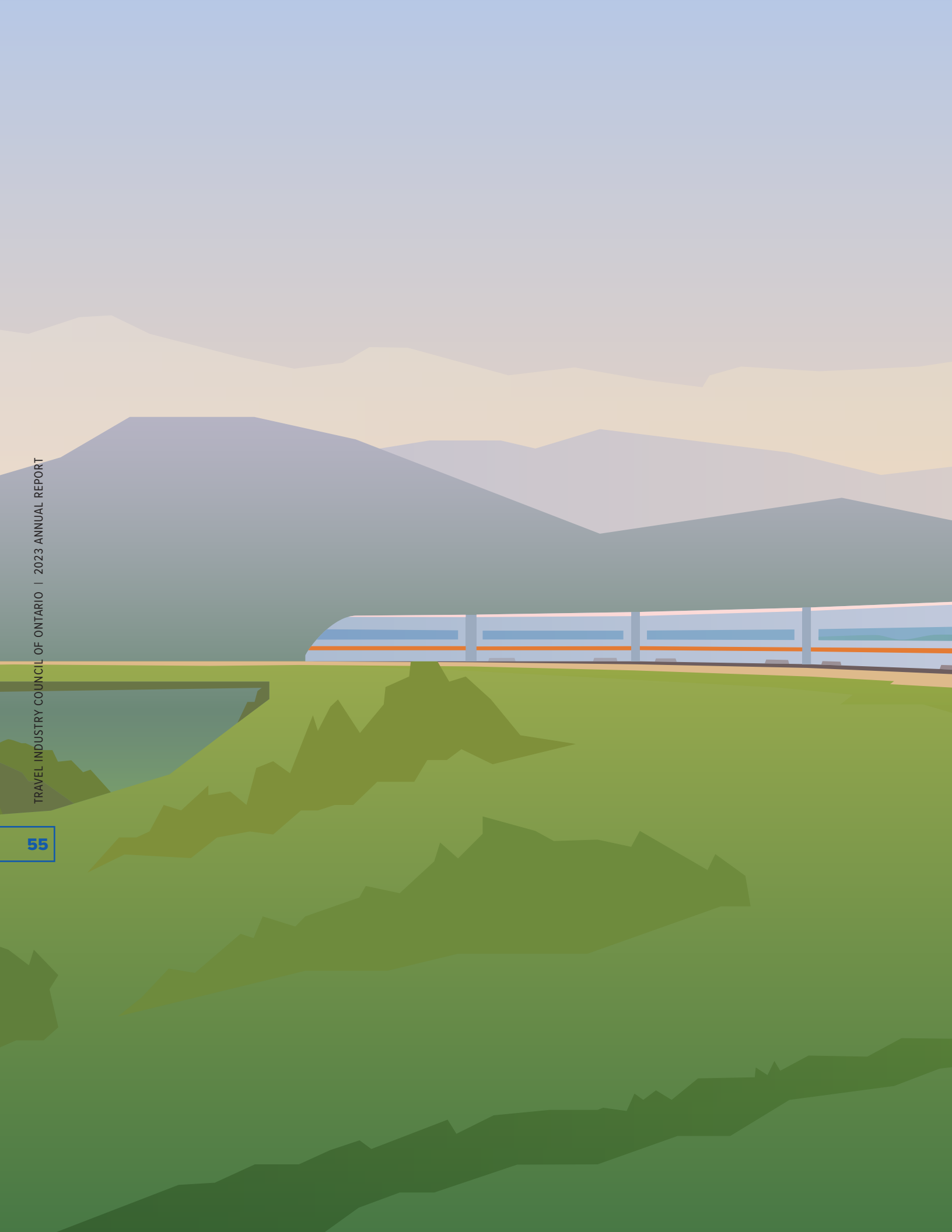
March 31, 2023

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### 10. COVID-19

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. The 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 to carry-out its mandate while providing burden relief to Registrants. Subsequent to year end, as of April 1, 2023, TICO has ended its fee waiver for existing registrants.

Although TICO cannot estimate the length or gravity of the impact of the COVID-19 outbreak at this time, if the impact of 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 2024. In turn, this may impact consumer claims filed with TICO as a result of bankruptcy or insolvency of TICO registrants. As of the date of the audit report, the World Health Organization have proclaimed the end of the global emergency, although the pandemic has not officially come to an end.





# Appendix II

## TICO Board of Directors 2022/2023

(as of March 31, 2023)

### Industry Representatives

**Nicole Bursey**

Commercial Director  
Transat Tours Canada  
Toronto, ON

**Joanne Dhue**

Director, Claims & Compliance  
Sunwing Vacations Inc.  
Toronto, ON

**Douglas Ellison**

President  
Ellison Travel & Tours Ltd.  
Exeter, ON

**Mike Foster**

President  
Nexion Canada  
London, ON

### Ministerial Appointments

**Michael Levinson – Chair**

Chief Strategist  
YouNeedAStrategy.com  
Toronto, ON

**Scott Stewart – Vice Chair**

President  
Blowes & Stewart Travel Group  
Ltd.  
Peterborough, ON

**Ted Goldenberg**

President  
Chapman Cultural Tours Ltd.  
Concord, ON

**Monica Johnstone**

President  
Travel Innovations Ltd.  
Mississauga, ON

**Robert Townshend**

President  
Total Advantage Travel & Tours  
Inc.  
Toronto, ON

**Angella Blanas**

Senior Consultant, Architecture  
& Urban Planning  
Toronto, ON

**Zaid Lama**

Partner  
Evolv Capital Partners  
Oakville, ON

### Board of Director Biographies

**Angella Blanas**

Senior economic and business development executive, charismatic, innovative and community-oriented Senior Project Manager and Investment Attraction Advisor with extensive experience in accomplishing remarkable outcomes in economic and community development on local, regional, national and international levels. Project management and planning specialist by developing thoughtful solutions that address complex challenges. Angella has shown to be a born leader and entrepreneur by nature with a goal to sustain and promote healthy environment and economic development to support people, communities and the planet.

Executive leadership, managing strategy and planning initiatives, collaborating and engaging large team of professionals, waterfront development, neighbourhood revitalization, repurposing brownfields, urban development and transportation planning, and leading end-to-end project management processes for commercial, industrial, mixed-use, residential planning & design of franchises, office & retail space, custom homes, restaurants, entertainment districts – Expert in building and sustaining relationships with clients, stakeholders, government officials, cluster and sector groups.

As an innovative management executive – over 20 years with a diverse array of professional experience as a trusted advisor and consultant. Angella received her Bachelor of Architecture, Minor in Project Management from Ryerson University, and a Masters of Architecture, Minor in Urban Planning from the University at Buffalo, State University of New York. She sits on a few boards including the Greenbelt Foundation and is currently serving TICO as a Board Member and TICO's Governance and Human Resources Committee.

**Nicole Bursey**

Nicole has 30 years of travel industry experience in various sectors, including wholesale, retail and cruise. During this time, she has managed several teams, including tour operator sales, call center and retail travel professionals. These experiences have led to her current position as Commercial Director, Transat Tours Canada. In this role, Nicole is responsible for negotiating national commercial agreements and creating national group initiatives, while providing oversight for all commercial activities in Ontario, Atlantic and Western Canada. Nicole is a dedicated Director having served on the TICO Board for five years as a representative of the Canadian Association of Tour Operators and is currently the chair of the Regulatory and Business Strategy Committee.

**Joanne Dhue**

Joanne has had a successful career in the travel industry with more than 35 years of experience working for tour operators, including well-known companies such as Skylark, Paramount Holidays, Red Seal Tours and presently Sunwing Vacations Inc. After graduating from Seneca College's Travel and Tourism program, Joanne worked with an inbound operator in Toronto assisting travellers from the Windsor/Detroit area. Joanne then joined Red Seal Tours in 1994 as Reservations, Groups and Customer Service Manager, which in 1999 was purchased by well-respected industry veteran Colin Hunter. It was in 2002, when Red Seal Tours was rebranded as Sunwing Vacations. Joanne, in her current role as Director of Claims & Compliance, is responsible for the management of tour operator and airline claims and works closely with the regulatory bodies that govern both the tour operator and airline division. Joanne has served on the TICO Board of Directors for two years as a representative

of Canadian Association of Tour Operators and is a member of two committees; the Governance and Human Resources Committee and the Audit, Technology & Risk Management Committee.

### **Doug Ellison**

Prior to opening Ellison Travel & Tours in 1980, Doug spent 14 years in education organizing school trips. In 1980, Ellison Travel was established and today has grown to more than 90 staff in three locations - Exeter and London, ON and North Vancouver, BC, with sales teams 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 43rd year in business, they continue their commitment to their clients to increase the quality of their travel experiences.

### **Mike Foster, CTC**

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 five 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. 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 fundraiser 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 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 48 years. At age 20, Ted began his career as a tour manager going to Western Canada from Toronto. Ted then joined Skylark Holiday in the wholesale tour industry in sales, 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.

### **Monica Johnstone**

Monica Johnstone is the President and sole owner of Travel Innovations Ltd (a Uniglobe affiliate), located in Mississauga, Ontario. Monica started the agency in 1988 from the ground up. The agency's focus is to provide outstanding customer service for leisure, corporate and group travel for a diverse client base. Monica's partner relationships have resulted in many industry accolades, including Uniglobe Partner Agency of the Year and Air Canada Circle of Excellence.

Monica has previously taught Travel & Tourism at Conestoga College. Monica maintains her dedication to an industry she is passionate about through her work with the Association of Canadian Travel Agencies at both a regional and national level, as well as her appointment to the TICO board. Monica gives back to the travel industry by mentoring aspiring travel advisors, while demonstrating the relevance of travel advisors to consumers and supplier partners.

### **Zaid Lama**

Zaid Lama is a business strategy planner with over 20 years of project leadership and team building experience in management consulting, private equity and design/engineering organizations.

In addition to working on several JV projects and offset programs in the energy and renewables industry, Zaid has worked with globally leading corporations like Carrier, Trane, York, Avis Energy, Infinia Power, Dolphin Energy, Embraer S.A., EADS (Airbus), Thales Group, Finmeccanica (Now Leonardo), Global Water Group, Dassault Aviation, Rheinmetall Defense and Formula One Management Ltd., among others. He has served a total of 13 years on various boards in remunerated, volunteer and advisory roles.

Zaid completed his Bachelor of Science in Business and Corporate Finance at Florida Institute of Technology, followed by a Master's degree in Government from Harvard University. He is a resident of Oakville, Ontario, where he resides with his wife and two children. Zaid is actively involved in several local community associations and charitable foundations by way of fundraising and community outreach.

**Michael Levinson**

Michael Levinson is a seasoned professional with over 35 years of experience spanning diverse sectors such as hotel development & operations, real estate, property management, and software development. As a founding partner of two award-winning Ottawa hotels – Albert at Bay Suite Hotel (1985), and Best Western Plus Ottawa Downtown Suites (1990) – Michael played a pivotal role in their growth until their closure and repurposing for rental housing in October 2020.

With a passion for innovation, Michael pioneered online hotel reservation technology by launching the Bookdirect Hotel Reservations System in 1996. As its driving force, he led its development and operations for 18 years, cementing his expertise in overseeing software development.

In addition to his entrepreneurial endeavours, Michael has been an active member of various industry associations. He has held positions such as President of the Ottawa Gatineau Hotel & Motel Association, and Vice President of the Ontario Hotel & Motel Association. As a board member of the Canadian Tourism Research Institute (CTRI), a division of the Conference Board of Canada, he contributed to the development of the first major study of Human Resources issues and strategies for the Canadian Accommodations Industry. Michael's marketing acumen earned him a seat on Best Western Hotels' International Marketing Advisory Board for five years during the mid-1990s.

Currently, Michael leverages his extensive experience and keen insights as the founder and chief strategist of a business consultancy, providing tailored solutions to clients across various industries.

**Scott Stewart**

Scott Stewart is co-owner and President of Blowes & Stewart Travel Group Ltd. with four full-service retail offices, 21 home offices and 36 Independent Contractors throughout Ontario, and a head office located in Peterborough. The family owned and operated agencies, combined with over 123 years in business, hold both retail and wholesale licenses.

For over 36 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. In addition to being vice-chair, he currently serves on the Audit, Technology and Risk Management and Legislative & Regulatory Modernization Committees.

**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 Regulatory and Business Strategy Committee.



# Appendix III

## Statutory Appointments

(as of March 31, 2023)

### Richard Smart

Statutory Registrar  
*Travel Industry Act, 2002*

### Michael Pepper

Statutory Director  
*Travel Industry Act, 2002*

## TICO Leadership Team

(as of March 31, 2023)

### Richard Smart, CPA, CA, ICD.D

President & Chief Executive  
Officer

### Sanja Skrbic, CPA, CA

Director, Finance & Compliance

### Dorian Werda

Vice President, Operations

### Antoine (Tony) Aramouni

Director, Information  
Technology

### Tracey McKiernan, LL.B.

Legal Counsel & Corporate  
Secretary

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

Legal Counsel & Director,  
Litigation

## Auditors

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

### Biography of Richard Smart, CPA, CA, ICD.D

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. Richard has also received his ICD.D director's designation through the Institute of Corporate Directors and is committed to excellence in boardroom governance.

### Biography of Dorian Werda

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, Investigations and the Education Standards and Development Departments. She also holds the position of Deputy Registrar. 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.

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



Travel Industry Council of Ontario

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