



Travel Industry Council of Ontario

## 2014 Annual Report & Business Plan



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May 21, 2014

Honourable Tracy MacCharles  
Minister of Consumer Services  
6th Floor, Mowat Block  
900 Bay Street  
Toronto, Ontario  
M7A 1L2

Dear Minister MacCharles,

On behalf of the Board of Directors, it is my pleasure to present the 2014 Annual Report and Business Plan of the Travel Industry Council of Ontario (TICO). This report details TICO's activities and accomplishments over the past year. TICO's mandate is to administer the *Travel Industry Act, 2002* on behalf of the provincial government and to protect consumers when they purchase travel services. Both the Board and TICO staff are committed to delivering a regulatory framework that serves both consumers and TICO registrants and promotes a healthy travel industry in Ontario.

Over the past year, TICO made strides in its consumer awareness efforts. TICO's "Wild Suitcases" commercial aired on Global TV, CTV, CBC Ontario and Omni TV. TICO also had radio and magazine ads to support its consumer protection message. TICO strives to make the public aware of the consumer protection that exists when booking with Ontario registered travel agents and the Omnibus Survey that measures the success of the campaign showed some increases in both awareness of TICO and understanding of TICO's roles.

TICO also placed a strong emphasis on registrant engagement over the past year. TICO conducted roundtable sessions across Ontario with frontline travel agents to obtain their feedback on TICO and its Consumer Awareness Campaign. The sessions gave registrants an opportunity to ask questions and raise issues and the open dialogue was valuable for both TICO and registrants

alike. TICO is holding more sessions this year covering a broader range of issues. We encourage registrants to attend a meeting and join the conversation.

I would like to take this opportunity to thank Michael Pepper, TICO's President and CEO, who will be retiring this summer after leading the organization since its inception in 1997. Michael's leadership has been instrumental in making TICO the professional organization that it is today. There is no question that he will be missed by his many friends and colleagues in the industry. The TICO Board has devoted considerable time over the past year preparing for the transition and is currently conducting the search to find a suitable replacement to lead the organization going forward. We wish Michael well and look forward to building on the foundation that he created to ensure that there is a fair and informed marketplace in Ontario where consumers can be confident in their travel purchases.

Yours truly,



Michael Janigan  
Chair of the Board of Directors



## EXECUTIVE SUMMARY

TICO's performance in self-managing Ontario's travel industry continues to be a huge success. The total number of travel registrants has decreased slightly but gross sales continue to increase. Industry consolidation has continued and business models are evolving. With technology, consumers can make travel arrangements instantly from their tablets or smart phones.



Effective May 1, 2013, Compensation Fund contributions were increased from 5 cents to 15 cents per \$1,000 of sales. While no one likes a rate increase, the increase was anticipated. When contribution rates were reduced to 5 cents per \$1,000 of sales in 2006, the Board advised that the rate reduction, which was designed to decrease the Fund balance, was temporary. It was projected that it would take 5 years for the Fund balance to decrease to the appropriate level. Based on that premise, rates would likely need to be increased in April of 2011. Fortunately, we were not required to raise contribution rates until 2013, two years later than anticipated. The decline in the Fund balance was much slower than predicted due in part to TICO's oversight, which resulted in reduced claims and to higher returns on money invested in the Fund. As TICO may not be able to realize the same investment returns going forward, the Board recognized that it needed to adjust the contribution rates to maintain the integrity of its operations and plan for future contingencies.

During the fiscal year, TICO brought administration of its Education Standards Program in-house. The Canadian Institute of Travel Counsellors ("CITC"), which had previously administered the program on TICO's behalf, advised that it would be surrendering its charter under the Canada Corporations Act and integrating

into the Association of Canadian Travel Agents ("ACTA"). TICO is pleased to report that it assumed administration of the program in July of 2013 and the transition has gone well. TICO acknowledges the staff of CITC for their assistance over the years and their contributions to the success of the program. In the future, TICO will be proposing an amendment to its by-law to address the CITC seat on the TICO Board.

In January of 2014, TICO introduced accounting seminars to assist registrants in understanding the financial requirements under the Act and Regulation. These seminars are held at TICO's office and there is no cost to participate. TICO has had a positive response to this initiative. Anyone interested in attending a future session should contact TICO for more information.

We are now completing our 17th year since receiving delegation. TICO will continue to promote consumer protection in the province and ensure that there is a level playing field for registered travel businesses.

Yours truly,  
Travel Industry Council of Ontario

A handwritten signature in black ink, appearing to read 'Michael Pepper'. The signature is fluid and cursive, written over a white background.

Michael Pepper  
President & C.E.O.



## MANDATE

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

- **Registrant:** A registrant is defined as a travel agent or a travel wholesaler who is registered as a travel agent or a travel wholesaler or as both under the *Travel Industry Act, 2002*.
- **Travel 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.
- **Travel Agent:** A travel agent is defined as a person who sells to consumers, travel services provided by another person.
- **Non-Registrant:** An organization which supplies travel services, but is not registered in Ontario including (but not limited to):
  - travel wholesalers and travel retailers not located in Ontario.
  - companies which sell to clients in Ontario by means of advertising, the internet or toll-free phone line, but where the home base or call centre is not located in Ontario.
  - end suppliers (e.g. airlines, hotels, rail services, cruise lines), which may or may not be located in Ontario.

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

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

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

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



## MISSION

To promote a fair and informed marketplace where consumers can be confident in their travel purchases.

## VISION

Enhance confidence in the travel industry by becoming:

- A leader in developing an improved system of consumer protection.
- A model for a progressive, fair and firm administrator of industry regulations.
- A developer, promoter and advocate of good business ethics and harmonized standards in the travel industry.

## VALUES

TICO will be:

- Fair, but firm in our conduct with registrants and consumers.
- Responsive and open in communicating with consumers and registrants, while respecting the business confidentiality of our registrants.
- Visionary in our approach to improving the industry and industry practices, while remaining accountable to all stakeholders for the cost-effectiveness and practicality of solutions and initiatives.

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

## 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. In 2006, TICO established a Consumer Advisory Committee to increase consumer consultation and input and to enhance TICO's understanding of consumer needs as it relates to the travel industry.

**TICO Registrants:** 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 special projects aimed at monitoring and ensuring compliance with the Act and Regulations.
- 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 Canadian Institute of Travel Counsellors (CITC)  
(Corporation dissolved in December 2013)
- The Ontario Motor Coach Association (OMCA)

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

## SERVICES

The services delegated to TICO to provide are detailed below.

### Registration

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

### Consumer Protection

- Administering the Ontario Travel Industry Compensation Fund.
- Inspections:
  - financial reviews of registrants to minimize risk to consumers.
  - checking compliance of registrants with advertising regulations, terms and conditions of registration and disclosure to consumers (e.g. conditions of booking).
- Compliance: employing administrative compliance measures to ensure that registrants correct deficiencies that have been identified.
- 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 19.

### Government Liaison

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

### Additional Responsibilities

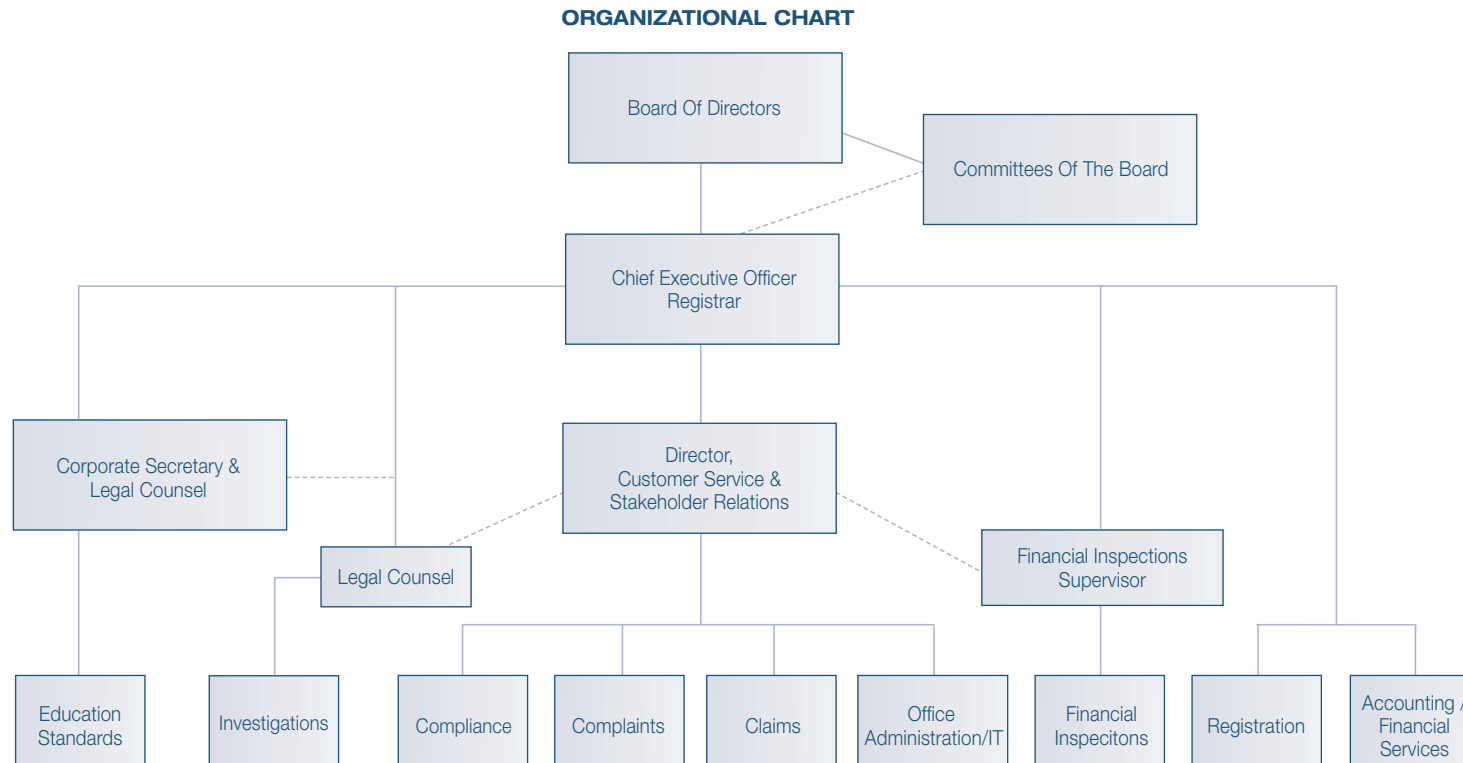
In addition to the delegated responsibilities, TICO intends to increase the following:

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

## TICO Structure

### Organization

The Travel Industry Council of Ontario (TICO) is a not-for-profit corporation financed through fees from its approximately 2,500 travel retail and wholesale registrants. The Ministry of Consumer and Commercial Relations delegated responsibility for the administration to TICO in June 1997. The *Travel Industry Act, 2002* (the Act) governs Ontario travel retailers and wholesalers and provides for the operation of a travel industry Compensation Fund. The Ministry of Consumer Services (the Ministry) is currently responsible for the Act and Ontario Regulation 26/05 (the Regulation).



## Governance

The TICO Board of Directors consists of fifteen members. There are three individuals appointed by the Association of Canadian Travel Agencies (ACTA), three from the Canadian Association of Tour Operators (CATO), one from the Ontario Motor Coach Association (OMCA), one from the Canadian Institute of Travel Counsellors (CITC) and five appointed by the Minister of Consumer Services. There are also two members that are elected by the industry at large. (See Appendix II)

More information on the qualifications for Directors is available on TICO's website at [www.tico.ca](http://www.tico.ca).

### 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, which is adjusted annually with the Consumer Price Index (CPI):

TICO's Remuneration Policy provides for the following per diem levels:

#### Board Meetings:

Chair	\$450
Vice-Chair	\$354
Member	\$289

#### Committee Meetings:

Committee Chair	\$289
Committee Member	\$224
Director under the TIA	\$10,570/annum (where Director is not an employee)
Deputy Director	\$ 5,285/annum (where Deputy Director is not an employee)

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

## 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 the costs of administering the Compensation Fund to be paid from the Fund.

### Fund Financing

The Compensation Fund is totally financed by Ontario registrants. The Payment Schedule requires registered travel retailers and registered travel wholesalers to pay a greater of \$25 or 15¢ 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 three months after the relevant registrant becomes bankrupt or insolvent or ceases to carry on business.

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

## Appeal of Decisions

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

## Financial Inspections

TICO operates a risk management programme, which includes financial inspections of registrants carried out under the direction and control of the Registrar, *Travel Industry Act, 2002*. The objective of the programme 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 programme consists of an annual review of the financial statements of all registrants, a more frequent review of the financial statements of larger registrants and site inspections. The programme is proactive as TICO visits all new registrants to ensure their understanding of the Act and Regulation and compliance requirements.



## TICO Committees (as at March, 31, 2014)

### Executive Committee (Chair: Michael Janigan)

- Manage emergency issues on an ad hoc basis.
- Interim support for CEO between board meetings.
- Review of large registrant closures.
- Set compensation and conduct performance review of the CEO.
- Conduct the search for the new CEO in accordance with the CEO Succession Plan developed by the Governance Committee.
- Make recommendations regarding composition and chairmanship of board committees.
- Participate in the orientation session for new board members.
- Participate in crisis management or incident management as required in accordance with the Communications for Major Issues Policy.
- In the event of a significant disruption of TICO's business operations, participating in implementation of the Business Continuity Plan.
- Conduct an annual review of the TICO Employee Code of Ethics.
- Oversee development and conduct an annual review of TICO's Business Continuity Plan.
- Review any staff complaints against the CEO.

### Audit Committee (Chair: Jeff Element)

- Review internal controls operating throughout TICO.
- Review the appropriateness of accounting policies and review any proposed changes in accounting practices or policies and the resulting financial statement impact.
- Review the audited annual financial statements and make recommendations with respect to their approval to the Board.
- Confer with TICO's auditors as required to discuss their examination into the financial affairs of TICO and receive all recommendations and explanations which TICO's auditors wish to place before the Committee.
- Make recommendations to the Board with respect to the appointment and remuneration of external auditors to be appointed at each AGM.

- Periodically, review TICO's investment firms and their fees.
- Review the investment policy on an annual basis.
- Review quarterly investment reports and detailed quarterly financial statements.
- Review and provide advice with respect to the budget prior to presentation to the Board.
- As part of the annual budget process, review the Registration and Renewal Fees and the Compensation Fund Contribution Fees.
- Review insurance coverage annually.
- Ensure an IT Audit is conducted every three years.

#### **Business Strategy Committee** (Chair: Daryl McWilliams)

- Review TICO's mission and vision on an annual basis.
- Develop TICO's business strategy and objectives.
- Produce TICO's Business Plan and monitor performance measures.
- Refer issues for legislative and regulatory review.
- Plan TICO's Consumer Awareness Campaign.
- Review and keep current TICO's policies with respect to privacy issues.
- Develop a plan to assess TICO's operational effectiveness and report findings.
- Explore alternate sources of revenue for TICO.
- Promote registrant engagement.
- Review E-commerce issues.

#### **Complaints Committee** (Chair: Paul Samuel)

- Review and resolve, as appropriate, complaints against TICO.
- Provide fair, transparent and accountable procedures for handling registrant and consumer complaints against TICO.
- Develop standards for handling complaints.
- Make recommendations with respect to TICO's complaint handling procedures.
- Review trends of complaints to determine if recommendations can be made to address the cause of complaints.

#### **Compensation Fund Committee** (Chair: Patricia Jensen)

- Review and recommend to the Board the payment of claims in accordance with Ontario Regulation 26/05.
- Review and monitor the status of appeals to the Licence Appeal Tribunal regarding denied claims.
- Develop and recommend administrative policies to the Board regarding the administration of the Fund.
- Review and recommend recovery procedures to offset the cost of claims.

#### **Education Standards Committee** (Chair: Patricia Jensen)

- Determine the curriculum for the *Travel Industry Act, 2002* Education Standards for travel counsellors and supervisor/managers and identify the type of information that should be covered in the education standards curriculum at each level.
- Oversee exam development and testing.
- Oversee the printing and distributing of the educational courses and the development of on-line versions of the courses.
- Consider equivalency options for Education Standards.
- Develop a communications plan for the delivery of Education Standards.
- Devise a plan to enforce the standards.
- Ensure the *Travel Industry Act, 2002* Education Standards are updated on a regular basis.
- Explore the feasibility of other educational initiatives.

#### **Legislative & Regulatory Review Committee** (Chair: Richard Vanderlubbe)

- Recommend legislative and regulatory reform necessary to achieve TICO's business objectives by:
  - Consulting with Ministry of Consumer Services on policy and legal issues.
  - Securing and managing stakeholder input.
  - Working with the Ministry of Consumer Services on policy development and enhancements to the Act and Regulation.

### **Governance Committee (Chair: Jim Diebel)**

The Governance Committee is responsible for:

- Governance Model and Policies.
- Board Composition - Member Recruitment and Retention.
- Succession Planning.
- Board Education and Development.
- Board Evaluation.
- Oversee development and review of TICO's Risk Management Plan.

### **Expanded Coverage Committee (Chair: Jeff Element)**

- Assess the level the Fund should be maintained at to ensure adequate protection for consumers.
- Determine a fair and workable method to assess contributions to the Fund.
- Explore whether there should be higher financial requirements for entry to the industry.
- Identify potential models for compensation by examining different models from other jurisdictions.
- Conduct a comparative analysis of potential models against Ontario's current system.
- Identify best practices from the various models analyzed.
- Identify key areas of risk in registrant business practices.
- Consider steps that could be taken to reduce those risks.

### **Consumer Advisory Committee (Chair: Michael Pepper)**

- To provide the President/CEO with observations, advice and recommendations with respect to consumer issues.
- To monitor general trends vis-à-vis consumer complaints.
- To gather information on programs employed by other professions that are intended to increase consumer protection.
- To develop recommendations that will enhance consumer confidence and protection.
- To gather and exchange information on issues of interest and importance to consumers.
- To gather information on programs and/or implementation strategies for programs that will advance consumer protection.

## Business Accomplishments 2013/2014

BUSINESS OBJECTIVES	BUSINESS GOALS	PERFORMANCE MEASURES 2013/2014	ACTIVITIES & ACCOMPLISHMENTS
In partnership with the Ministry of Consumer Services, consider enhancements to the consumer protection provided by the Compensation Fund.	Ensure that consumers are adequately protected and that the protection is equitable to all eligible claimants.	Utilize stakeholder feedback to identify possible enhancements to the coverage provided by the Compensation Fund.	Continued to assess current coverage provided by the Compensation Fund and identify any possible enhancements.  Provided a proposal to the Ministry for enhanced coverage supported by an actuary study and consumer and industry surveys.
		Work with the Ministry to determine how to address gaps in consumer protection.	TICO is working in partnership with the Ministry of Consumer Services to determine whether enhancements to the Act or Regulation would be beneficial.
Review the business model of how travel services are being sold.	Ensure the Ontario <i>Travel Industry Act, 2002</i> and Ontario Regulation 26/05 provisions adequately regulate the industry in light of changes to business models so that consumers are protected.	Assess whether gaps exist in consumer protection in light of social media and the Internet.	Reviewed and updated TICO's Code of Practice for E-Commerce and made available on TICO's website for registrants.
		In consultation with the Ministry, determine if there are opportunities to close the gaps through legislative, regulatory and/or policy changes to ensure appropriate consumer protection measures are in place.	TICO continues to work with the Ministry to further this initiative.
Review and provide advice to the Ministry of Consumer Services regarding potential changes to the <i>Travel Industry Act, 2002</i> and Ontario Regulation 26/05.	Enhance the effectiveness of the Act and the Regulation's high level of consumer protection, ensuring that the requirements are achievable by registrants.	Review the Act and the Regulation to determine where changes would be beneficial.	Continued to review the Act and Regulation in partnership with the Ministry of Consumer Services to ascertain where change may be beneficial.
		Meet with government representatives to discuss possible enhancements to the Act and the Regulation.	Continued to work with the Ministry of Consumer Services on various issues that are still under consideration by the government.
		In collaboration with the Ministry and upon government direction, consult with stakeholders on potential changes.	Worked with the Ministry of Consumer Services and provided feedback on Administrative Monetary Penalties Consultation.
		Review feedback received from consultation process and provide advice to the Ministry.	Consultation yet to be completed.

# Business Accomplishments 2013/2014

BUSINESS OBJECTIVES	BUSINESS GOALS	PERFORMANCE MEASURES 2013/2014	ACTIVITIES & ACCOMPLISHMENTS
<p>Promote Registrant Engagement</p>	<p>Increase registrant understanding of TICO's roles and develop opportunities to foster more interaction and dialogue.</p>	<p>Use feedback obtained by registrant survey and roundtable sessions to identify gaps in TICO communications with registrants and identify opportunities to enhance understanding of TICO's mandate.</p> <p>Provide registrants with opportunities to engage with TICO to provide feedback and a dialogue to promote a better understanding.</p>	<p>Held eight roundtable sessions in Ontario with frontline travel agents to obtain feedback on their understanding of TICO, its role in the industry as well as TICO's Consumer Awareness Campaign.</p> <p>Held two webinars with registrants to provide information on TICO's Consumer Awareness Campaign strategy and encourage registrant engagement and use of TICO logo and use of collateral items available to them.</p> <p>Attended eleven industry events to obtain feedback from registrants and encourage registrant engagement in TICO's Consumer Awareness Campaign.</p> <p>Conducted an online survey with TICO registrants to obtain feedback from travel agents on TICO's Consumer Awareness Campaign and whether travel agents are using the messaging and collateral materials to promote consumer awareness.</p> <p>Used feedback received from roundtable sessions and online survey to assist in the development of the Consumer Awareness Campaign strategy and overall communications with registrants.</p>
		<p>Conduct registrant webinars on accounting and financial requirements to assist registrants with financial compliance issues.</p>	<p>Developed seminar on accounting and financial requirements and commenced providing sessions for registrants in January 2014.</p>
		<p>Improve registrant knowledge of the tools available to assist them in educating consumers as to the benefits of dealing with TICO registrants.</p>	<p>Communicated the existence and availability of the various collateral items available to registrants on TICO's website, at registrant events, webinars and roundtable sessions.</p>
		<p>Increase the use of the TICO logo and collateral materials related to TICO's Consumer Awareness Campaign.</p>	<p>Distributed collateral items to all retail registrants including new TICO window decal, FantasTICO brochures and holders as well as promotional brochure explaining Consumer Awareness Campaign media strategy to encourage registrant engagement.</p> <p>Of travel agents surveyed in Ontario, 91% indicated they display TICO's collateral materials and window decal compared to 85% in the previous year.</p>



## TICO Performance Measures 2013/2014

TICO PERFORMANCE MEASURE	BUSINESS GOALS	TICO PERFORMANCE MEASURES 2013/2014	ACTIVITIES & ACCOMPLISHMENTS
<p>CONSUMER AWARENESS AND EDUCATION:</p> <p>TICO's Consumer Awareness Campaign ensures that consumers are aware of the existence of TICO.</p>	To increase the awareness of the TICO brand among Ontario travellers.	Identify % of consumers surveyed who report that they are aware of the existence of TICO.	<p>Of consumers surveyed in Ontario, 26% indicated an awareness of TICO in 2013/2014 compared to 23% in the previous year.</p> <p>Of consumers surveyed in the GTA, 32% indicated awareness of TICO compared to 24% in the previous year.</p>
<p>TICO's Consumer Awareness Campaign ensures that consumers understand the roles that TICO performs and the benefits of booking travel services through an Ontario registered travel agent.</p>	To increase the percentage of consumers surveyed who identified at least one of TICO's roles correctly.	Identify % of consumers surveyed who could identify the roles that TICO performs.	<p>A total of 48% of consumers surveyed understood that TICO assists with complaints against TICO registrants, compared to 52% in the previous year</p> <p>Of those surveyed, 33% of consumers understood that TICO provides refunds to consumers who do not receive the travel services for which they paid, compared to 29% in the previous year.</p> <p>A total of 73% of respondents identified at least one of TICO's roles correctly, compared to 76% in the previous year.</p>
		Identify % of consumers surveyed who understand that they must purchase their travel services from an Ontario registered travel agency to obtain the protection of TICO and the Compensation Fund	Of those consumers surveyed, 68% indicated that they were aware that they must purchase their travel services from an Ontario registered travel agency to obtain the protection from TICO and the Compensation Fund, compared to 62% in the previous year.

## TICO Performance Measures 2013/2014

TICO PERFORMANCE MEASURE	BUSINESS GOALS	TICO PERFORMANCE MEASURES 2013/2014	ACTIVITIES & ACCOMPLISHMENTS
<p>CONSUMER PROTECTION:</p> <p>TICO's Financial Inspection Program ensures that consumers are better protected through financial inspections and monitoring.</p>	<p>Less than 5% of registrants with working capital or financial statement compliance issues result in claims against the Compensation Fund.</p>	<p>Identify the number of site inspections completed.</p>	<p>A total of 456 financial site inspections were completed during 2013/2014, compared to 443 in the previous year.</p>
		<p>Identify the number of financial statement (bench) reviews completed.</p>	<p>During the fiscal year, a total of 1,819 bench reviews were completed, compared to 1,768 in the previous year.</p>
		<p>Identify the number of registrants with working capital deficiencies, which resulted in inspections, proposals and terminations (revocations and voluntary terminations).</p>	<p>A total of 225 files were opened between April 1, 2013 and March 31, 2014 for registrants with working capital deficiencies, compared to 182 in the previous year.</p> <p>Of those 225 files:</p> <ul style="list-style-type: none"> <li>• 132 resulted in site inspections.</li> <li>• 4 proposals.</li> <li>• 0 registrants voluntarily terminated.</li> <li>• 1 registrant was revoked</li> </ul>
		<p>Identify the number of registrants who failed to file their financial statements on time, which resulted in inspections, proposals and terminations (revocations and voluntary terminations).</p>	<p>Between April 1, 2013 and March 31, 2014, 1,951 financial statements were due to be received, compared to 1,949 in the previous year.</p> <p>Of those 1,951 financial statements:</p> <ul style="list-style-type: none"> <li>• 987 financial statements were not filed on time.</li> <li>• 89 registrations voluntarily terminated or lapsed.</li> <li>• 11 proposals issued.</li> <li>• 3 registrations were revoked</li> </ul>
		<p>Identify the number of registrants with working capital deficiencies and financial statement filing compliance issues that failed and resulted in claims against the Compensation Fund.</p>	<p>For registrants that had files opened for working capital and financial statement compliance deficiencies during the year:</p> <ul style="list-style-type: none"> <li>• There was one registrant with working capital deficiencies that resulted in claims.</li> <li>• There were no registrants deficient in filing financial statements that resulted in claims.</li> <li>• There were no registrants with working capital files opened between April 1, 2013 and March 31, 2014 that resulted in claims against the Compensation Fund.</li> <li>• There were no registrants who filed their financial statements late between April 1, 2013 and March 31, 2014 that resulted in claims against the Compensation Fund.</li> </ul>

## TICO Performance Measures 2013/2014

TICO PERFORMANCE MEASURE	BUSINESS GOALS	TICO PERFORMANCE MEASURES 2013/2014	ACTIVITIES & ACCOMPLISHMENTS
TICO's Compensation Fund provides timely and fair resolution of claims.	For claims received during the year, 70% of approved claims were processed within 120 days of receipt.	Identify the number of claims received during the year.	A total of 132 claims against the Compensation Fund were received between April 1, 2013 and March 31, 2014.
		Identify the value of claims received during the year	The value of claims received during the fiscal year was \$2,350,660.
		Identify the value of claims that were received during the year that were paid.	For claims received between April 1, 2013 and March 31, 2014, 61 claims were approved for a total of \$2,187,500.
		Identify the number of consumers assisted during the year.	For claims received between April 1, 2013 and March 31, 2014, which were approved, a total of 5,185 consumers were assisted.
		Identify the average time to resolve claims during the year.	For claims received between April 1, 2013 and March 31, 2014, the average time to process claims from the date of receipt was 73 days.
		Identify the % of claimants surveyed who report the process was timely and fair.	Of the claimants who responded to TICO's Claims Survey, 100% indicated they were satisfied that the process was timely and fair. More information may be found on page 24.
		Identify the number of LAT claim appeals and results.	For claims received between April 1, 2013 and March 31, 2014, one claim was appealed to LAT. The appeal matter is still outstanding.
		Identify the percentage of claims received and approved during the year that were processed within 120 days of receipt.	Of the claims received and approved between April 1, 2013 and March 31, 2014, 93% were processed within 120 days of receipt.



## Additional Business Accomplishments 2013/2014

- Review of TICO asset to ensure adequate funding exists.
- Review of Compensation Fund level to ensure adequate funding.
- Prepared and provided a submission in response to the Ministry of Consumer Services Consultation Paper on proposed use of Administrative Monetary Penalties (AMPs) as a tool to help enforce Ontario's consumer protection and public safety statutes.
- Updated the content of the Study Manual and the exams for TICO's Education Standards Programme. During the fiscal year, a total of 5,343 exams were written as follows:
  - 4,543 Travel Counsellor Exams.
  - 272 Supervisor/Manager Exams.
  - 528 Combined Travel Counsellor and Supervisory/Manager Exams.
- Met the Terms of the Administrative Agreement by maintaining operations and systems to protect consumers in Ontario.
- Continued to participate in an office waste and recycling program, which includes all paper, glass, metal, plastic, printer toner cartridges, batteries, pc's and monitors.
- Completed a Board Evaluation Survey in March of 2014.
- Prepared and distributed the quarterly TICO Talk newsletter to all registrants.
- TICO website maintained and kept up to date with timely information for the benefit of all stakeholders. Information provided included: press releases, industry advisories, closure advisories, Registrar Bulletins, TICO Talk newsletter, Business Plan, Annual Report and other information items.
- TICO continued to liaise with the Ministry of Consumer Services on issues that require TICO's input and participated in regular liaison meetings.
- Participated in Ministry hosted quarterly meetings for all Delegated Administrative Authorities to attend and exchange information.
- Participated in Ministry hosted quarterly meetings for the joint Ministry and Delegated Administrative Authorities Communications Committee to exchange information.
- Submitted performance measures to the Ministry of Consumer Services on a quarterly basis.
- Communicated and restated TICO's Voluntary Code of Ethics for registrants on TICO's website and the TICO Talk newsletter.
- Distributed and made available on TICO's website, TICO's Annual Report and Business Plan in June of 2013.
- Reviewed and updated TICO's Policy and Procedures Manual.
- Reviewed and updated TICO's Personnel Manual.

## Operational Performance Review

### Registration

On March 31, 2014, there were a total of 2,512 registrations with TICO (Fig. 1). Of these, 86% (2,157) are retail travel agencies, who sell travel services directly to consumers and 14% (355) are travel wholesalers, who sell travel services through travel retailers.

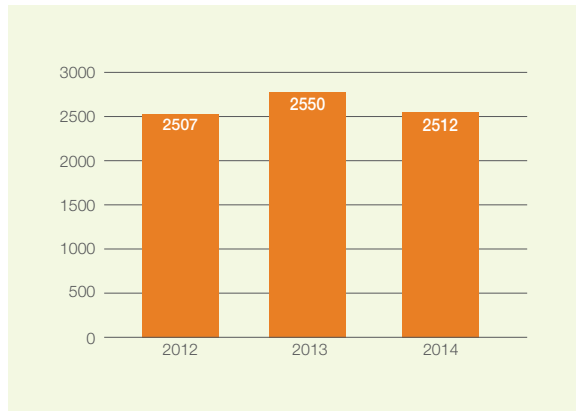


Figure 1: Total Registrations under the Act

In 2013/2014, there were a total of 190 terminations (Fig.2). A total of 2,545 registrations were processed under the *Travel Industry Act, 2002*, which included 147 new registrations (Fig. 3) and 2,398 renewals (Fig. 4). Registrations are renewed annually.

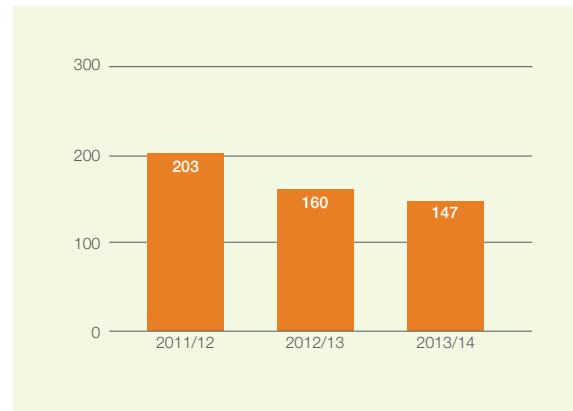


Figure 3: Total New Applications Processed

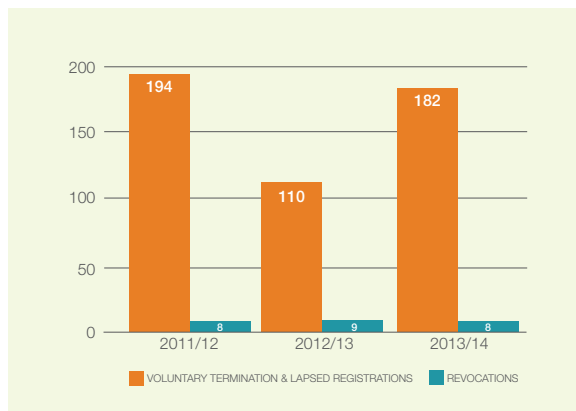


Figure 2: Total Voluntary Termination / Lapsed Registrations vs. Revocations

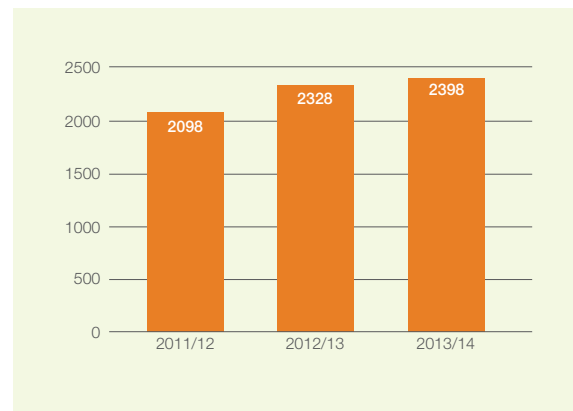


Figure 4: Total Renewal Applications Processed

### 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 practices.

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

When TICO receives a complaint, it may be resolved in anywhere from a few hours over the telephone or a few weeks to a few months for a formal written complaint. The length of time varies depending on the complexity of the issues, the availability of feedback and documentation required, and the level of cooperation of those involved.

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

## Complaints Committee

Consumers and registrants with complaints about TICO's activities are invited to contact the Complaints Committee of the Board of Directors.

The Complaints 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 of various stakeholders. During the 2013/2014 fiscal period, there were no complaints received against TICO.

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

## Complaints

TICO resolved 272 written consumer complaints against registrants in 2013/2014 compared to 219 in the previous year (Fig. 5). Some of these complaints related to files that were opened in the previous fiscal year. The number of new complaints received during 2013/2014 was 250 compared to 222 in the previous year. In processing these complaints, TICO successfully assisted consumers in obtaining \$64,739 in restitution compared to \$69,512 the previous year. In addition, TICO handled 1,038 telephone complaint inquiries and 387 email complaint inquiries.

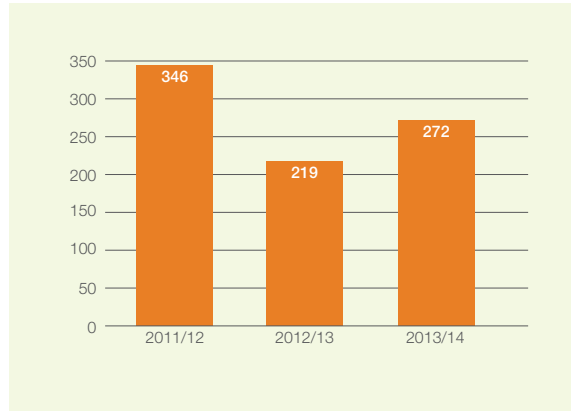


Figure 5: Written Complaints Handled

The most frequent types of written complaints received at TICO in 2013/2014 were:

1. Incomplete or incorrect information provided to the consumer by the registrant (i.e. information regarding the travel product or services being sold).
2. Information / documentation. Issues related to travelling with passports and other travel documents.
3. Outstanding refunds.
4. Cancellation / non-refundable / no insurance
5. Disclosure of terms & conditions of reservation.
6. Invoicing issues (i.e. not complete with required information or not provided to consumer).
7. Customer service issues.
8. Advertising issues.
9. Itinerary change / flight times changed.
10. Accommodation changed.

## Consumer Survey Results – Complaints Process

During the fiscal year 2013/2014, TICO distributed consumer surveys to 272 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 2014, there were 23 completed surveys returned to TICO.

The results of the 23 completed surveys received are as follows:

When asked to rate their overall satisfaction with TICO's handling of their complaint: 13 consumers advised they were either satisfied or very satisfied, 8 consumers indicated they were dissatisfied and 2 consumers were neutral in their opinion.

When asked to rate their satisfaction with the fairness of the process: 12 consumers advised they were either satisfied or very satisfied, 7 indicated that they were dissatisfied and 4 consumers were neutral in their opinion.

TICO reviewed the survey results and established that some of the consumers who expressed dissatisfaction had filed a complaint which contained issues that are not covered by the legislation and, therefore, were outside the scope of TICO. As such, TICO was unable to assist them.

In other cases, TICO was able to identify possible contravention(s) of the Act and/or Regulation on behalf of 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 travellers. 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 with TICO not having the authority to settle a dispute, or to impose a settlement in complaint matters.

The survey results also indicated that 14 consumers were either satisfied or very satisfied with the complaint turnaround times, 6 consumers were dissatisfied and 3 consumers were neutral in their opinion. Turnaround times may vary considerably depending on the complexity of the issues involved as well as the responses received from complainants and registrants, which could result in further information being required from suppliers or other third parties.

### Financial Inspections

Under the direction of the Registrar, the TICO is responsible for conducting a financial inspection programme. All registrant financial statements are subject to a bench review to ensure compliance with the financial standards required by regulation. The bench review process produces information, which may determine those registrants that should receive financial site inspections. During the fiscal period 2013/2014, TICO completed 1,819 bench reviews (Fig. 6) and completed 456 financial site inspections.

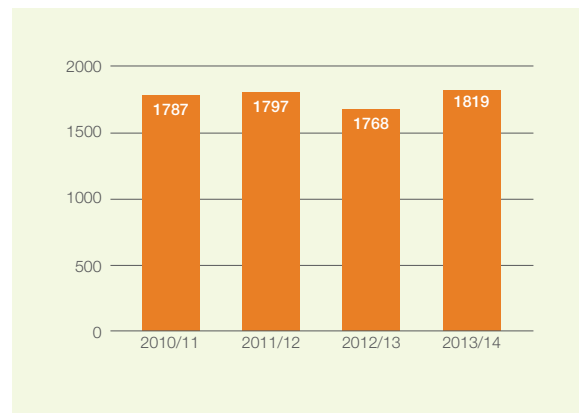


Figure 6: Total Financial Bench Reviews

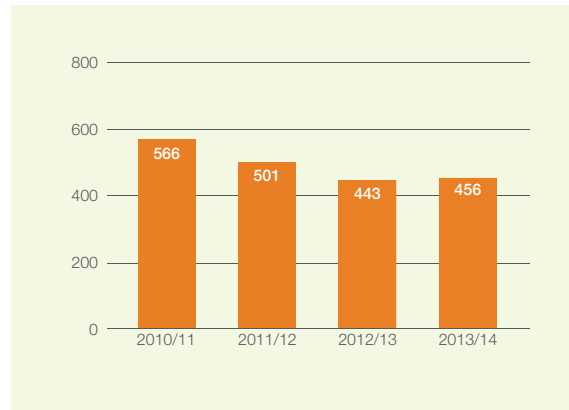


Figure 7: Financial Site Inspections

### Non - Financial Inspections

TICO performed 10 compliance site inspections during the 2013/2014 fiscal year compared to 9 in the prior year. Compliance site inspections are performed to address various issues such as advertising, invoicing and operating without registration. In 2013/2014, a total of 95 warnings for operating without registration were issued compared to 122 in the previous year (Fig. 8) and 116 advertising warnings were issued to registrants and/or individuals who appeared to be carrying on business in contravention of the Act and Regulation com-

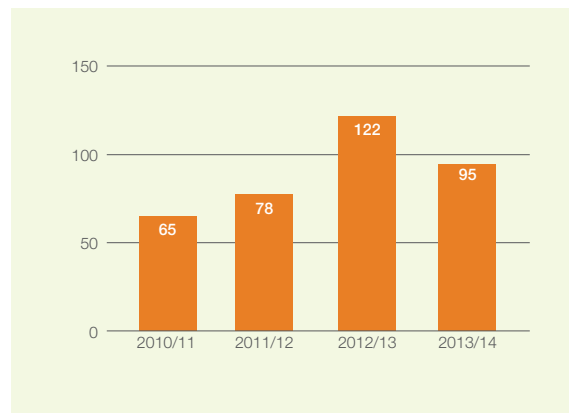


Figure 8: Total Warnings Issued for Operating without Registration

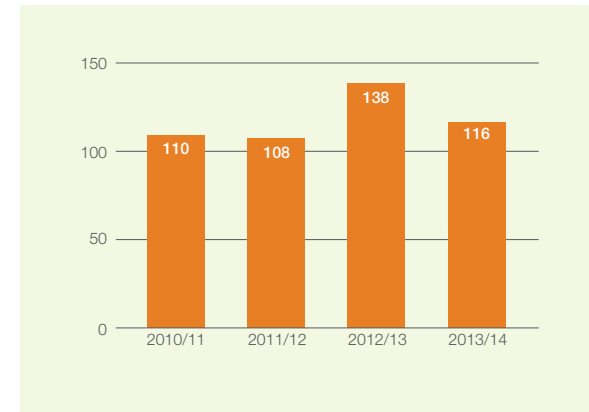


Figure 9: Total Warnings Issued for Advertising Infractions

pared to 138 in the previous year (Fig. 9). In addition, 219 invoicing warnings (Fig. 10) were issued to registrants who did not provide proper invoices and/or receipts in accordance with the Regulation compared to 176 in the previous year. Invoicing deficiencies are forwarded to the Compliance Department from consumer complaints, financial inspections and claims. In addition, 3 warnings were issued during the fiscal year in relation to meeting the legislated Education Standards, which came into effect on July 1, 2009, compared to 3 in the previous year.

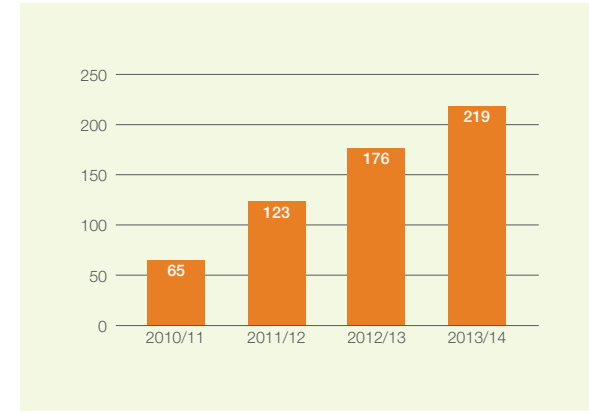


Figure 10: Total Warnings Issued for Invoicing Infractions



## Travel Industry Compensation Fund

TICO is required to hold all Compensation Fund monies in trust. As at March 31, 2014, the assets held for the Compensation Fund were \$20,649,146.

### Claims and Repatriation

Claims paid during the fiscal year ended March 31, 2014 compared to the previous year ended March 31, 2013 were as follows:

	2013/14	2012/13
Number of claims paid	66	93
Number of consumers assisted	5,191	251
Claims paid - Registrant failure	\$ 2,140,054	\$ 86,750
Claims paid - End supplier failure	<u>\$ 51,960</u>	<u>\$ 78,583</u>
Total Claims paid	\$ 2,192,014	\$ 165,333
Repatriation / Trip Completion	\$ —	\$ —
Less recoveries	<u>\$ (17,074)</u>	<u>\$ (195,214)</u>
Net claims paid	<u><u>\$ 2,174,940</u></u>	<u><u>\$ ( 29,881)</u></u>

### Repatriation / Trip Completion

During the fiscal year ended March 31, 2014, there were no registrant failures that resulted in trip completion costs against the Compensation Fund.



## Closures Resulting in Significant Claims Paid

### MKI Travel and Conference Management Inc. o/a MKI Travel and Conference Management

MKI Travel and Conference Management Inc. o/a MKI Travel and Conference Management voluntarily terminated its registration under the *Travel Industry Act, 2002* to operate as a travel retailer on May 13, 2013. During the year ended March 31, 2014, a total of \$2,036,933 was paid out of the Compensation Fund, assisting 5,000 consumers.

### Dat Phuc Ngo o/a Sky Asia Travel

Dat Phuc Ngo o/a Sky Asia Travel voluntarily terminated its registration under the *Travel Industry Act, 2002* to operate as a travel retailer on January 16, 2014. During the year ended March 31, 2014, a total of \$52,765 was paid out of the Compensation Fund, assisting 43 consumers.

### Amigo Travel Ltd. o/a Amigo Travel Ltd.

Amigo Travel Ltd. o/a Amigo Travel Ltd. had its registration under the *Travel Industry Act, 2002* to operate as a travel retailer revoked on October 30, 2013. During the year ended March 31, 2014, a total of \$43,456 was paid out of the Compensation Fund, assisting 45 consumers.

## Other Closures

The following entities ceased operations in previous years and resulted in claims paid during the 2013/2014 fiscal year:

### EZJet Air Services Inc. (Airline based out of Georgetown, Guyana)

On November 08, 2012, EZJet Air Services Inc., an end supplier airline based out of Georgetown, Guyana, ceased operations. Consumers who purchased EZJet travel services through an Ontario registered travel agency and who did not receive their travel services were eligible to make a claim against the Compensation Fund. During the year ended March 31, 2014, a total of \$ 51,107 was paid out of the Compensation Fund, assisting 97 consumers. To date, a total of \$73,117 has been paid out of the Compensation Fund, assisting 125 consumers.

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

REGISTRANTS	CLAIMS PAID 2013/14 \$	RECOVERIES 2013/14 \$	CLAIMS PAID 2012/13 \$	RECOVERIES 2012/13 \$
2000 Tours Inc. (R)	—	—	902	—
Aero Canadian Tour & Travel Inc. (R)	—	—	—	6,300
Amigo Travel Ltd. (R)	43,456	—	—	—
Amrals Travel Canada Ltd. (R)	—	—	—	750
Apex International Travel (R)	—	—	19,048	—
Atlas Air Travel (R)	—	—	18,197	—
Baldwin Travel and Tours (R)	—	400	—	700
B.G. Seas Travel Ltd. (R)	—	—	1,472	1,472
BTM Services (R)	—	—	3,450	—
Canada 3000 Airline *	—	—	—	13,052
College Travel Centre (R)	—	—	—	700
Conquest Vacations (W)	—	—	15,118	100,000
Cosmopolitan Travel (R)	—	10,771	—	—
Dolphin Travel (R)	—	2,804	18,804	10,000
EZJet Air Services Inc. *	51,107	—	22,010	—
Jetsgo *	—	89	—	—
Joy Travel & Tours (R)	6,900	—	—	—
Malev Airlines *	—	480	55,815	1,997
Minfare Travel (R)	—	—	8,737	8,900
MKI Travel and Conference Management (R)	2,036,933	—	—	—
Panorama Travel & Tours Ltd. (R) (W)	—	—	1,022	19,509
Perfect Travellers (R)	—	2,530	—	—
Pluna Airlines *	853	—	—	—
Premier Holidays, Mississauga (R) (W)	—	—	—	30,514
Sky Asia Travel (R)	52,765	—	—	—
Spanair *	—	—	758	—
Travelpack, Toronto (R) (W)	—	—	—	1,320
<b>TOTAL CLAIMS PAID (GROSS)</b>	<b>\$2,192,014</b>	<b>\$17,074</b>	<b>\$165,333</b>	<b>\$195,214</b>

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

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

Figure 11 illustrates the total claims paid by the Fund over the last four years. The total claims paid during 2013/2014 totalled \$2,192,014 compared to \$165,333 the previous year. Recoveries received by TICO in 2013/2014 were \$17,074 compared to \$195,214 recovered in 2012/2013.

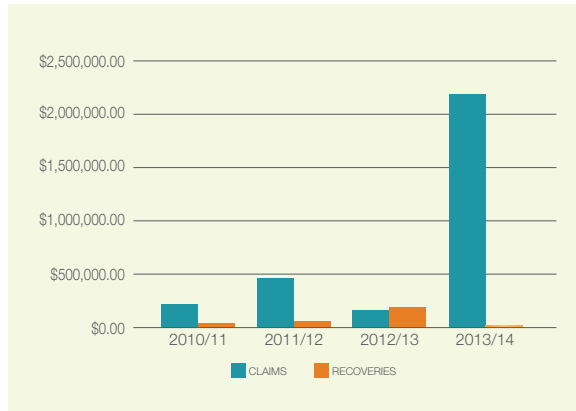


Figure 11: Total Claims paid and Recoveries to the Fund

Figure 12 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 2013/2014 fiscal year, there was a sig-

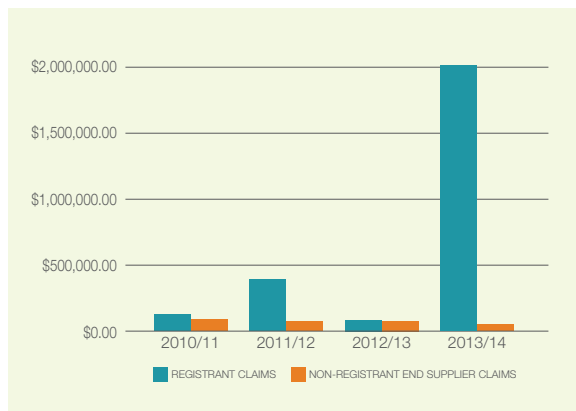


Figure 12: Registrant Claims vs Non-Registrant End Supplier Claims

nificant increase of claims paid out of the Fund as a result of a failure of a retail registrant compared to the prior year. During the fiscal period 2013/2014, a total of \$51,960 claims were paid as a result of end supplier failures compared to \$78,583 in the previous year.

Contributions to the Fund from registrants (Fig. 13) have increased by \$512,306 in 2013/2014 compared to the previous year. This is as a result of an increase in the assessment rate to 15 cents per \$1,000 sales which, became effective May 01, 2013.

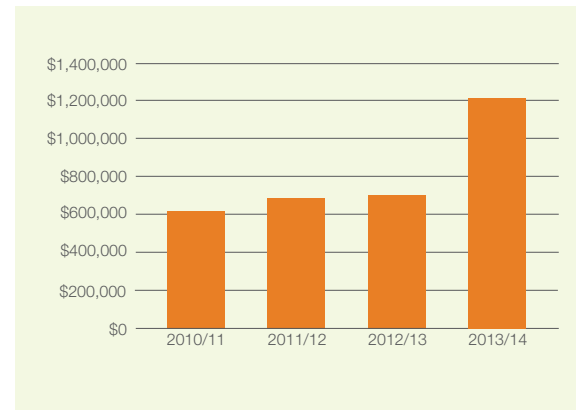


Figure 13: Contributions to the Fund

### Consumer Survey Results – Claims Process

During the fiscal year 2013/2014, TICO distributed consumer surveys to 115 claimants who filed claims against the Compensation Fund inviting feedback on their experience with TICO's claims process. At the end of March 2014, a total of 3 completed surveys were returned to TICO.

The results of the completed surveys received were as follows:

When asked to rate overall satisfaction with TICO's handling of their claim, and the fairness

of the process, 3 consumers indicated that they were either satisfied or very satisfied with the handling of their claims and with the fairness of the process. The survey results also indicated that the 3 respondents were satisfied with the length of time taken to process their claims.

## Legal Matters

### Claims

The Licence Appeal Tribunal (LAT) hears appeals from decisions of the Board relating to the eligibility of claims for payment from the Compensation Fund. During the period ended March 31, 2014, there were no LAT hearings held in relation to decisions of the Board to disallow any claims.

### Investigations and Prosecutions

TICO initiates and conducts investigations when it becomes apparent that there may have been a breach of the legislation, which can result in charges being laid under the statute. Investigations conducted have resulted in the following prosecutions:

#### Julie Bevan

Julie Bevan has been convicted on two counts of fraud over \$5,000 contrary to section 380 (1(a)) of the Criminal Code of Canada. Ms. Bevan was also convicted on one count of operating as a travel agent without registration contrary to section 4(1) (a) of the Ontario *Travel Industry Act, 2002*. The criminal charges were laid as a result of complaints from consumers who also complained to TICO and the facts of all charges are related.

Ms. Bevan was previously registered under the *Travel Industry Act, 2002* as a travel agent and continued to operate after her registration was suspended on August 10, 2010. Ms. Bevan was located in Hamilton, Ontario.

On the criminal charges, Ms. Bevan was sentenced to 18 months conditional sentence, which includes 9 months of house arrest and 9 months where she must abide by a curfew where she has to be home between 9 pm and 7 am. Ms. Bevan was also ordered to pay restitution of \$40,000 to consumers and others including \$10,771 to TICO in relation to claims paid from the Ontario Travel Industry Compensation Fund. A balance of \$21,662.54 owing to credit card companies will be subject to a Free Standing Restitution Order. On the *Travel Industry Act, 2002* conviction, Ms. Bevan is subject to a two year probation order where she cannot work in the travel industry.

#### **Hilan Oraha o/a Dolphin Travel**

Hilan Oracha o/a Dolphin Travel has been convicted on three counts of failing to maintain trust accounts contrary to section 27 of Regulation 26/05 made under the Ontario *Travel Industry Act, 2002*. Hilan Oraha o/a Dolphin Travel has also been convicted on three counts of operating as a travel agent without registration contrary to section 4(1)(a) of the Ontario *Travel Industry Act, 2002*.

Hilan Oraha o/a Dolphin Travel's registration under the *Travel Industry Act, 2002* was terminated on February 15, 2012. Ms. Oraha continued to operate as Dolphin Travel after her registration was terminated. The Ontario Travel Industry Compensation Fund paid claims to consumers in the amount of \$18,804.

Hilan Oraha was fined \$5,000 and must pay restitution to consumers and TICO in the amount of \$5,784 on or before May 31, 2013. As well, Ms. Oraha is subject to a two year period of probation, which includes additional restitution payable to TICO in the amount of \$6,000. The probation order also dictates that Ms. Oraha must

advise the Registrar, *Travel Industry Act, 2002* in writing, in the event that she secures employment in the travel industry, as well as advising any potential employers of her conviction under the Act.

#### **Dragica Belchevski o/a Win Travel Tours and Cruise Agency**

Dragica Belchevski operating as Win Travel Tours and Cruise Agency has been convicted on one count of operating as a travel agent without registration contrary to section 4(1)(a) of the Ontario *Travel Industry Act, 2002*. Ms. Belchevski and Win Travel Tours & Cruise Agency's registration under the Ontario *Travel Industry Act, 2002* was terminated on August 10, 2010. Ms. Belchevski, also known as Dragica Lapajokoska, continued to operate in Toronto after her registration under the Act was terminated. Ms. Belchevski was fined \$3,000.

#### **Bruce Wylie**

Bruce Wylie was convicted on six counts of operating as a travel agent without registration contrary to section 4(1)(a) of the Ontario *Travel Industry Act, 2002*. Mr. Wylie operated as Bruce Wylie Tours and Wylie's Excellent Adventure in Brockville and elsewhere in Ontario. Mr. Wylie was fined \$3,000 and given two years to pay the fine.

#### **Paul Tribe and The Mindful Traveller Inc.**

Paul Tribe and The Mindful Traveller Inc. have been convicted on two counts each of failing to maintain trust accounts contrary to section 27 of Regulation 26/05 made under the Ontario *Travel Industry Act, 2002*. Approximately \$32,000 in claims was paid to consumers from the Ontario Travel Industry Compensation Fund after the registration of The Mindful Traveller Inc. was terminated in February 2011. Mr. Tribe was fined \$3,000 and a Free-Standing

Restitution Order was made under section 32 of the Act for Mr. Tribe to repay TICO \$7,000. There is no time limit attached to this order. The Mindful Traveller Inc. received a suspended sentence.

#### **Carlos Ventura o/a Ventura Vacations**

Carlos Ventura o/a Ventura Vacations has been convicted on seven counts of failing to maintain trust accounts contrary to section 27 of Regulation 26/05 made under the Ontario *Travel Industry Act, 2002*. Approximately \$5,500 of claims were paid to consumers from the Ontario Travel Industry Compensation Fund after Mr. Ventura's registration was terminated in April 2011. Mr. Ventura was fined \$5,000.

#### **Robert Ewaniuk and The Executive Needs Inc. o/a Sportality**

Robert Ewaniuk and The Executive Needs Inc. o/a Sportality have been convicted on three counts each of operating as a travel agent without registration contrary to section 4(1)(a) of the Ontario *Travel Industry Act, 2002*. Mr. Ewaniuk and The Executive Needs Inc. operated in Toronto and elsewhere in Ontario. Mr. Ewaniuk was fined \$5,000. The Executive Needs Inc. o/a Sportality received a suspended sentence.

#### **David Hemmings and Nature's Photo Adventure Inc.**

David Hemmings and Nature's Photo Adventure Inc. have been convicted on one count each of operating as a travel agent without registration contrary to section 4(1)(a) of the Ontario *Travel Industry Act, 2002*. David Hemmings and Nature's Photo Adventure operated in Whitby and elsewhere in Ontario. Mr. Hemmings was fined \$3,000 and Nature's Photo Adventure Inc. received a suspended sentence.

### **Toby and Rubin Fergenbaum**

Toby and Rubin Fergenbaum have been convicted on one count each of operating as a travel agent without registration contrary to section 4(1)(a) of the Ontario *Travel Industry Act, 2002*. Toby and Rubin Fergenbaum operated as Haliburton Cottage Rental and offered and sold cottage accommodations on behalf of cottage owners in Haliburton and elsewhere in Ontario. Toby Fergenbaum was fined \$2,000 and Rubin Fergenbaum received a suspended sentence.

### **Talha Choudhry and Super Asia Travel Inc.**

Talha Choudhry and Super Asia Travel Inc. have been convicted on one count each of operating as a travel agent without registration contrary to section 4(1)(a) of the Ontario *Travel Industry Act, 2002*. Choudhry and Super Asia operated in the Toronto Region and elsewhere in Ontario. Consumers lost in excess of \$80,000 due to the actions of Mr. Choudhry and Super Asia Travel Inc. Mr. Choudhry was also convicted on one count of Defrauding the Public over \$5,000 and two counts of Possessing Counterfeit Instruments contrary to the Criminal Code of Canada.

For the criminal convictions, Mr. Choudry was sentenced to 24 months in jail, a Free Standing Restitution Order in the amount of \$112,829 and 2 years of probation. With respect to the *Travel Industry Act, 2002* convictions, Mr. Choudhry was sentenced to serve 6 months in jail to be served concurrently with the imprisonment that he is serving with respect to the criminal convictions. In addition, Mr. Choudhry is subject to a Free Standing Restitution Order in the amount of \$75,529 to the consumers who were affected. Super Asia Travel Inc. received a suspended sentence. Pursuant to an Order of the Honourable Justice K. Barnes, dated October 25, 2013, TICO was required to distribute funds

from the previously frozen account of Super Asia Travel Inc., maintained with CIBC.

### **Cynthia Monica Burgher**

Cynthia Monica Burgher has been convicted on one count of acting as a travel agent without registration contrary to section 4(1)(a) of the Ontario *Travel Industry Act, 2002*. Ms. Burgher was previously registered under the Act and continued to sell bus charters in Toronto and elsewhere in Ontario after her registration was terminated. Ms. Burgher was fined \$4,000.

### **Judy Kadet-Kovacs**

Judy Kadet-Kovacs has been convicted on two counts of operating as a travel agent without registration contrary to section 4(1)(a) of the Ontario *Travel Industry Act, 2002*. Judy Kadet-Kovacs operated in Hamilton and elsewhere in Ontario. Ms. Kadet-Kovacs was also convicted on three counts of fraud under the Criminal Code of Canada. The criminal convictions were related to the convictions under the *Travel Industry Act, 2002*.

Ms. Kadet-Kovacs was sentenced to 12 months in jail on the criminal convictions and sentenced to 6 months jail on the *Travel Industry Act, 2002* convictions to be served concurrently with the criminal convictions. In addition, a Prohibition Order was issued under section 380.2 of the Criminal Code of Canada prohibiting Ms. Kadet-Kovacs from being employed in any capacity in the travel business or any other business where she will have access to cash, credit cards or any other type of payment for a period of five years. Judy Kadet-Kovacs was previously convicted in 2007, under the *Travel Industry Act, 2002* for failing to maintain trust accounts when she was the president of G&P Travel Ltd. G&P Travel Ltd's registration with TICO was

terminated in 2006 and \$52,699.66 in claims was paid to consumers from the Ontario Travel Industry Compensation Fund

### **Panorama Travel & Tours Ltd., Beata Kucharski and Zbigniew Kucharski**

During the 2012/2013 fiscal year, Panorama Travel & Tours Ltd., Beata Kucharski and Zbigniew Kucharski were convicted on two counts each of failing to maintain trust accounts contrary to section 27 of Regulation 26/05 made under the Ontario *Travel Industry Act, 2002*. At that time, TICO appealed the sentence on the grounds that in imposing sentence, Justice of the Peace Shelley went outside of her jurisdiction. The Appeal was heard before Justice D.A. Harris of the Ontario Court of Justice during the 2013/2014 fiscal year.

As a result of the Appeal, on the first count, Panorama Travel & Tours Ltd., Beata Kucharski and Zbigniew Kucharski received a suspended sentence. On the second count, Beata and Zbigniew Kucharski received a suspended sentence and must pay restitution to TICO of \$25,000 each for a total of \$50,000. There is no deadline by which the restitution must be paid. In addition Beata and Zbigniew Kucharski and Panorama Travel & Tours Ltd. are subject to a one year probation order where they must write a letter about the failure of the company including how the failure affected the travel industry. On the second count, Panorama Travel & Tours Ltd was fined \$25,000.

Beata Kucharski and Zbigniew Kucharski were the principals of Panorama Travel & Tours Ltd. which tried to run a risk air program "Fly Central Europe". Panorama's registration under the Act was terminated in May 2011 and TICO paid claims from the Ontario Travel Compensation Fund in the amount of \$85,115.

### **Shireen Akhtar and Minfare Travel Inc.**

Shireen Akhtar and Minfare Travel Inc. have been convicted of one count each of failing to maintain trust accounts contrary to section 27 of Regulation 26/05 made under the Ontario *Travel Industry Act, 2002*. Minfare Travel Inc.'s registration under the *Travel Industry Act, 2002* was revoked on May 25, 2011. Ms. Akhtar is the president of Minfare Travel Inc. Approximately \$117,000 was paid from the Ontario Travel Industry Compensation Fund to consumers who did not receive their travel services due to the failure of Minfare Travel Inc. Ms. Akhtar was fined \$10,000 and is subject to a probation order for two years whereby she is required to inform any prospective travel industry employer of the conviction and to advise TICO within 5 days if employment is obtained in the travel industry. Minfare Travel Inc. was fined \$25,000.

### **Aamir Rashid and Minfare Travel Corporation**

Aamir Rashid has been convicted of three counts and Minfare Travel Corporation has been convicted of one count of operating as a travel agent without registration contrary to section 4(1)(a) of the Ontario *Travel Industry Act, 2002*. Aamir Rashid previously worked for Minfare Travel Inc. in Mississauga, Ontario. Minfare Travel Inc.'s registration under the *Travel Industry Act, 2002* was revoked on May 25, 2011. Mr. Rashid was a corporate director of Minfare Travel Corporation, which was never registered under the *Travel Industry Act, 2002*. Mr. Rashid was fined \$4,000 and is subject to a restitution order to repay consumers in the amount of \$1,591.56. Minfare Travel Corporation was fined \$4,000.

### **Arif Assim and Sacred Tours Inc.**

Arif Assim and Sacred Tours Inc. have been convicted on three counts each of operating as a travel agent without registration contrary to section 4(1)(a) of the Ontario *Travel Industry Act, 2002*. Mr. Assim and Sacred Tours Inc. operated in Toronto and elsewhere in Ontario. No consumers suffered financial losses as a result of the actions of the defendants. Mr. Assim and Sacred Tours Inc. were previously convicted under the Act for operating without registration in December 2010. Mr. Assim was fined \$7,500 and is subject to probation for six months where he is to keep the peace and not commit the same offence. Sacred Tours Inc. received a suspended sentence.

### **Jane True and True Rainbow Tours Inc.**

Jane True and True Rainbow Tours Inc. plead guilty to one count each of operating as a travel wholesaler without registration contrary to section 4(1)(b) of the Ontario *Travel Industry Act, 2002* (the "Act"). Ms. True and True Rainbow Tours Inc. operated in Niagara Falls and elsewhere in Ontario. No consumers suffered financial losses as a result of the actions of the defendants. Ms. True was previously a Vice-President and shareholder of Rainbow Tour & Reception Inc., a wholesaler, which voluntarily terminated its registration under the Act on March 21, 2011. The guilty plea by the Defendants was accepted and convictions registered. Ms. True was fined \$3,000. True Rainbow Tours Inc. received a suspended sentence.

## Proposals to Revoke Registration

A total of 23 proposals to revoke registration were issued during 2013/2014. The proposals were issued for the following reasons:

	2013/14	2012/13
Failure to file Financial Statements	10	17
Failure to maintain Working Capital	4	2
Failure to maintain Trust Accounting	5	3
Other Breaches of the Act and Regulation	4	2
	<u>23</u>	<u>24</u>

TICO attended 11 pre-hearings and 2 hearings before LAT in response to the proposals issued against registrants. Pre-hearings are a mandatory part of the LAT appeal process. Some proposals were settled prior to their scheduled hearing date. During the year, 8 registrations were revoked, 9 proposals were withdrawn and 6 were settled by consent order. At the beginning of the fiscal year, there were 4 outstanding proposals and at the end of March 2014, there were 6 outstanding proposals.

## Consumer Awareness Campaign

During the 2013/2014 fiscal year, TICO worked with the Marketing Garage of Aurora, Ontario (formally Larter Advertising) on TICO's Consumer Awareness Campaign. The goal each year is to increase consumer awareness and to ensure that consumers gain a better understanding of TICO and the consumer protection that is available when they purchase travel services from Ontario registered travel agencies.

In the prior year, TICO introduced a new campaign strategy entitled the Language of TICO. The Language of TICO campaign was designed to send the message to consumers that the Ontario travel industry is filled with highly skilled professionals. The Campaign promotes the knowledge, integrity and professionalism of Ontario registered travel agencies and their respective travel counsellors in addition to promoting the consumer protection available from Ontario registered travel agencies.



Email Signature



Television Commercial



Consumer Ads and Trade Show

TICO's Consumer Awareness Campaign included a 30-second television commercial entitled "Wild Suitcases," which aired on Global TV, CTV, CBC Ontario and Omni TV. TICO's media strategy also included a 30-second radio ad which aired on 680 News as well as ads on AM740 Zoomer Radio that included an appearance on AM740's "From a Woman's Perspective" with Marilyn Wetston.

During the fiscal year, full colour print ads including evocative images with the Language of TICO campaign messaging were also featured in three issues of Zoomer Magazine (July to December 2013), including their popular snowbird issue, which is published in November. TICO was featured in a print ad and advertorial in the December 2013 issue to Horizon Travel Magazine, which was distributed in 50,000 issues of the Toronto Star newspaper throughout the GTA area. The advertorial in Horizon Travel Magazine was supported with 5-second commercial spots on video screens throughout the TTC Transit System including video screens in Union Station.

The Campaign's internet strategy included pay-per-click advertising to capture consumers on the Internet when searching for travel services. Customized landing pages provided consumers with TICO's consumer awareness message. This initiative resulted in 20,437 clicks through to TICO's website. TICO also enhanced its Facebook page with images from its Language of TICO campaign and made regular informative postings about consumer protection and the benefits of booking with Ontario registered travel agencies.

To extend its consumer awareness message to ethnic communities, TICO placed ads in several ethnic newspapers reaching the Arabic, Somali, Filipino and Ethiopian communities. TICO's "Wild Suitcases" television commercial also aired on OMNI TV extending its reach to the various ethnic communities it serves and included a special Chinese version of the television ad to reach the Asian community.

Public relations was also a component in the campaign's strategy and along with various interviews conducted with media on timely travel related issues throughout the year, TICO obtained an ongoing column in the Travel Section of the Saturday edition Toronto Star, which is featured every two weeks. The column answers readers travel questions and tackles timely and top of mind travel issues.

Throughout 2013/2014, TICO continued to attend consumer trade shows and spoke to various consumer groups to educate them about TICO and the consumer protection available to them when they purchase travel services from TICO registered travel agencies.

Each year, TICO conducts an omnibus survey to measure the success of the campaign. Awareness of TICO in Ontario increased slightly to 26% compared to 23% in the previous year. There was an increase in awareness of TICO in the GTA area with 32% indicating awareness of TICO in 2013/2014 compared to 24% in the previous year. In 2014, 30% of consumers surveyed in Ontario indicated television advertising as the source of awareness of TICO, compared to 26% in the previous year.

The survey also indicated an increase in consumer's knowledge of TICO's roles as 68% of those surveyed who were aware of TICO understood that they must purchase their travel services from an Ontario registered travel agency to obtain the protection from TICO and the Compensation Fund. This was up from 62% in the previous year.

The goal is to continue to increase awareness of TICO and understanding of the consumer protection that is available when purchasing travel services from Ontario registered travel agencies.

More results of the omnibus survey may be found on page 15.

## **Registrant Engagement**

In 2013/2014, TICO continued its efforts to reach out to registrants to seek their views on its Consumer Awareness Campaign and to encourage registrants to use the campaign messaging when communicating with their customers.

TICO conducted eight roundtable sessions across Ontario with frontline travel agents to obtain feedback on their understanding of TICO, its role in the industry as well as TICO's Consumer Awareness Campaign. The Language of TICO Campaign was introduced to promote the knowledge, integrity and professionalism of Ontario registered travel agencies and their respective travel counsellors. TICO would like registrants and their travel counsellors to be proud of being part of a self-managed travel industry that has standards and consumer protection.

The roundtable sessions provided an opportunity for TICO to engage registrants and travel agents with respect to their knowledge and understanding of TICO. It also provided a forum for registrants and travel agents to ask any questions that they may have with regard to TICO, its mandate and role in the travel industry. TICO was able to secure input on the registrant engagement efforts conducted in the prior year as well as obtain feedback on its Language of TICO campaign. The open dialogue with industry members and the feedback received was overwhelmingly positive. Both attendees and TICO left the sessions with a greater understanding and appreciation of the issues and challenges faced in the Industry. In addition, attendees left with a greater understanding of TICO. Feedback received by TICO at the roundtable sessions will assist in future communications with stakeholders as well as assist in planning future Consumer Awareness Campaign strategies.

TICO distributed collateral items to all retail registrants, including a new TICO window decal, FANTASTICO brochures and holders as well as a promotional brochure explaining the Consumer Awareness Campaign media strategy to encourage registrant engagement. This was supported by two webinars, which were held with registrants to provide information on TICO's Consumer Awareness Campaign strategy and to encourage registrant engagement, use of the TICO logo and the available collateral items.

TICO also attended eleven industry events to obtain feedback from registrants and to encourage registrant engagement in TICO's Consumer Awareness Campaign.

An online survey was conducted with TICO registrants to obtain their views on TICO's Consumer Awareness Campaign and to establish whether travel agents are using the campaign messaging and collateral materials to benefit their business. TICO received 171 responses. A total of 68% of respondents indicated that they include the TICO logo in their advertisements and 70% display the TICO logo on their website. Approximately 55% of respondents indicated that they have the TICO logo on their invoices and 45% of respondents include the TICO logo on their business cards.

When asked whether they advise their customers about the benefits of purchasing travel services with their company as a TICO registered travel agency, a total of 93% of respondents indicated that they advise their customers about the benefits of booking with a TICO registered travel agency. When asked whether they believe that TICO's Consumer Awareness Campaign and its messaging has been beneficial to their businesses, a total of 58% of respondents answered positively that the messaging (Ontario Travel Agents are FANTASTICO) has been beneficial to their business.

Ultimately, TICO would like the industry to understand that there is value to being part of a self-managed industry with standards and there is value to promoting their businesses as being registered with TICO. In turn, TICO would like all Ontarians to understand and appreciate the knowledge, integrity and professionalism of Ontario registered travel agents and the consumer protection that is afforded to them when they book with a TICO registered travel agency. By working together, more consumers will come to understand that TICO travel agents are FANTASTICO and by spreading the word, we can build a stronger industry.

## French Language Services

TICO strives to respond to all inquiries received in the French language, whether oral or written. A comparable level of service will be provided in either language whenever and wherever demand and customer service warrant. TICO staff are able to communicate in several languages and provide both registrants and consumers with a timely, courteous and quality response to all French language enquiries. Correspondence received in French is responded to in French.



## FINANCIAL REVIEW

The following financial review is based on the audited financial statements for the Travel Industry Council of Ontario for the year ended March 31, 2014 with comparative figures for March 31, 2013.



## Overview

As at March 31, 2014, the combined Net Assets of TICO were \$21,844,492, compared to \$25,033,655 for the year ended March 31, 2013. The decrease in Net Assets was a result of total expenses exceeding revenues by \$3,189,163 for the year, compared to expenses exceeding revenues by \$210,759 in the prior year. Total revenues increased in 2013/2014 by \$337,874, while total expenses, including claims increased by \$3,316,278.

TICO is required to hold all Compensation Fund (Fund) monies in trust. As of March 31, 2014, the assets held for the Fund totalled \$20,649,146 compared to \$24,038,718 as of March 31, 2013.

## Revenue

Total Revenue for the year ended March 31, 2014 was \$3,190,628 and derived from semi-annual assessments paid by registrants to the Fund (\$1,213,336), applications for renewal of registrations (\$1,008,199) and from new applications for registration (\$291,900). Education Standards fees were \$155,936. A total of \$521,257 in investment income was earned during the year, down significantly from a year earlier.

## Semi-Annual Assessments

All registrants are required to pay into the Fund based on their gross travel sales. The contribution rate for both retail and wholesale registrants was 5 cents per \$1,000 of sales until April 30, 2013 and changed to 15 cents per \$1,000 of sales effective May 1, 2013. Semi-annual assessments were higher in 2013/2014 at \$1,213,336, compared to \$701,030 in 2012/2013.

## Registration Fees

Revenue from registration fees is derived from two sources, new registration fees and renewal fees. New registration fees are \$3,000 for a head office and \$800 for a branch office and cover a one year period of registration. Renewals are made annually and are based on a registrant's sales volume ranging from \$300 to \$1,800 per head office. The renewal fee for a branch office is \$300. Renewal Fees in 2013/2014 were \$1,008,199 compared to \$1,042,535 in 2012/2013. New Registrant fees were \$291,900 in 2013/2014, a decrease of 21% compared to \$373,325 in 2012/2013.

## Education Standard Fees

In July 2013, TICO's Education Standards programme, which had been administered by CITC on behalf of TICO since 2006, was taken in-house due to CITC surrendering its charter and amalgamating with ACTA. Revenue of \$155,936 is offset by administrative expenses, which are included as a separate expense along with Regulatory Reform.

## Investment Income

Investment income is \$521,257 for 2013/2014 compared to \$709,616 in 2012/2013. The decrease in investment income is a result of the decline in the underlying assets. In addition, as investments mature, TICO is reinvesting at substantially lower rates as current market rates remain depressed.

## Expenses

Total expenses increased in 2013/2014 to \$6,379,791 from \$3,063,513 in 2012/2013. The significant variances are as follows:

### Claims and Recoveries

Total claims and related costs, less recoveries, for the year ended March 31, 2014 was \$2,228,007 compared to a net recovery of \$303,683 in 2012/2013. The majority of claims in 2013/2014 relate to the failure of MKI Travel & Conference Management (\$2,036,933). Claims expense consists of three components: (1) claims, including trip completion and imminent departure expenses from registrant failures and (2) closure expenses (\$630), and (3) professional fees (\$52,437) incurred in relation to closures and recoveries. Non-registrant claims from the failures of two end supplier airlines in 2013/2014, EZJet Air Services and Pluna Airlines, were \$51,960.

Recoveries from security deposits and repayments from registrants totalled \$17,074. These recoveries are detailed on page 23.

**Consumer and Registrant Awareness** expense for 2013/2014 is more than in 2012/2013 by \$521,493. Expenses in this category include TICO's province wide consumer awareness campaign, the cost of TICO's quarterly newsletter, TICO's website and the cost of participation at consumer trade shows. The increase is a result of TICO transferring \$250,000 of its Consumer Awareness budget from 2012/2013 into 2013/2014, focusing more heavily on consumer awareness with a new television ad campaign.

**General and Office Expense** has increased by \$66,577 over the prior year. Although higher than the prior year, this was expected because the prior year was significantly less than budgeted.

**Board Meeting Expense** has decreased by \$16,517 in 2013/2014 over the prior year. This expense category includes the cost of TICO's Annual General Meeting, Board of Directors remuneration and meeting expenses.

**Government Oversight Fees** expense increased to \$158,700 for 2013/2014, compared to \$119,403 in 2012/2013. These fees are paid to the Ministry of Consumer Services under the terms of TICO's Administrative Agreement. The current Administrative Agreement was signed on January 23, 2013. A further increase is anticipated in 2014/2015 to \$198,707.

**Computer Expenses** have increased in 2013/2014 by \$7,625 due to computer upgrades during the year.

**Regulatory Reform and Education Standards** expense includes expenses related to legislative review and the maintenance of education standards. Up until July 2013, CITC managed the exam process for TICO's Education Standards. During 2013/2014, TICO incurred net expenses of \$113,840 against gross revenue of \$155,936. During 2013/2014 there were no expenses related to legislative review.

## Allocation of Revenues and Expenses

Included as part of the Financial Statements is a Schedule allocating Revenues and Expenses between the Compensation Fund and the TICO Asset for the year ended March 31, 2014.

TICO's operations are funded solely by registrants. TICO has two revenue streams namely contributions to the Fund and registration fees. TICO's net assets are made up of the Fund, which are restricted monies and the TICO Asset, which are the unrestricted monies.

Contributions to the Fund are attributed to the Fund while registration fees are attributed to the TICO Asset. Investment income is allocated to both the Fund and the TICO Asset on a proportional basis.

Operational expenses are allocated between the Fund and the TICO Asset while direct Fund expenses such as claims are allocated to the Fund. The allocation of operational expenses is based on estimates of how resources, including staff, are expended to manage the Fund and TICO's overall operations. For accounting purposes, in essence two distinct assets (the Fund and TICO Asset) are recognized, however TICO is one organization and expenses are allocated accordingly between the two assets.



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**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of the Travel Industry Council of Ontario

We have audited the accompanying financial statements of the Travel Industry Council of Ontario, which comprise the statement of financial position as at March 31, 2014 and the statement of changes in net assets, statement of operations, and statement of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility 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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

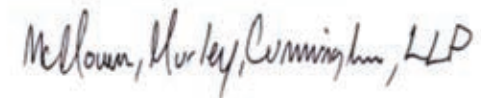
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Travel Industry Council of Ontario as at March 31, 2014 and its financial performance and its cash flows for the years then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

**McGOVERN, HURLEY, CUNNINGHAM, LLP**



**Chartered Accountants  
Licensed Public Accountants**

TORONTO, Canada  
June 2, 2014

A member of UHY International, a network of independent accounting and consulting firms



TRAVEL INDUSTRY COUNCIL OF ONTARIO  
**STATEMENT OF FINANCIAL POSITION**

AS AT MARCH 31, 2014

	2014 \$	2013 \$
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash and cash equivalents	3,946,400	5,872,229
Restricted cash (Note 3)	287,963	285,493
Investments	21,087,128	22,097,716
Prepaid expenses and deposits	<u>68,961</u>	<u>103,231</u>
TOTAL CURRENT ASSETS	25,390,452	28,358,669
<b>EQUIPMENT</b> (Note 4)	<u>173,938</u>	<u>183,926</u>
TOTAL ASSETS	<u>25,564,390</u>	<u>28,542,595</u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	678,340	501,382
Deposits from registrants	<u>2,977,648</u>	<u>2,943,648</u>
TOTAL CURRENT LIABILITIES	3,655,988	3,445,030
<b>LEASEHOLD INDUCEMENT</b>	<u>63,910</u>	<u>63,910</u>
TOTAL LIABILITIES	<u>3,719,898</u>	<u>3,508,940</u>
<b>NET ASSETS</b>		
Restricted for the Ontario Travel Industry Compensation Fund	20,649,146	24,038,718
Invested in equipment	173,938	183,926
Unrestricted	<u>1,021,408</u>	<u>811,011</u>
TOTAL NET ASSETS	<u>21,844,492</u>	<u>25,033,655</u>
TOTAL LIABILITIES AND NET ASSETS	<u>25,564,390</u>	<u>28,542,595</u>
Commitments and contingencies (Note 7)		
APPROVED ON BEHALF OF THE BOARD:		
_____ Signed "Michael Janigan" _____,	Chair of the Board	
_____ Signed "Jeff Element" _____,	Chair of the Audit Committee	

See accompanying notes to the financial statements.

TRAVEL INDUSTRY COUNCIL OF ONTARIO  
**STATEMENT OF CHANGES IN NET ASSETS**

FOR THE YEAR ENDED MARCH 31, 2014

	Invested In Equipment \$	Restricted For The Ontario Travel Industry Compensation Fund \$	Unrestricted \$	2014 Total \$	2013 Total \$
Balance, beginning of year	183,926	24,038,718	811,011	25,033,655	25,244,414
Excess of (expenses over revenues)	–	(3,396,064)	206,901	(3,189,163)	(210,759)
Purchase of equipment	42,591	(27,684)	(14,907)	–	–
Amortization of equipment	<u>(52,579)</u>	<u>34,176</u>	<u>18,403</u>	<u>–</u>	<u>–</u>
Balance, end of year	<u>173,938</u>	<u>20,649,146</u>	<u>1,021,408</u>	<u>21,844,492</u>	<u>25,033,655</u>

See accompanying notes to the financial statements.

TRAVEL INDUSTRY COUNCIL OF ONTARIO  
**STATEMENT OF OPERATIONS**

FOR THE YEAR ENDED MARCH 31, 2014

	2014 \$	2013 \$
<b>REVENUE</b>		
Semi-annual payments from registrants	1,213,336	701,030
Renewals	1,008,199	1,042,535
New registrants	291,900	373,325
Education standards fees	155,936	26,248
Investment income	<u>521,257</u>	<u>709,616</u>
<b>Total revenue</b>	<b><u>3,190,628</u></b>	<b><u>2,852,754</u></b>
<b>EXPENSES</b>		
Claims and trip completion costs	2,192,014	165,333
Professional fees and services	52,437	11,691
Closure expenses	<u>630</u>	<u>—</u>
<b>Total claim and closure related costs</b>	<b><u>2,245,081</u></b>	<b><u>177,024</u></b>
Recoveries	(17,074)	(195,214)
Special recovery (Note 3)	<u>—</u>	<u>(285,493)</u>
<b>Net claim and closure related (recoveries) costs</b>	<b><u>2,228,007</u></b>	<b><u>(303,683)</u></b>
Salaries and benefits	1,749,529	1,650,906
Consumer and registrant awareness	849,057	327,564
Inspections, compliance and prosecutions	514,262	520,692
General and office	217,281	150,704
Rent	203,048	184,821
Ontario Government oversight fees	158,700	119,403
Board meeting expense	122,342	138,859
Regulatory reform and education standards	113,840	2,000
Computer	73,704	66,079
Professional fees	42,319	36,589
Insurance	39,065	40,064
Travel	10,071	8,426
Credit checks	5,987	8,032
Actuary report	—	53,209
Consumer advisory committee	—	3,115
Amortization	<u>52,579</u>	<u>56,733</u>
<b>Total expenses</b>	<b><u>6,379,791</u></b>	<b><u>3,063,513</u></b>
<b>Excess of (expenses over revenues)</b>	<b><u>(3,189,163)</u></b>	<b><u>(210,759)</u></b>

See accompanying notes to the financial statements.



TRAVEL INDUSTRY COUNCIL OF ONTARIO  
**SCHEDULE TO STATEMENT OF OPERATIONS**

FOR THE YEAR ENDED MARCH 31, 2014

	TOTAL \$	COMPENSATION FUND \$	TICO \$
<b>REVENUE</b>			
Renewals	1,008,199	—	1,008,199
Semi-annual payments from registrants	1,213,336	1,213,336	—
New registrants	291,900	—	291,900
Education standard fees	155,936	—	155,936
Investment income	<u>521,257</u>	<u>497,257</u>	<u>24,000</u>
Total revenue	<u>3,190,628</u>	<u>1,710,593</u>	<u>1,480,035</u>
<b>EXPENSES</b>			
Claims and trip completion costs	2,192,014	2,192,014	—
Closure expenses	630	630	—
Professional fees and services	<u>52,437</u>	<u>52,437</u>	<u>—</u>
<b>Total claim and closure related costs</b>	2,245,081	2,245,081	—
Recoveries	<u>(17,074)</u>	<u>(17,074)</u>	<u>—</u>
<b>Net claim and closure related (recoveries) costs</b>	<u>2,228,007</u>	<u>2,228,007</u>	<u>—</u>
Salaries and benefits	1,749,529	1,137,194	612,335
Consumer and registrant awareness	849,057	551,887	297,170
Inspections, compliance and prosecutions	514,262	514,262	—
Board meeting expense	122,342	79,522	42,820
Rent	203,048	131,981	71,067
General and office	217,281	141,233	76,048
Ontario Government oversight fees	158,700	103,155	55,545
Computer	73,704	47,908	25,796
Insurance	39,065	25,392	13,673
Professional fees	42,319	27,507	14,812
Travel	10,071	6,546	3,525
Credit checks	5,987	3,892	2,095
Regulatory reform and education standards	113,840	73,996	39,844
Actuary report	—	—	—
Amortization	<u>52,579</u>	<u>34,175</u>	<u>18,404</u>
<b>Total expenses</b>	<u>6,379,791</u>	<u>5,106,657</u>	<u>1,273,134</u>
<b>Excess of (expenses over revenues)</b>	<u>(3,189,163)</u>	<u>(3,396,064)</u>	<u>206,901</u>

See accompanying notes to the financial statements.

TRAVEL INDUSTRY COUNCIL OF ONTARIO  
**STATEMENT OF CASH FLOWS**

FOR THE YEAR ENDED MARCH 31, 2014

	2014 \$	2013 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Excess of expenses over revenues	(3,189,163)	(210,759)
Adjustments for:		
Amortization	52,579	56,733
Unrealized gains on investments	<u>(972,229)</u>	<u>(11,961,435)</u>
	(4,108,813)	(12,115,461)
Net changes in non-cash working capital balances:		
Prepaid expenses and deposits	34,270	(41,293)
Accounts payable and accrued liabilities	176,958	(328,401)
Deposits from registrants	34,000	302,000
Leasehold inducement	<u>—</u>	<u>(11,341)</u>
	<u>245,228</u>	<u>(79,035)</u>
Cash flows from operating activities	<u>(3,863,585)</u>	<u>(12,194,496)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(2,840,352)	(10,600,000)
Redemption of investments	4,823,169	23,242,702
Restricted cash	(2,470)	—
Purchase of equipment	<u>(42,591)</u>	<u>(4,986)</u>
Cash flows from investing activities	<u>1,937,756</u>	<u>12,637,716</u>
Change in cash and cash equivalents	(1,925,829)	443,220
Cash and cash equivalents, beginning of year	<u>5,872,229</u>	<u>5,429,009</u>
Cash and cash equivalents, end of year	<u>3,946,400</u>	<u>5,872,229</u>
<b>CASH AND CASH EQUIVALENTS CONSIST OF:</b>		
Cash	3,946,400	4,266,378
Cash equivalents	<u>—</u>	<u>1,605,851</u>
	<u>3,946,400</u>	<u>5,872,229</u>

See accompanying notes to the financial statements.

MARCH 31, 2014

## 1. NATURE OF OPERATIONS

The 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 (Note 7(a)) 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.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Outlined below are those accounting policies considered particularly significant.

### Equipment and Amortization:

Equipment is stated at acquisition cost. Amortization is provided as follows:

Furniture and equipment	20% diminishing balance
Computer hardware	3 years straight-line
Computer software	2 years straight-line
Database	5 years straight-line
Vehicle	30% diminishing balance

Leasehold improvements are amortized on a straight-line basis over the remaining term of the lease, which expires November 30, 2018.

### Revenue Recognition:

The deferral method of accounting for contributions is followed. The application of this method of accounting results in revenue in the form of semi-annual payments from registrants, as well as renewals and application fees from new registrants, being recorded when received. Interest income is recorded on an accrual basis.

### Claims:

Claims are recorded at the time of approval by the Board of Directors. 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 three months after the registrant failure.

### Recoveries:

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

### Director Directed Trip Completion Costs:

Payments for trip completion under Section 69 of the Regulation are authorized solely by the Director under the Act and are recorded when paid.

### Lease Inducement:

Lease inducement is amortized on a straight-line basis over the remaining term of the lease, which expires November 30, 2018.

### Use of Estimates:

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and net assets and disclosure of contingent liabilities at the date of the financial statements and the reported amount and allocation of revenues and expenses during the reporting period. Actual results could differ from those reported.

### Allocation of revenues and expenses

TICO’s operations are funded solely by Registrants. TICO has two revenue streams namely contributions to the Compensation Fund (“Fund”) and Registration fees. TICO’s net assets are made up of the Fund which are restricted monies and the TICO Asset which are the unrestricted monies.

Contributions to the Fund are attributed to the Fund while Registration Fees are attributed to the TICO Asset. Investment income is allocated to both the Fund and the TICO Asset on a proportional basis.

Operational expenses are allocated between the Fund and the TICO Asset while direct Fund expenses such as claims are allocated to the Fund. The allocation of operational expenses is based on management estimates of

MARCH 31, 2014

how resources, including staff, are expended to manage the Fund and TICO's overall operations. These estimates are reviewed and updated periodically as determined by management. Effective April 1, 2012, operational expenses have been allocated 65% to the Fund and 35% to TICO.

**Investments:**

Investments consist of fixed income notes bearing interest at rates ranging from 1.85% to 4.30% and with maturity dates ranging from three months to ten years from March 31, 2014. Investments are carried at market value.

**Financial Instruments:**

Financial assets and liabilities are initially recognized and subsequently measured based on their classification as "held-for-trading", "available-for-sale" financial assets, "held-to-maturity", "loans and receivables", or "other" financial liabilities. Held-for-trading financial instruments are measured at their fair value with changes in fair value recognized in the statement of operations for the period. Available-for-sale financial assets are measured at their fair value and changes in fair value are included in the statement of changes in net assets until the asset is removed from the balance sheet or until any impairment is determined to be other than temporary. Held-to-maturity investments, loans and receivables and other financial liabilities are measured at amortized cost using the effective interest rate method. TICO's investments have been classified as held-for-trading. Accounts payable and accrued liabilities have been classified as other financial liabilities.

TICO classifies its fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels: (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1); (b) inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) (Level 2); and (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

**Prior year figures:**

Certain prior year figures have been reclassified to conform to the presentation adopted in the current year.

**3. RESTRICTED CASH**

The Ontario Superior Court of Justice approved the discharge of the Judicial Trustee of C3 Leisure Limited o/a Canada 3000 Holidays on December 24,

2009. The Court appointed TICO to administer the funds remaining in the trust account. TICO administered the funds until November 18, 2012, at which time after recovering its costs for administration of the funds, the residual funds, totaling \$285,493, were allocated to the Fund. These are to be used for ongoing consumer education and awareness of their rights and responsibilities under the Act.

**4. EQUIPMENT**

	Cost	Accumulated Amortization	2014 Net	2013 Net
	\$	\$	\$	\$
Furniture & equipment	252,064	192,200	59,864	45,713
Computer hardware	103,906	89,880	14,026	15,150
Computer software	32,258	29,597	2,661	8,064
Database	244,416	244,416	—	—
Leasehold improvements	204,705	109,006	95,699	112,588
Vehicle	<u>4,052</u>	<u>2,364</u>	<u>1,688</u>	<u>2,411</u>
	<u>841,401</u>	<u>667,463</u>	<u>173,938</u>	<u>183,926</u>

**5. RESTRICTED NET ASSETS**

Article 2.01 of By-law one of TICO requires that all monies held shall be used in promoting its objects. 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.

MARCH 31, 2014

## 6. INCOME TAXES

As a not-for-profit corporation, TICO is not subject to income taxes, in accordance with Section 149(1)(l) of the Income Tax Act.

## 7. COMMITMENTS AND CONTINGENCIES

(a) Under terms of an Administrative Agreement entered into during January 2013 between TICO and the Ministry of Consumer Services (the "MCS"), TICO is obligated to pay a maximum annual fee for 2015, based on cost recovery to the Province of Ontario, totaling \$198,707.

The MCS may increase this annual payment above the maximum amount in any given year in accordance with the terms of the Administrative Agreement. For 2016 and subsequent fiscal years, MCS shall determine the payment for each year and will notify TICO at least 18 months in advance of the payment being due.

(b) TICO is committed to minimum rental amounts under a long-term lease for its premises which will expire November 30, 2018. Minimum rental commitments remaining under this lease approximate \$476,000. Minimum rental commitments for successive years approximate the following:

2015	\$ 102,000
2016	102,000
2017	102,000
2018	102,000
2019	<u>68,000</u>
	<u>\$ 476,000</u>

(c) TICO, the Registrar of TICO and the Statutory Director of TICO under the Act are being sued by Sunrise International Travels Inc. for pecuniary and non pecuniary damages of \$2 million and punitive damages of \$1 million. The legal proceedings arose due to Sunrise's registration with TICO being terminated. The outcome of this dispute is currently unknown and, as a result, no amounts have been accrued in the financial statements related to this matter. Any claims or costs resulting from the legal proceedings will be charged to operations in the year that they are determined.

(d) During 2011, TICO entered into a retirement agreement with a member of management. The minimum obligation under this contract approxi-

mates \$268,000. The effective date of the termination is expected to be July 31, 2014, with the majority of the commitment being payable over a twelve-month period commencing on the effective date of the retirement. As at March 31, 2014, accounts payable and accrued liabilities includes approximately \$255,677 related to this obligation, which represents the estimated fair value of the obligation at March 31, 2014 using a discount rate of 5% and an expected termination date of July 31, 2014. Salaries and benefits expense for 2014 includes nil (2013 - \$11,000) related to this obligation.

## 8. FINANCIAL INSTRUMENTS

### Fair Value:

Canadian generally accepted accounting principles require that TICO disclose information about the fair value of its financial assets and liabilities. Fair value estimates are made at the date of the statement of financial position, based on relevant market information and information about the financial instruments. These estimates are subjective in nature and involve uncertainties in significant matters of judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

The carrying amounts for accounts payable and accrued liabilities on the statement of financial position approximate fair value because of the limited term of these instruments.

As at March 31, 2014, TICO's financial instruments that are carried at fair value, consisting of cash equivalents and investments, have been classified in the following levels:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
	\$	\$	\$
Cash equivalents	–	–	–
Investments	5,649,700	15,785,297	–

As at March 31, 2013, TICO's financial instruments that are carried at fair value, consisting of investments, have been classified in the following levels:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
	\$	\$	\$
Cash equivalents	1,605,851	–	–
Investments	8,909,578	13,188,138	–

**Interest Rate Risk:**

Interest rate risk arises from the possibility that changes in interest rates will affect the value of financial instruments. TICO has investments in financial instruments that include term deposits, short-term notes, bonds and debentures which are subject to interest rate risk. TICO does not hedge its exposure to interest rate risk as it considers such risk to be minimal.

**Foreign Exchange Risk:**

Foreign exchange risk is the risk that the market value of financial instruments and the associated revenues will fluctuate due to changes in exchange rates. TICO does not use derivatives to modify foreign exchange risk.

**Market Risk:**

Market risk is the risk that a change in market prices, interest rate levels, indices, liquidity and other market factors will result in losses. TICO is exposed to market risk as a result of its investments. TICO mitigates its market risk exposure through controls to limit concentration levels.

**9. CAPITAL DISCLOSURES**

TICO’s capital is comprised of its net assets. TICO’s objective in managing its capital is to remain a sustainable operation while fulfilling its overall mandate (Note 1). TICO achieves this objective by strong day-to-day management of its cash flows, and by regularly monitoring revenues and expenditures against its operating budget. See also Note 4.

Section 72(2) of Ontario Regulation 26/05 provides that TICO may, from time to time, invest any money of the Fund that is surplus to its immediate requirements in property in which a trustee is authorized to invest, in accordance with the Trustee Act.

The TICO Board adopted the following policy with respect to investing surplus funds of TICO:

A minimum of \$2,000,000 of such surplus funds will be invested in qualifying investments that mature within one year. The remainder of the surplus funds not invested in short-term investments will be invested in qualifying investments, which will be laddered in approximately equal proportions with maturities ranging between 2 and 10 years.

**Approved Investments:**

- Government - all government of Canada bonds and guarantees, all liabilities of Provinces of Canada and their guarantees.
- Banks/Trust Companies/Central Cooperative Credit Societies - Investments include Bearer Deposit Notes (BDNs), Bankers Acceptances (BAs), Guaranteed Investment Certificates (GICs), Certificates of Deposit (CDs) but do not include Swap Deposits. Authorized investments also include other liabilities unconditionally guaranteed by the Banks or the regulated Trust Companies.
- All funds must be invested in Canadian dollar denominated financial instruments.

**Ratings:**

The criteria for the inclusion of a bank, trust company or a central co-operative credit society on this list of authorized investments is:

	<u>One Year or Less (Short Term Paper)</u>	<u>Over One Year In Length</u>
Dominion Bond Rating Service (DBRS)	R-1	A
Canadian Bond Rating Service (CBRS)	A-1	A

**Maximum Holdings:**

Each individual investment in or guaranteed by any one bank, trust company or central co-operative credit society other than the Bank of Nova Scotia, Royal Bank of Canada, Bank of Montreal, Toronto-Dominion Bank and Canadian Imperial Bank of Commerce should not exceed 3% of the total amount invested and the aggregate of such investments should be not more than 20% of the total amount invested.

# Business Plan

April 1, 2014 – March 31, 2017

In assuming the delegation from the Ontario Government for administering the *Travel Industry Act, 2002*, which governs approximately 2,500 travel retailers and wholesalers registered in Ontario, TICO established an initial agenda not just to administer its delegated responsibilities in the public interest, but also to elevate the travel industry to new levels in consumer protection, professional standards and regulatory compliance. TICO's mission, vision and values will serve as guiding principles to staff and Board members and against which all initiatives will be measured.

The 17th year Business Plan which follows, outlines:

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



## Business Objectives

### Environment

One of the biggest factors currently impacting the travel industry in Ontario is the decline over the last twelve months of the Canadian dollar. A rising dollar makes it more affordable to travel abroad, while a falling dollar encourages consumers to stay home. The slumping loonie has meant that businesses that buy fuel and other products priced in U.S. dollars are facing higher costs. These costs are often passed on to consumers. Some travel companies have already imposed surcharges to compensate for the depreciating Canadian dollar. If the dollar remains low and the cost of international travel increases, there is a concern that it may curb some of the outbound business as consumers decide to stay home or travel within the country to stretch their vacation funds. While this may be good for Canadian tourism and those arranging conferences and events within Canada, it could mean that outbound operators are competing for fewer consumers.

Competition is already intense within the industry. Many consumers are booking online directly with suppliers when reserving air fares and hotels. Canadians are driving south to take advantage of lower American fares and lower transportation taxes rather than flying from local Canadian airports. Overcapacity and the resulting pricing competition make it challenging to earn a profit. To succeed, travel agents need to differentiate their offerings, enhance the customer experience, build brand loyalty, harness technology to improve operations, leverage social media platforms and keep up-to-date with an increasing amount of information to meet consumer expectations. Increasingly, agents are trying to do all these things outside of a “traditional” bricks and mortar travel agency.

There has been much talk about the home-based travel trend where registrants are selling travel services from their homes and many are predicting that the trend will increase over the next few years. Of course, to succeed in this new environment may require new strategies and skills. As the regulator, TICO needs to be sure that the requirements of the *Travel Industry Act, 2002* and Ontario Regulation 26/05 are being adhered to, however the business is structured. Also, the regulator needs to ensure that any new risks or challenges that arise as a result of new business models are promptly addressed so there is no risk to the consumer or travel businesses.

While registrants are constantly striving to improve their customer service, TICO is also looking to improve its services to stakeholders. Over the next year, we will be working on developing online processes for registration and renewal and Form 1 filings to make things easier for registrants and more efficient. We are also going to continue holding Industry Forums across the province to provide information and get feedback from registrants and their agents. TICO’s accounting seminars have been a great success and we are planning to continue offering them for registrants who are interested in better understanding the financial requirements and how to comply with the law in Ontario. As always, TICO strives to ensure that there is a fair and informed marketplace in Ontario where consumers can be confident in their travel purchases.



## STRATEGIC PRIORITIES

As a result of the changing environment in the industry, the TICO Board of Directors has set the following strategic priorities for the future. The Board considered short term, medium term and long range goals. The Business Objectives that TICO will focus on in this 3-year Business Plan are listed below. TICO may also initiate some preliminary work on the objectives found in Horizons 2 and 3 over the next year. You will note that the latter Horizons are classified “1-5” and “1-10” to reflect this.

### HORIZON 1 (1-3 years)

Review and provide advice to the Ministry of Consumer Services on potential changes to the *Travel Industry Act, 2002* and Ontario Regulation 26/05.

Enhance TICO Education Standards Program.

Develop an Online Registration and Form 1 Process for Registrants.

Promote Registrant Engagement.

Promote Consumer Awareness.

### HORIZON 2 (1-5 years)

Take a lead role in promoting harmonized standards with other industry stakeholders, provincial jurisdictions and with the federal government in the travel industry to eliminate gaps in consumer protection.

Participate in exploring the feasibility of a national travel compensation fund with other stakeholders and promote the protection of consumers across Canada.

### HORIZON 3 (1-10 years)

Explore the development of turn-key solutions for self-management and consumer protection that can be sold to other jurisdictions and/or industries.





## Business Objectives for 2014/2015:

### **OBJECTIVE #1:**

Review and provide advice to the Ministry of Consumer Services on potential changes to the *Travel Industry Act, 2002* and Ontario Regulation 26/05

#### **Performance Goal:**

- Ensure that consumers are adequately protected by enhancing the effectiveness of the Act and the Regulation to eliminate any gaps in consumer protection, ensuring that the requirements are achievable by registrants.

#### **Performance Measures for 2014/2015:**

- Review overlap of the sale of travel services in conjunction with other business sectors and services.
- Ensure the Act and the Regulation provisions adequately regulate the industry and provide consumer protection in light of changes to business models so that consumers are protected.
- In partnership with the Ministry, consider enhancements to the consumer protection provided by the Compensation Fund.
- In partnership with the Ministry, consider enhancements to the consumer protection provided by the Act and the Regulation and determine if there are opportunities to close the gaps through legislative, regulatory and/ or policy changes to ensure appropriate consumer protection.

### **OBJECTIVE #2:**

Enhance TICO Education Standards Program

#### **Performance Goal:**

- Improve and expand TICO's Education Standards Program to ensure that individuals have the knowledge they need to perform their roles in compliance with the *Travel Industry Act, 2002* and Ontario Regulation 26/05.

#### **Performance Measures for 2014/2015:**

- Enhance Education Standard Program study materials and resources.
- Improve the online Education Standards process to integrate with TICO database and systems to improve performance and oversight.
- Explore the development of a new financial course and exam that focuses on registrant obligations in relation to the financial requirements under the legislation.

### **OBJECTIVE #3:**

Develop an Online Registration and Form 1 Process for Registrants

#### **Performance Goal:**

- Improve TICO's registration and Form 1 processes to allow for online registration and payments from registrants that are integrated into TICO's database.

#### **Performance Measures for 2014/2015:**

- Commence development of an online registration and renewal process that accepts online payments as well as changes/updates to a registrant's registration record with TICO.
- Commence development of an online Form 1 filing and payment process for registrants.
- Ensure that all online processes are integrated with TICO systems to ensure accuracy and improved productivity.

#### **OBJECTIVE #4: Promote Registrant Engagement**

##### **Performance Goals:**

- Increase registrant understanding of TICO's roles and develop opportunities to foster more interaction and dialogue.

#### **Performance Measures for 2014/2015:**

- Provide registrants with opportunities to engage with TICO to provide feedback and a dialogue to promote a better understanding of TICO and its mandate.
- Conduct information sessions across Ontario to engage registrants and agents to increase their knowledge of and relationship with TICO and improve communication.
- Conduct a registrant survey and use feedback obtained from the information sessions to identify gaps in TICO communications with registrants and identify opportunities to enhance understanding of TICO's mandate.
- Improve registrant knowledge of the tools available to assist them in educating consumers as to the benefits of dealing with TICO registrants.

- Enhance communications with the industry by continuing to build TICO's email database.
- Continue to conduct registrant seminars on accounting and financial requirements to assist registrants with financial compliance issues and develop other informative seminars with a focus on compliance related issues.
- Introduce and foster relationship and communications between stakeholders and the new CEO.

#### **OBJECTIVE #5: Proactively promote consumer awareness as to the existence of TICO and the consumer protection available when booking with registered Ontario travel agencies.**

##### **Performance Goals:**

- Promote consumer awareness of TICO and the consumer protection available when booking with Ontario registered travel agencies.

#### **Performance Measures for 2014/2015:**

- Develop and execute an effective communications plan to educate consumers about the existence of TICO and the consumer protection available when purchasing travel services in Ontario.
- Enhance TICO's social media strategy to reach more consumers with its consumer protection messaging.
- Conduct a consumer survey and use feedback obtained from the survey to identify opportunities to enhance understanding of TICO and its consumer protection message.

## TICO PERFORMANCE MEASURES 2014/2015

As part of its efforts to indicate that it is promoting a fair and informed marketplace where consumers can be confident in their travel purchases, TICO will be publicly tracking and reporting on the following Measures:

### Consumer Awareness and Education:

#### 1. TICO's Consumer Awareness Campaign ensures that consumers are aware of the existence of TICO.

##### Performance Goal

- To increase the awareness of the TICO brand among Ontario travellers.

##### Performance Measure

- Identify percentage of consumers surveyed who report that they are aware of the existence of TICO.

#### 2. TICO's Consumer Awareness Campaign ensures that consumers understand the roles that TICO performs and the benefits of booking travel services through an Ontario registered travel agent.

##### Performance Goals

- To increase the percentage of consumers surveyed who identified at least one of TICO's roles correctly.

##### Performance Measures

- Identify percentage of consumers surveyed who could identify the roles that TICO performs.
- Identify percentage of consumers surveyed who understand that they must purchase their travel services from an Ontario registered travel agency to obtain the protection of TICO and the Compensation Fund.

### Consumer Protection:

#### 1. TICO's Financial Inspection Program ensures that consumers are better protected through financial inspections and monitoring.

##### Performance Goal

- Less than 5% of registrants with working capital or financial statement compliance issues result in claims against the Compensation Fund.

### Performance Measures

- Identify the number of site inspections completed.
- Identify the number of financial statement (bench) reviews completed.
- Identify the number of registrants with working capital deficiencies, which resulted in inspections, proposals and terminations (revocations and voluntary terminations).
- Identify the number of registrants who failed to file their financial statements on time, which resulted in inspections, proposals and terminations (revocations and voluntary terminations).
- Identify the number of registrants with working capital deficiencies and financial statement filing compliance issues that failed and resulted in claims against the Compensation Fund.

#### 2. TICO's Compensation Fund provides timely and fair resolution of claims.

##### Performance Goal

- For claims received during the year, 70% of approved claims were processed within 120 days of receipt.

##### Performance Measures

- Identify the number of claims received during the year.
- Identify the value of the claims received during the year.
- Identify the value of claims received during the year that were paid.
- Identify the number of consumers assisted during the year.
- Identify the average time to resolve claims received during the year.
- Identify the percentage of claimants surveyed who report the process was timely and fair.
- Identify the number of Licence Appeal Tribunal claim appeals and results.
- Identify the percentage of claims received and approved during the year that were processed within 120 days of receipt.

## TICO REVENUE AND EXPENSE FORECAST

	Business Plan 2014/2015	Business Plan 2015/2016	Business Plan 2016/2017
<b>Revenues</b>			
Semi-Annual Assessments	1,998,000	1,998,000	1,998,000
New Registrations	235,000	235,000	235,000
Renewals	1,055,000	1,055,000	1,055,000
Education Standards	174,000	174,000	174,000
Interest	533,000	514,345	498,915
	<u>3,995,000</u>	<u>3,976,345</u>	<u>3,960,915</u>
<b>Operating Expenses</b>			
Compensation Fund Claims	670,000	670,000	670,000
Salaries & Benefits	1,883,000	1,830,000	1,875,000
Administration	1,241,000	1,264,000	1,287,000
Industry Initiatives	738,000	538,000	538,000
Inspections & Compliance	576,000	600,000	624,000
	<u>5,108,000</u>	<u>4,902,000</u>	<u>4,994,000</u>
Excess Receipts over Payments	(1,113,000)	(925,655)	(1,033,085)
Net Compensation Fund/TICO Assets beginning of period	<u>21,910,000</u>	<u>20,797,000</u>	<u>19,871,345</u>
Total Compensation Fund/TICO Assets	<u>20,797,000</u>	<u>19,871,345</u>	<u>18,838,260</u>
<b>Compensation Fund/TICO Assets Breakdown</b>			
Compensation Fund Asset	19,700,000	18,681,100	17,579,576
TICO Asset	1,021,000	1,107,785	1,171,483
Capital Assets	<u>76,000</u>	<u>82,460</u>	<u>87,201</u>
	<u>20,797,000</u>	<u>19,871,345</u>	<u>18,838,260</u>

### Notes:

1. Compensation Fund Assessments assume that the rate is .15 per \$1,000 for retail and wholesale sales effective May 1, 2013. This may have to be adjusted after 2014/2015 depending on the level of the Fund as it is projected to dip below \$20 million at the end of fiscal 2014/2015.
2. Registration Fees based on current rates with no increases. Renewals and new registrations are projected to remain flat.
3. Interest on Fund investments is assumed to be 2.50% per annum.
4. Salaries and Benefits in 2014/2015 assume CEO overlap for two months. Transition expenses are a one time cost. Salaries and Benefits decrease in 2015/2016 and 2016/2017 due to internal structural cost savings.
5. Industry Initiatives includes an additional \$200,000 for the Consumer Awareness Campaign in 2014/2015, from Canada 3000 recovery. For 2015/2016 and 2016/2017, Consumer Awareness Campaign is \$500,000. For 2014/2015, 2015/2016 and 2016/2017, \$38,000 is for holding Industry Forum Sessions and registrant financial accounting requirement seminars in Ontario.
6. Education Standards Program is administered in-house and shows revenue of \$174,000. There are direct costs and overheads that offset the revenues for exam fees and staffing.

## Appendix II

### TICO BOARD OF DIRECTORS 2013-14 (as of March 31, 2014)

#### Industry Representatives

**Ray DeNure, CA**

CEO  
DeNure Tours  
Lindsay, ON

**Jim Diebel**

President  
Hanover Holiday Tours Limited  
Hanover, ON

**Jeff Element, CPA, CMA, CTM**

President  
Travel Corporation Canada  
Toronto, ON

**Louise Gardiner**

Senior Director, Leisure Travel - Canada  
Carlson Wagonlit Travel  
Toronto, ON

**Daryl McWilliams**

Vice President Business Development  
Sunwing Travel Group  
Toronto, ON

**Thanushka Nanayakkara, CTM**

President  
NÂRAT Incorporated  
Toronto, ON

**Paul Samuel, CTM**

Manager Overseas Travel Division  
Vision 2000 Travel Group  
Toronto, ON

**Richard Vanderlubbe – VICE CHAIR**

President  
Travel Superstore Inc.  
Hamilton, ON

**Brett Walker**

General Manager, Canada  
Collette Vacations  
Mississauga, ON

#### Ministerial Appointments

**Jean Hébert**

Senior Consultant  
Raymond Chabot Grant Thornton & Co.  
Ottawa, ON

**Michael Janigan, J.D., LL.M. – CHAIR**

Special Counsel, Consumer & Regulatory Affairs  
Public Interest Advocacy Centre  
Ottawa, ON

**Patricia Jensen**

Member  
Consumers Council of Canada  
Toronto, ON

## BOARD OF DIRECTOR BIOGRAPHIES

### Ray DeNure, CA

Ray is the second-generation owner of the Ontario based tour operator, DeNure Tours. In business since 1960, DeNure Tours specializes in vacation packages for the ‘young at heart.’ He obtained a professional accounting designation with Touche Ross & Co prior to joining the family business in 1985. Ray has board experience with not-for-profit organizations in his hometown of Lindsay, Ontario and has been a long time board member of the Ontario Motor Coach Association where he currently serves as Vice Chair. Ray was a TICO Board member from 2001 to 2003 and now holds the OMCA Seat on the TICO Board. He currently serves on the committees of Audit, Compensation Fund and the Selection Committee.

### Jim Diebel

Hanover Holiday Tours has been operating escorted Motor Coach Tours across Canada and the United States since 1974. Jim Diebel joined the company in 1986 and in 1993 purchased the company, along with his business partner, Diane. The company has grown dramatically, yet remained firmly committed to selling its tour packages through Travel Agents. In addition to being first elected to the TICO Board in the fall of 2010, Jim also serves TICO’s Governance Committee as its chair, and is a member of the Expanded Coverage, Complaints Committees and the special Selection Committee, charged with conducting the search for a President and CEO of TICO. In his capacity as past Vice Chair of the Board, Jim is honoured to serve the Organization through the work of the Executive Committee. Beyond TICO, Jim has also served on numerous Committees and Boards including as a Board member of Motor Coach Canada and the American Bus Association.

### Jeff Element, CPA, CMA, CTM

Jeff Element is a graduate of the University of Toronto with an Honours Bachelor of Arts degree in Commerce and Economics. In 1995, he obtained his professional designation in management accounting from CMA Canada. Jeff has 20 years of Travel Industry experience. For the last 18 years, he has been employed with The Travel Corporation Group of Companies, being promoted to the role of President for the Canadian operation in 2006. He is actively involved in the travel industry, having received his Certified Travel Manager designation in 2006 and appointed to the Board of Directors for TICO in 2005 as a representative of the Canadian Association of Tour Operators.

### Louise Gardiner

Louise Gardiner is Senior Director Operations & Product Solutions North American Leisure, a member of the executive team at Carlson Wagonlit Travel and responsible for setting and implementing CWT’s Leisure Travel Strategy for North America. She oversees the leisure operational execution of 150 leisure travel locations which represent over 700 employees within Canada for both the Leisure and Local Business (LLB) branches as well as the Associate Franchise Network. Louise also oversees the CWT North American Leisure Product Solutions Division.

Louise resides in Kitchener Ontario, has served as President of the Rotary Club of Kitchener (2002) and was nominated for Kitchener Waterloo Woman of the Year for her philanthropic community efforts. She continues to be involved with Rotary today as a Past President and Rotary Board Member. She currently sits on the ACTA Ontario Council and serves on TICO’s Business Strategy, Education Standards and Legislative & Regulatory Review Committees.

### Jean Hébert

Jean Hébert is a consultant in strategic planning, project management, policy development, strategic communication and positioning since 2006. He has worked for more than fifteen years at the provincial and federal level as a senior policy advisor and ministers’ chief of staff in various government departments. He worked at a senior management level and special advisor to the chairman of the board of Canada Post Corporation. He also worked in the economic development, including in the tourism industry.

Mr. Hébert lives in Ottawa. He was born in Québec where he also obtained his bachelor degree in political sciences with Honors in public administration. He joined the TICO Board in 2011 as a ministerial appointee and serves on TICO’s Governance and Legislative & Regulatory Review and Audit Committees.

### Michael Janigan, J.D., LL.M.

Michael Janigan is the Special Counsel for Consumer and Regulatory Affairs of the Public Interest Advocacy Centre (PIAC) located in Ottawa, Canada. The Centre provides legal services and research in issues involving the delivery of important public services on behalf of Canadian consumers, and the organisations that represent them. The Centre has been in existence since 1976 and has a small staff of lawyers, researchers and administrative personnel located in Ottawa and Toronto.

The Centre has been engaged in transportation issues on behalf of the travelling public, and, as a partner with the travel industry, has engaged in advocacy in support of consumer protection and passenger rights in airline travel. PIAC has made presentations before House and Senate Committees in support of all-in price requirements for airline advertising to level the playing field with the current required practice in the travel industry.

Mr. Janigan was the Executive Director of the Centre from 1992 to 2012. Prior to joining the Centre, Mr. Janigan was a city and regional councillor representing a downtown ward in the City of Ottawa. He was elected to that position in the community where he carried on a busy litigation practice.

Mr. Janigan was born in Ottawa, and attended the University of Western Ontario, in London, Ontario where he obtained both his undergraduate degree in science and his law degree. He has also received an LL.M degree in competition law from the University of London. He has been called to the Bar of the Law Society of Upper Canada and is also a member of the State Bar of California.

### **Daryl McWilliams**

Daryl is a graduate of McMaster University with a Bachelor of Arts degree in Philosophy of Religion. He entered the travel industry in 1970 and held a variety of management and executive positions at Sunflight Holidays and Skylark Vacations before founding his own company, Paramount Holidays, in 1981. Following the sale of Paramount, he launched Encore Cruises in partnership with International Travel Holdings in 1991 until selling his interest to U.K. based First Choice in 1995. After a brief stint in retail travel, Daryl joined Sunwing Vacations in 2004 where he holds the position of Vice President Business Development. He was one of the founding members of CATO and is still involved with the organization, currently holding the position of Chairperson.

### **Thanushka Nanayakkara, CTM**

President and CEO of NÂRAT, Thanushka Nanayakkara, CTM, is a 3rd generation industry veteran from a family that had pioneered travel in parts of the world, and helmed world travel industry bodies including presidency of the United Federation of Travel Agents Associations (UFTAA), in addition to chairing international Tourism Boards.

His extensive travel industry experience entails managing positions within major facets of the industry, including leading retail agencies, tour wholesalers, tour operators, airline consolidators, coach transport companies and air transport companies.

Thanushka Nanayakkara holds College and University qualifications in Business and Cultural Studies, and is professionally accredited with the Canadian Institute of Travel Counsellors (CITC) as CTM and participates on Seneca College's Tourism Faculty Advisory Committee.

He is a member of the Ontario Board of Directors for the Association of Canadian Travel Agencies (ACTA) and sits as its representative on the Travel Industry Council of Ontario (TICO) Board. He is a standing member of the Travel and Tourism Research Association (TTRA), represented by the Tourism Industry Association of Canada (TIAC).

A well regarded Public Speaker, his literary insights have been published in Canadian and international journals and has published the professional advice column Experience Matters for Travel Agents in the Travel Courier magazine, one of Canada's leading travel trade publications.

### **Patricia Jensen**

Patricia is a Professor Emeritus of Ryerson University's School of Nutrition, where she taught for 31 years. During her Ryerson tenure, her primary academic interest was in the discipline of consumer behaviour and communications. Since retirement in 2001, she has served as a consumer advocate on a number of agencies and boards. These include: the Consumers Council of Canada (Board member, Treasurer, and currently member); Chair of the Consumer Advisory Council, Technical Standards and Safety Authority; Board member and Statutory Director, Travel Industry Council of Ontario; member of the National Advisory Committee, Homeowners Protection Centre; and member of the Expert Panel to the Home Inspector Qualification Consultation at the Ministry of Consumer Services.

### **Paul Samuel, CTM**

Paul Samuel is Manager of the Overseas Travel Division at Vision Travel Solutions, the largest Canadian-owned and operated travel management company in Canada. Previously he was owner and manager of Overseas Travel Limited, one of Toronto's oldest independent agencies. Paul has over 30 years of experience in the travel industry. From junior counsellor to manager and owner, he has witnessed the enormous changes in the industry and has first-hand knowledge of the challenges facing travel retailers in Ontario. Paul is passionate about travel and feels that all segments of the trade should strongly promote our professionalism, qualifications and experience. This is why Paul supports the mission of TICO to maintain an equitable and informed marketplace for travel in Ontario as it only serves to benefit everyone. Paul also serves on the Ontario council of the Association of Canadian Travel Agencies (ACTA),



the Seneca College Tourism Advisory committee and on the board for Citizens for Affordable Housing in York Region. Paul was elected to the Board of Directors for TICO in 2011 and serves on the Legislative & Regulatory Review, Business Strategy and Compensation committees.

Paul graduated from York University with a Bachelor of Arts degree in Political Science and then completed an Honours Bachelor of Commerce from the University of Windsor. Paul has recently completed a graduate certificate in Public Relations at Ryerson University and has obtained the Certified Travel Manager (CTM) designation from the Canadian Institute of Travel Counsellors.

### **Richard Vanderlubbe**

President and co-founder of Tripcentral.ca, a hybrid travel agency with 24 locations and a national website. Richard started in the retail travel business in 1989 with a small agency in Hamilton. Richard has held numerous positions with industry associations including Chair of the Association of Canadian Travel Agencies (ACTA) and past Chair of the Board of Directors for the Travel Industry Council of Ontario. As well as his current role as a Director on TICO's Board, he also serves on TICO's Executive Committee, Expanded Coverage Committee, Business Strategy Committee, Selection Committee and the Legislative & Regulatory Review Committee.

### **Brett Walker**

Brett Walker graduated from Bishop's University with a Bachelor of Arts degree in History & Political Science. In 2009 he obtained his Masters in Business Administration, specializing in Hospitality & Tourism Management from the University of Guelph's College of Management & Economics. Currently he is pursuing a Certificate in Applied Leadership from Queen's University and destined to graduate in the Fall 2014. He began his career in travel with Collette Vacations in 1989 as a District Sales Manager. He held successive positions as Regional Sales Manager, Operations Manager and finally in his current role as General Manager. In this role, he oversees all staff, operations, policy and customer care for the company here in Canada as well as acting liaison for with Collette's Global Headquarters. He also serves as Ambassador for the Collette Foundation in Canada and is actively involved with the work of recipient organizations such as Stanley Park Ecology Society, Young Naturalists Stanley Park, and Peel Region Children & Youth Initiative. His long tenure in the travel industry is fueled by his love of travel which inspires others to do the same. He previously served on the TICO Board as an elected member at large for the maximum term of 9 years and was recently joined the TICO Board as an appointed member by CATO.

## Appendix III

### Statutory Appointments

**Patricia Jensen**

Statutory Director,  
*Travel Industry Act, 2002*

**Michael Janigan**

Deputy Director,  
*Travel Industry Act, 2002*

**Michael Pepper**

Statutory Registrar,  
*Travel Industry Act, 2002*

### TICO Staff (as of March 31, 2014)

**President & Chief Executive Officer**

Michael Pepper

**Director, Customer Service & Stakeholder Relations**

Dorian Werda

**Legal Counsel & Corporate Secretary**

Tracey McKiernan, LL.B.

**Legal Counsel / Prosecutions**

Soussanna Karas, LL.B., LL.M.

**Investigator/Provincial Offences Officer**

Doug Fritz  
Sean McGowan

**Registration Co-ordinator**

Cora Reyes

**Registration Officer**

Jana Arthur  
Paula Oliveira

**Form 1 and Claims Co-ordinator /  
TICO Exam Co-ordinator**

Lori Furlan

**Complaints Officer**

Sylvia Manuge  
Cheryl Slocombe

**Compliance Officer**

Anabel Andre  
Eric Neira  
Tina Shewchuk

**Financial Inspections Supervisor**

Sanja Skrbic, CPA, CA

**Financial Inspector,  
Designated by the Registrar**

Maria Descours, CMA  
Timothy James, CGA  
Vera Nedbal, CGA

**Financial Inspections Clerk**

Annie Tse

**Executive Assistant /  
TICO Exam Co-ordinator**

Heather Wilkins

**Administrative Assistant**

Susan Janko

**Reception**

Monique Belanger

### Auditors

McGovern, Hurley, Cunningham, LLP  
2005 Sheppard Avenue East, Suite 300  
Toronto, Ontario M2J 5B4

**BIOGRAPHY OF MICHAEL PEPPER,**  
**President & Chief Executive Officer and Registrar,**  
***Travel Industry Act, 2002***

Michael Pepper serves as President and C.E.O. of the Travel Industry Council of Ontario (TICO), having first been appointed in 1997. He is responsible for carrying out TICO's strategic plans and objectives as established by the Board of Directors, and is an ex-officio member of the Board.

Immediately, prior to his appointment, Michael worked at the Ontario Government's Ministry of Consumer and Commercial Relations Business Division from 1991 to 1997. He held the positions of Registrar Travel Industry Act from 1991 to 1995, and Registrar Consumer Protection Act, Consumer Reporting Act, Collections Agency Act and Bailiffs Act from 1995 to 1997. His tenure there provided him with an extensive knowledge of Ontario's travel industry, government regulatory functions and consumer protection legislation.

Michael's private sector experience includes holding various senior management positions within the regulatory framework of the international shipping industry. He served as Manager, UK Inspection Services for International Shipping Trustees, U.K., from 1972 to 1977 in London England before moving to Montreal in 1977 as Vice President of International Shipping Trustees (Canada), a subsidiary of Geneva based S.G.S. He later transferred to New York in 1983 as President of its U.S. subsidiary where he remained until 1986. From 1986 until 1990, he was a member of the Board of Directors with the Swiss based The Adherence Group AG, Zurich, responsible for regulating international shipping for two of its Group companies in the U.S. and Canada.

Michael was a founding member of the Advisory Board of the Training Completion Assurance Fund in 2007 and served as its Vice Chair until 2009. He is a past member of the Board of Directors for Credit Counseling Services of Toronto having served from 1998 until 2002.

**BIOGRAPHY OF TRACEY MCKIERNAN, LL.B.**  
**Legal Counsel & Corporate Secretary**

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



Travel Industry Council of Ontario

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