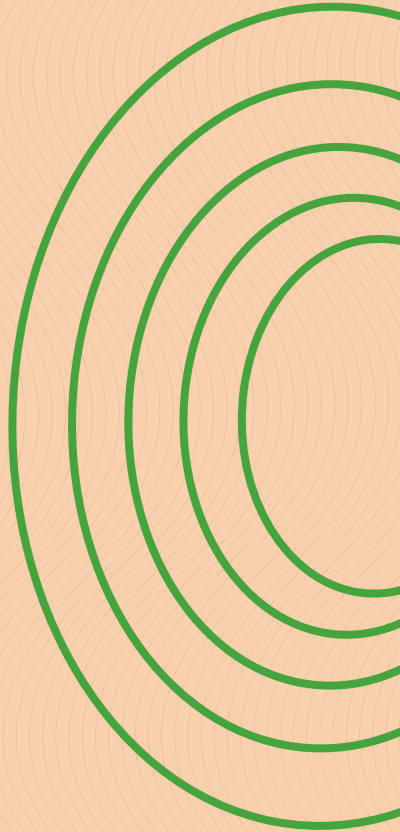
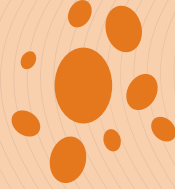
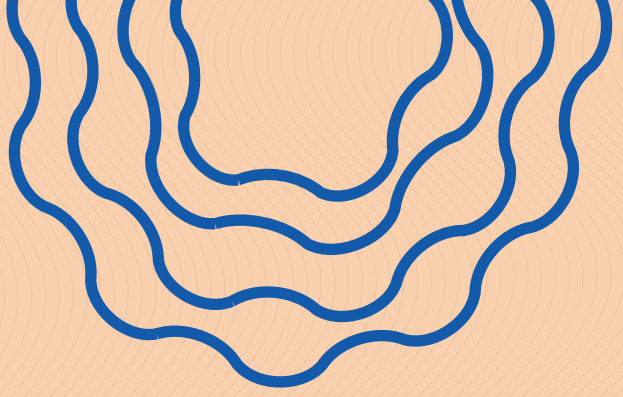




Travel Industry Council of Ontario



ANNUAL REPORT 2024

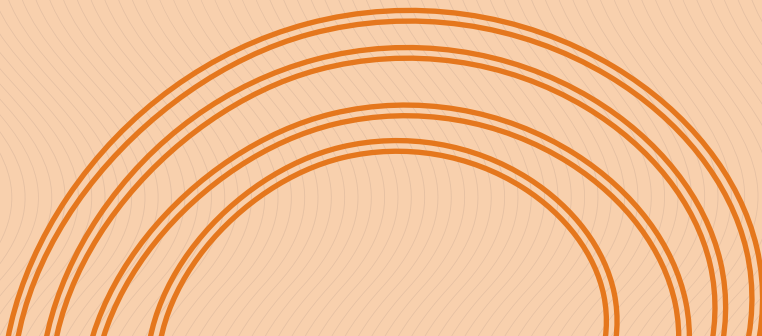
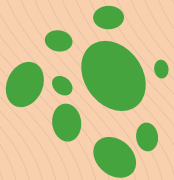


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Message from the Chair

July 29, 2024

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

Dear Minister McCarthy,

As we reflect on another year and look toward the future, I am grateful for the continued partnership and support provided by your Ministry. It is with a sense of accomplishment and optimism that I present this year's annual report for the Travel Industry Council of Ontario (TICO).

Reflecting on the past year, I am delighted to report that Ontario's travel industry stands on the threshold of a full post-pandemic recovery. Despite the challenges posed by global events and economic conditions, we have seen resilience and innovation at every turn, and I believe that the future is bright.

Much like the industry is evolving, so too is TICO. The value-for-money audit report from the Office of the Auditor General of Ontario (OAGO) has presented TICO with opportunities to enhance the way it operates, while highlighting the transformational changes within the sector since the organization was first created. The Board will continue to be engaged as TICO addresses the OAGO's recommendations, including the potential for a legislative and mandate review, subject to the Ontario government's consideration of that recommendation.

Along with your Ministry's support, I'm pleased with the Board's oversight over a new and enhanced funding framework and fee model that became live with the start of the 2024-25 fiscal year.

A new approach to governance

One of the key highlights of this past year has been the rebuilding of TICO's Board. Following Minister's Orders received last August, the Board was reconstituted to equally reflect the perspectives of consumers, industry and Ministerial-appointed members.

We have welcomed new Directors who bring with them diverse perspectives and invaluable expertise. This variety of viewpoints has enriched our discussions and decision-making processes, ensuring that we are better equipped to meet the challenges ahead.

A focus on risk management

In an ever-evolving travel landscape, risk management continues to be one of the primary roles of the Board. With many changes on the horizon — both internal and external — we focus on assessing risks to safeguard TICO's delivery of its consumer protection mandate, while also being equipped to act on new opportunities.

The Board actively discusses the impact of the Auditor General's recommendations, emerging technologies, artificial intelligence, the economic and political climate both near and far, as well as consumers' changing sentiments and expectations and how all these factors relate to TICO's mandate. This focus on risk management will continue to be a priority as we navigate a complex and changing industry.

Acknowledgements

I would like to take this opportunity to thank my fellow Directors, as well as the TICO leadership team and staff for their dedication and hard work over the past year. Their contributions have been instrumental in navigating a busy and challenging year.

Thank you, Minister McCarthy, for your unwavering support of our mission.

As we look to the future, I am confident that TICO will continue to deliver value to consumers, while fostering a trusted travel marketplace in Ontario.

Thank you for your continued support.

Yours truly,
Travel Industry Council of Ontario



Michael Levinson,
Chair of the Board of Directors



Message du président du conseil d'administration

Le 29 juillet 2024

L'honorable Todd McCarthy
Ministre des Services au public et aux entreprises et de
l'Approvisionnement
777, rue Bay, 5e étage
Toronto (Ontario)
M5B 2H7

Monsieur le Ministre,

Alors que nous réfléchissons à une autre année et regardons vers l'avenir, je suis reconnaissant pour le partenariat et le soutien continus fournis par votre ministère. C'est avec un sentiment d'accomplissement et d'optimisme que je présente le rapport annuel de cette année pour l'organisme de régulation de voyage de l'ontario (TICO).

En réfléchissant à la dernière année, je suis ravi d'annoncer que l'industrie du tourisme de l'Ontario est au seuil d'une reprise post-pandémique complète. Malgré les défis posés par les événements mondiaux et les conditions économiques, nous avons vu de la résilience et de l'innovation à chaque tournant, et je crois que l'avenir est prometteur.

Tout comme l'industrie évolue, TICO évolue également. Le rapport d'audit sur l'optimisation des ressources du Bureau du vérificateur général de l'Ontario (VGO) a présenté au Conseil des occasions d'améliorer son mode de fonctionnement, tout en soulignant les changements transformationnels au sein du secteur depuis la création de l'organisation. Le conseil d'administration continuera de collaborer avec le Conseil pour donner suite aux recommandations du VGO, y compris la possibilité d'un examen de la législation et du mandat, sous réserve de l'examen de cette recommandation par le gouvernement de l'Ontario.

Outre le soutien de votre ministère, je suis satisfait de la surveillance exercée par le conseil d'administration à l'égard d'un nouveau cadre de financement et d'un modèle de frais améliorés, en vigueur depuis le début de l'exercice 2024-2025.

Une nouvelle approche de la gouvernance

L'un des faits saillants de la dernière année a été la reconstruction du conseil d'administration du TICO. Suite aux arrêtés ministériels reçus en août dernier, le conseil d'administration a été remanié pour refléter équitablement les points de vue des consommateurs, de l'industrie et des membres nommés par le ministre.

Nous avons accueilli de nouveaux directeurs qui apportent avec eux des perspectives diverses et une expertise inestimable. Cette variété de points de vue a enrichi nos discussions et nos processus

décisionnels, garantissant que nous sommes mieux équipés pour relever les défis à venir.

Un accent mis sur la gestion des risques

Dans un paysage touristique en constante évolution, la gestion des risques demeure l'un des principaux rôles du conseil d'administration. Avec de nombreux changements à l'horizon, tant à l'interne qu'à l'externe, nous nous concentrons sur l'évaluation des risques pour garantir que le TICO s'acquitte de son mandat de protection des consommateurs, tout en étant également équipés pour saisir de nouvelles occasions.

Le conseil d'administration discute activement de l'incidence des recommandations de la vérificatrice générale, des technologies émergentes, de l'intelligence artificielle, du climat économique et politique d'ici et d'ailleurs, ainsi que de l'évolution des sentiments et des attentes des consommateurs et de la façon dont tous ces facteurs sont liés au mandat du Conseil. L'accent mis sur la gestion des risques continuera d'être une priorité alors que nous évoluons dans une industrie complexe et en évolution.

Remerciements

J'aimerais profiter de cette occasion pour remercier mes collègues directeurs, ainsi que l'équipe de direction et le personnel du TICO pour leur dévouement et leur travail acharné au cours de la dernière année. Leurs contributions ont été déterminantes pour faire face à une année chargée et difficile.

Merci, monsieur le ministre, pour votre soutien indéfectible à notre mission.

Alors que nous regardons vers l'avenir, je suis convaincu que le Conseil continuera d'offrir de la valeur aux consommateurs, tout en favorisant un marché du tourisme fiable en Ontario.

Merci pour votre soutien continu.

Cordialement,
l'organisme de régulation
de voyage de l'ontario



Michael Levinson
Président du conseil d'administration



Chief Executive Officer's Report

A year of new opportunities

The return to travel by Ontario consumers in 2023 was robust. Following three years of devastation to global travel, the Ontario travel marketplace returned to near-record sales levels. Pent-up travel demand projected by many pundits emerged, exceeding even the optimistic forecasts from a year ago. In fact, many TICO travel agencies and tour operators experienced record sales levels during a year mired by global issues.

For much of the year, economists were projecting a significant economic slowdown in consumer and business activity. Interest rates remained relatively high, while inflation was at, or near 40-year highs. Notwithstanding the difficult environment experienced in 2023, the worst appears to be behind us.

Inflation has recently begun a downward trend and interest rates are expected to decline. Most recently, the March 2024 Consumer Confidence Index rose for the fourth consecutive month. Consumer optimism over current and future finances continues to grow, which bodes well for the travel marketplace.

Last year, the Office of the Auditor General of Ontario (OAGO), completed its value-for-money audit of TICO's operations and the Ministry of Public and Business Service Delivery and Procurement's (Ministry) oversight function. There were a total of 16 recommendations, with nine targeted solely at TICO, affecting key facets of TICO's operations, six directed at both TICO and the Ministry, and one directed solely at the Ministry. Addressing these recommendations will require innovation and creativity to assist the organization in the effective execution of its mandate. Both the Board and TICO staff have embraced these recommendations and remain committed to the timelines and enhancements identified in TICO's implementation plan.

TICO also completed a comprehensive funding framework and fee review, which included an industry consultation where we heard directly from registrants, representing different areas of the industry. This new model came into effect on April 1, 2024, which enables a modern fee structure that reflects cost recovery and allows for operating costs to be sufficiently funded through registration and other fees charged to registrants.

A continued focus on TICO's value proposition

To fulfill TICO's consumer protection mandate, we continued to reach out to consumers and registrants to better understand how TICO can provide added value. This year, we conducted our stakeholder values 'pulse' surveys to ask important questions related to value and overall awareness of TICO, consumers' trust of the travel marketplace and satisfaction with TICO's services.

The consumer survey found that 75% of respondents value TICO and its services, up from 71% the prior year. In addition, consumers' awareness of TICO increased to 57%, an improvement over the prior fiscal year. We continue to experience growth in our social media engagement rates, demonstrating the success of our digital outreach campaigns.

TICO's registrant survey found 54% of respondents value TICO, a decrease from the prior year, but consistent with the value levels reported in 2021. Clearly, there is further opportunity for TICO to re-engage with registrants following a difficult period.

New advisory councils

Following the September 2023 restructuring of TICO's Board, we transitioned away from the prior Consumer and Industry Advisory Council and introduced two new advisory councils effective January 1, 2024 — one focused on industry, the other on consumers.

Following a thorough search, we completed the selection process and now look forward to our inaugural council meetings during the first quarter of the new fiscal year.

These two councils will provide invaluable expertise, diverse perspectives and timely insights to the Board and management on the challenges and opportunities facing consumers, industry and the Ontario travel marketplace.

Financial stewardship

TICO remains committed to its fiduciary responsibilities, placing high importance on its budget commitments and internal controls. TICO exceeded its 2023 budget commitment, in large part by keeping total operating expenses below budget, while experiencing a surge in revenues associated with the return to travel and exceptionally strong capital markets. TICO generated a strong net surplus during the year, the first net surplus since 2020 (prior to receiving government financial support), which TICO will carefully monitor. Our external auditors continue to provide a favourable audit opinion regarding TICO's financial statements.

Consumer claims against the Compensation Fund remain low. A third-party actuarial review was completed during the year, providing the basis for an 80% reduction to Compensation Fund assessments under the new fee model. According to the actuary, the Compensation Fund remains in a solid actuarial position to support future consumer claims.

Thank you

In closing, TICO's focus on enhancing Ontario's travel consumer protection model is unwavering. The continued resiliency of Ontario's travel industry, combined with a strong travel recovery, provides an environment where consumers can continue to be confident with their travel purchases and travel businesses can continue to grow and be successful.

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

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

Yours truly,
Travel Industry Council of Ontario



Richard Smart
President & C.E.O.



Rapport du chef de la direction

Une année de nouvelles possibilités

Le retour aux voyages des consommateurs ontariens en 2023 a été remarquable. Suite à trois années de dévastation pour le secteur du tourisme mondial, le marché du tourisme en Ontario est revenu à des niveaux de ventes presque records. La demande de voyage refoulée, prévue par de nombreux experts, s'est manifestée, dépassant même les prévisions optimistes de l'année dernière. En fait, de nombreuses agences de voyages et voyagistes du l'organisme de régulation de voyage de l'ontario (TICO) ont connu des niveaux de ventes record au cours d'une année embourbée par les problèmes mondiaux.

Pendant une grande partie de l'année, les économistes prévoyaient un ralentissement économique important de l'activité des consommateurs et des entreprises. Les taux d'intérêt sont restés relativement élevés, tandis que l'inflation était proche de son plus haut niveau depuis 40 ans. Malgré le contexte difficile qu'a connu 2023, le pire semble derrière nous.

L'inflation a récemment amorcé une tendance à la baisse et les taux d'intérêt devraient baisser. Plus récemment, l'indice de confiance des consommateurs de mars 2024 a augmenté pour le quatrième mois consécutif. L'optimisme des consommateurs quant aux finances actuelles et futures continue de croître, ce qui est de bon augure pour le marché du tourisme.

L'année dernière, le Bureau du vérificateur général de l'Ontario a terminé sa vérification de l'optimisation des ressources des opérations du TICO et de la fonction de surveillance du ministère des Services au public et aux entreprises et de l'Approvisionnement (le ministère). Il y avait un total de 16 recommandations, dont neuf ciblaient uniquement le Conseil, affectant des aspects importants de ses opérations, six s'adressaient à la fois au Conseil et au ministère, et une s'adressait uniquement au ministère. La mise en œuvre de ces recommandations nécessitera de l'innovation et de la créativité pour aider l'organisation à exécuter efficacement son mandat. Le conseil d'administration et le personnel du TICO ont adopté ces recommandations et continuent de s'engager à respecter les délais et les améliorations indiqués dans le plan de mise en œuvre du Conseil.

Le Conseil a également complété un examen approfondi du cadre de financement et des frais, incluant une consultation sectorielle où nous avons reçu les avis directs des inscrits, représentant divers secteurs de l'industrie. Ce nouveau modèle est entré en vigueur le 1er avril 2024, ce qui permet une structure tarifaire moderne qui reflète le recouvrement des coûts et permet de financer suffisamment les coûts de fonctionnement par l'inscription et d'autres frais facturés aux inscrits.

Un accent continu sur la proposition de valeur du TICO

Pour remplir le mandat de protection des consommateurs, nous avons continué à contacter les consommateurs et les inscrits afin de mieux comprendre comment le Conseil peut apporter une valeur ajoutée. Cette année, nous avons mené nos enquêtes « pouls » sur les valeurs auprès des parties prenantes pour poser des questions importantes liées à la valeur et à la connaissance globale du Conseil, à la confiance des consommateurs dans le marché du tourisme et à la satisfaction à l'égard des services du Conseil.

L'enquête auprès des consommateurs a révélé que 75 % des personnes interrogées apprécient le Conseil et ses services, contre 71 % l'année précédente. De plus, la notoriété du Conseil auprès des consommateurs a augmenté à 57 %, une amélioration par rapport à l'exercice financier précédent. Nous continuons de connaître une croissance de nos taux d'engagement sur les réseaux sociaux, démontrant le succès de nos campagnes de sensibilisation numérique.

L'enquête auprès des inscrits du Conseil a révélé que 54 % des répondants apprécient le Conseil, une diminution par rapport à l'année précédente, mais cohérente avec les niveaux de valeur déclarés en 2021. De toute évidence, il existe une nouvelle occasion pour le Conseil de renouer avec les inscrits après une période difficile.

Nouveaux conseils consultatifs

À la suite de la restructuration du conseil d'administration du Conseil en septembre 2023, nous avons remplacé l'ancien Conseil consultatif des consommateurs et de l'industrie et mis en place deux nouveaux conseils consultatifs à compter du 1er janvier 2024 — l'un axé sur l'industrie, l'autre sur les consommateurs.

Après une recherche approfondie, nous avons complété le processus de sélection et attendons maintenant avec impatience nos réunions inaugurales du conseil au cours du premier trimestre du nouvel exercice financier.

Ces deux conseils fourniront une expertise inestimable, des perspectives diverses et des informations opportunes au conseil d'administration et à la direction sur les défis et les possibilités auxquels sont confrontés les consommateurs, l'industrie et le marché du tourisme en Ontario.

Gérance financière

TICO respecte ses responsabilités fiduciaires et accorde une grande importance à ses engagements budgétaires et à ses contrôles internes. Il a dépassé son engagement budgétaire pour 2023, en grande partie en maintenant les dépenses d'exploitation totales en dessous du budget, tout en connaissant une augmentation des revenus associée au retour des voyages et à des marchés financiers exceptionnellement forts. Il a généré un fort excédent net au cours de l'année, le premier excédent net depuis 2020 (avant de recevoir le soutien financier du gouvernement), que le Conseil surveillera attentivement. Nos auditeurs externes continuent de fournir une opinion d'audit favorable concernant les états financiers.

Les réclamations des consommateurs contre le Fonds d'indemnisation restent faibles. Un examen actuariel par un tiers a été réalisé au cours de l'année, ce qui a permis de réduire de 80 % les cotisations du Fonds d'indemnisation en vertu du nouveau modèle de tarification. Selon l'actuaire, le Fonds d'indemnisation demeure dans une position actuarielle solide pour soutenir les futures réclamations des consommateurs.

Merci

En conclusion, l'accent mis par le Conseil sur l'amélioration du modèle de protection des consommateurs de voyages en Ontario est inébranlable. La résilience continue de l'industrie du tourisme de l'Ontario, combinée à une forte reprise de l'industrie du voyage, offre un environnement dans lequel les consommateurs peuvent continuer à avoir confiance dans leurs achats de voyages et où les entreprises de voyage peuvent continuer de croître et de réussir.

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

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

Cordialement,
l'organisme de régulation
de voyage de l'ontario



Richard Smart
Président et chef de la direction



Message from the Registrar

It is with great pleasure that I present my first annual report message as Registrar of the Travel Industry Council of Ontario (TICO). Taking on this role has been both challenging and rewarding, and I am honoured to lead the regulatory side of our organization through these dynamic times.

Support for consumers

Consumer protection remains our top priority, and it is crucial for consumers, who purchase from travel agents, to recognize TICO as a valuable resource for assistance and support when navigating travel-related issues.

Our consumer complaints team has maintained its commitment to service excellence, providing guidance and support to travel consumers when they need it most.

We have seen a significant increase in airline-related complaints, and our team has worked tirelessly to ensure that consumers know where to turn to even when there is no contravention of the *Travel Industry Act, 2002* or Ontario Regulation 26/05. For example, the Canadian Transportation Agency is the federal regulator of the air transportation industry and administers the *Canada Transportation Act, 1996*. I am pleased that the team has achieved a 90% satisfaction rate from post-complaint survey responses.

A focus on registrant compliance and education

Our registrant base has remained steady over the past year, signaling resilience despite the challenges faced during the pandemic. We understand the financial strains some businesses continue to face and are committed to working with registrants to help them achieve financial compliance.

Education and compliance are fundamental to our consumer protection mandate. We have conducted webinar sessions for registrants on various topics, such as advertising, disclosures and invoicing, trust accounting, and the preparation of the verification statement to ensure they understand their obligations.

Our virtual orientation sessions for new registrants have also been successful in familiarizing new entrants to the industry with our role and their compliance obligations.

A new cohort of travel advisors

The travel industry is recovering from a workforce shortage, and we have seen a historic number of individuals registering for and writing TICO's certification exams.

Over the past fiscal year, there was a 40% increase in the number of individuals who wrote the certification exam compared to last year, and a 73% increase compared to before the pandemic.

To further enhance the certification curriculum, we are developing a new online interactive e-learning program, which is expected to commence the launch next year.

We have been establishing relationships with community colleges that have travel and hospitality programs to increase awareness and uptake in the certification process, and ensure a continued pipeline of individuals choosing a career in travel sales.

Maintaining a fair and trusted marketplace

As Registrar, I am committed to balancing enforcement with education and communication. As a regulator, our preference is to work collaboratively with individuals and businesses to achieve compliance, prior to considering any enforcement action. However, we will take enforcement action, when necessary, to protect the public and ensure a trusted travel marketplace in Ontario.

In closing

I would like to take this opportunity to thank TICO's staff for their hard work and dedication over the past year. Looking ahead, there are exciting opportunities to further refine the way we carry out our regulatory activities. I look forward to another busy year supporting TICO's consumer protection mandate.

Sincerely,
Travel Industry Council of Ontario



Dorian Werda
Registrar, *Travel Industry Act, 2002*



Message from the Registrar

C'est avec grand plaisir que je présente mon premier message de rapport annuel en tant que registraire du l'organisme de régulation de voyage de l'ontario (TICO). Assumer ce rôle a été à la fois stimulant et gratifiant, et je suis honoré de diriger le volet réglementaire de notre organisation en ces temps dynamiques.

Soutien aux consommateurs

La protection des consommateurs reste notre priorité absolue, et il est crucial que les consommateurs qui achètent auprès d'agents de voyages reconnaissent le TICO comme une ressource précieuse d'assistance et de soutien lorsqu'ils traitent des questions liées aux voyages.

Notre équipe responsable des plaintes des consommateurs a maintenu son engagement envers l'excellence du service, en fournissant des conseils et un soutien aux consommateurs de voyages lorsqu'ils en ont le plus besoin.

Nous avons constaté une augmentation significative des plaintes liées aux compagnies aériennes et notre équipe a travaillé sans relâche pour garantir que les consommateurs sachent vers qui se tourner, même en l'absence de violation de la *Loi de 2002 sur le secteur du voyage* ou du Règlement de l'Ontario 26/05. Par exemple, l'Office des transports du Canada est l'organisme de réglementation fédéral de l'industrie du transport aérien et administre la *Loi sur les transports au Canada (1996)*. Je suis heureux que l'équipe ait atteint un taux de satisfaction de 90 % grâce aux réponses à l'enquête post-réclamation.

Un accent sur la conformité et l'éducation des personnes inscrites

Notre base d'inscrits est restée stable au cours de la dernière année, ce qui témoigne de notre résilience malgré les défis rencontrés pendant la pandémie. Nous comprenons les difficultés financières auxquelles certaines entreprises continuent de faire face et nous nous engageons à travailler avec les inscrits pour les aider à atteindre la conformité financière.

L'éducation et la conformité sont essentielles à notre mandat de protection des consommateurs. Nous avons organisé des séances de webinaires pour les inscrits sur divers sujets, tels que la publicité, les informations à fournir et la facturation, la comptabilité en fiducie et la préparation de la déclaration de vérification pour nous assurer qu'ils comprennent leurs obligations.

Nos séances d'orientation virtuelles pour les nouveaux inscrits ont également réussi à familiariser les nouveaux venus dans l'industrie avec notre rôle et leurs obligations de conformité.

Une nouvelle cohorte de conseillers en voyages

L'industrie du tourisme se remet d'une pénurie de main-d'œuvre, et nous avons vu un nombre historique de personnes s'inscrire et passer les examens de certification du TICO.

Au cours du dernier exercice, il y a eu une augmentation de 40 % du nombre de personnes ayant passé l'examen de certification par rapport à l'année dernière, et une augmentation de 73 % par rapport à avant la pandémie.

Pour améliorer encore le programme de certification, nous développons un nouveau programme d'apprentissage interactif en ligne, dont le lancement devrait commencer l'année prochaine.

Nous avons établi des relations avec des collègues communautaires qui proposent des programmes de voyages et d'accueil afin d'accroître la sensibilisation et l'adhésion au processus de certification, et garantir un bassin continu de personnes choisissant une carrière dans la vente de voyages.

Maintenir un marché équitable et fiable

En tant que registraire, je suis persévérant dans ma volonté de concilier l'application de la loi avec l'éducation et la communication. En tant qu'organisme de réglementation, nous préférons travailler en collaboration avec les particuliers et les entreprises pour assurer la conformité, avant d'envisager toute mesure coercitive. Cependant, nous prendrons des mesures coercitives, si nécessaire, pour protéger le public et garantir un marché du tourisme fiable en Ontario.

En conclusion

J'aimerais profiter de cette occasion pour remercier le personnel du TICO pour son travail acharné et son dévouement au cours de la dernière année. À l'avenir, il existe des occasions intéressantes de perfectionner encore plus la façon dont nous menons nos activités de réglementation. J'attends avec impatience une autre année bien remplie pour appuyer le mandat de protection des consommateurs du Conseil.

Cordialement,
l'organisme de régulation
de voyage de l'ontario



Dorian Werda
Registraire, *Loi de 2002*
sur le secteur du voyage



Mandate

Mandate

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

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

In addition, TICO will support this mandate by:

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

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

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

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

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

The *Travel Industry Act, 2002* (the Act) and Ontario Regulation 26/05 (the Regulation): Ontario's consumer protection legislation that governs travel agents and travel wholesalers operating in the province that TICO administers and enforces on behalf of the Ministry of Public and Business Service Delivery and Procurement.

The Ministry of Public and Business Service Delivery and

Procurement (the Ministry): is the ministry in the Government of Ontario that is responsible for policy for the *Travel Industry Act, 2002* and oversight of TICO, the delivery and management of government operations, and consumer protection in the Canadian province of Ontario.

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

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

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

Vision & Mission

Vision statement

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

Mission statement

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

Values

Efficiency

We drive value through continuous improvement and cost effectiveness.

Leadership

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

Accountability

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

Service Excellence

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

Teamwork

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

Innovation

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

Communication

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

Openness

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

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



Stakeholders/Services

Stakeholders

TICO works with stakeholder groups including:

Consumers: to increase awareness of their rights and responsibilities, and those of the Ontario travel industry under the Act. TICO reaches consumers through digital communications, media outreach, social media, consumer surveys and consumer inquiries. TICO's website provides consumers with helpful information about the consumer protections available when purchasing travel services from TICO registrants.

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

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

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

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

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

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

Services

The services delegated to TICO are detailed below.

Registration

- Processing new applications to ensure criteria and standards are met.
- Processing registration renewals to ensure criteria and standards continue to be met, for example:
 - » updating registration profile for any changes to the record during the past year.

- » supervisor/manager qualifications.
- » other compliance issues.
- Registrant inquiries.

Consumer Protection

- Administering the Ontario Travel Industry Compensation Fund.
- Financial inspections:
 - » financial compliance reviews of registrants to minimize risk to consumers.
 - » site inspections to identify registrants that pose a financial risk.
- Compliance: utilizing administrative compliance measures to ensure that registrants correct deficiencies that have been identified in areas such as advertising regulations, terms and conditions of registration and disclosure to consumers (e.g., conditions of booking). Identify and bring into compliance unregistered travel sellers operating in Ontario and selling travel services to consumers in contravention of the Act.
- Investigations: investigating instances of suspected breaches of the Act, which could result in prosecution.
- Enforcement: suspensions, proposals to revoke registrations, laying charges under provincial statutes and referrals to criminal authorities.
- Consumer inquiries.
- Consumer education.

Complaint Resolution

- Resolving complaints:
 - » between consumers and registrants.
 - » between consumers and TICO.
 - » between registrants and TICO.
- Where complaints have not been resolved, providing information on other options. The process is outlined in more detail on page 25.

Government Liaison

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

Additional Responsibilities

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

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

TICO Structure

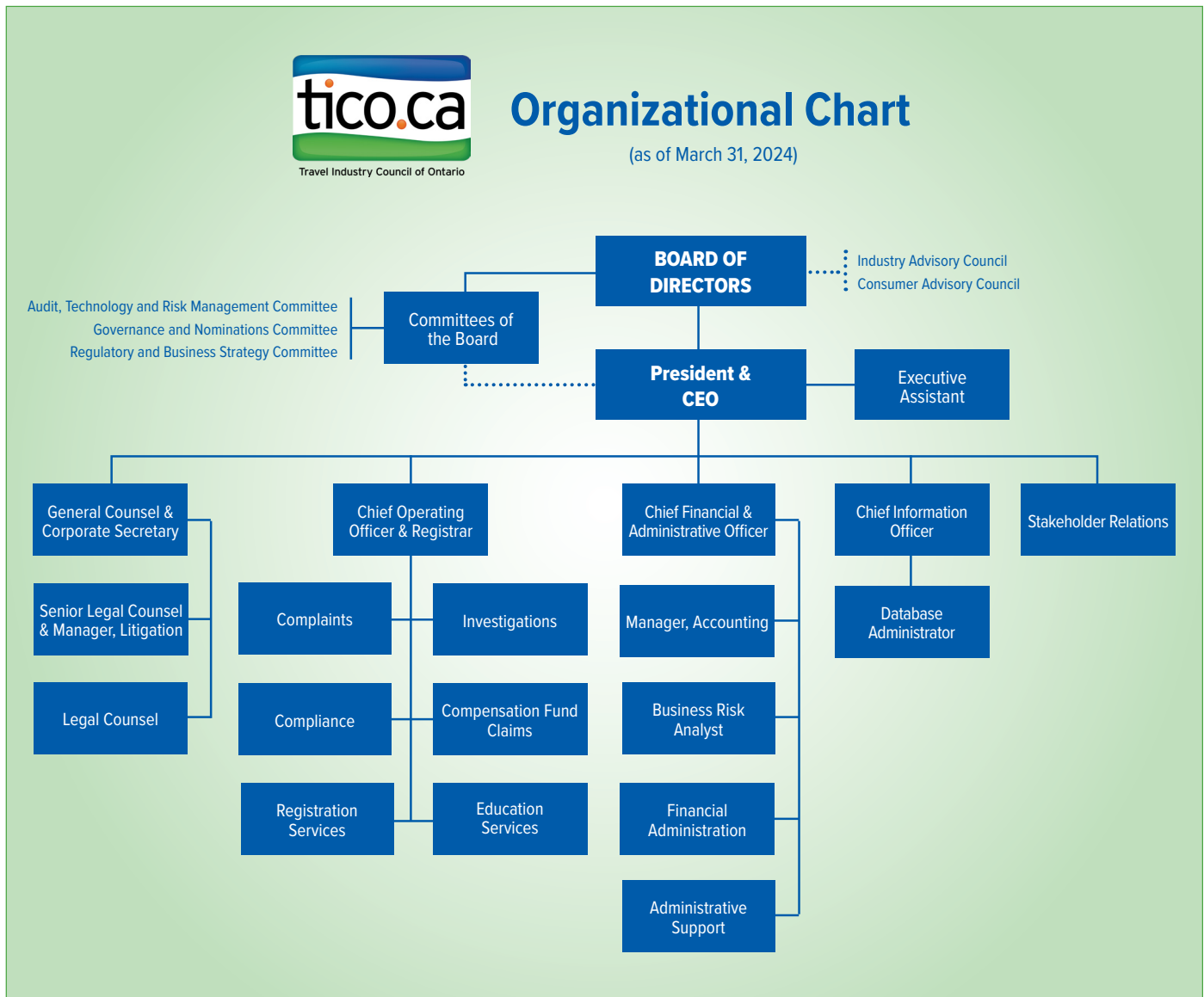
Organization

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

Governance

TICO is governed by a nine-member Board of Directors, made up of three elected travel industry positions, three elected public skills-based positions, and three Minister of Public and Business Service Delivery and Procurement-appointed positions.

Each year, TICO's Board of Directors reviews its collective set of required competencies to enhance overall governance practices. More information regarding these competencies can be found on TICO's website. (See Appendix II for information on Board of Directors).





Remuneration of Board and Committee Members (Per Diems)

TICO's by-laws provide for the remuneration of Directors. The Board has approved the following levels of remuneration effective April 1, 2023, which will be adjusted annually with the Consumer Price Index (CPI):

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

BOARD MEETINGS:

Chair: \$766
Vice-Chair: \$600
Member: \$486

COMMITTEE MEETINGS:

Committee Chair: \$600
Committee Member: \$486
(including non-Board committee members)

The Board Chair, Vice Chair, and each Committee Chair will be paid an additional annual retainer as follows:

Board Chair: \$6,000
Vice-Chair: \$1,500
Committee Chair: \$1,500

Statutory Director / Deputy Statutory Director under the Act*
\$6,464 /annum

Note: The Statutory Director / Deputy Statutory Director are not employees. The Director and Deputy Director prorate this fee in the absence of the Director.

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

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



Ontario Travel Industry Compensation Fund

Background on the Ontario Travel Industry Compensation Fund

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

Management of the Compensation Fund

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

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

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

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

Fund Financing

The Compensation Fund is financed by Ontario registrants. In the 2023-24 fiscal year, the payment schedule required registered travel retailers and wholesalers to pay a greater of \$25 or 25¢ per \$1,000 of sales on a semi-annual self-assessment basis.

As a result of the funding framework review that was completed during the year, effective April 1, 2024, the assessment rate has been changed to a greater of \$25 or 5¢ per \$1,000 of sales on an annual self-assessment basis. These payments are to be filed with TICO within 90 days after the end of the registrant’s fiscal 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 *Act* may direct payment out of the Fund of up to an additional \$2 million where immediate funds and facilities are necessary for the repatriation and accommodation of customers of registrants who are outside of Ontario. When customers of registrants are preparing for immediate departure and have been placed in circumstances where funds are required to alleviate suffering or to protect the interests of the Fund, the Director may pay out of the Fund an amount sufficient to enable such departure, up to a maximum of \$5,000 per person.

Appeal of Decisions

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



Risk Management

In accordance with its Enterprise Risk Management Policy, the Board of Directors (Board) and TICO's Leadership Team strive to identify, assess, and manage risks that may affect TICO's ability to achieve its objectives and execute its mandate of consumer protection.

The Board is responsible for determining the overall risk appetite of the organization. Risk appetite is defined as the total financial exposure that TICO, as an enterprise, will accept based on a risk-return trade-off in relation to its strategic goals.

The Audit, Technology and Risk Management Committee of the Board has responsibility for the oversight of the Enterprise Risk Management Policy and makes recommendations to the Board of Directors. TICO's Risk Management Framework and risk mitigation initiatives are reviewed throughout the year with the Board.

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

A comprehensive strategic review of the organization's funding model was completed during the year, aimed at ensuring long-term sustainability of the organization. This review addresses one of the OAGO's findings that requires TICO to revise its fee structure to ensure operating costs are sufficiently funded through registration and other fees charged to registrants. The final notice outlining the new fee structure was issued to registrants during the year.

Management continues to evolve its workforce strategy embracing the principles of diversity, equity and inclusion (DEI). Ensuring TICO has the optimal headcount and mix of resources, this risk is being addressed through identification and recognition of resourcing requirements and competencies through the annual budget to execute TICO's mandate and to respond to OAGO recommendations.

The organizational business plan targets include the implementation of enhanced data management and reporting to meet business needs and support predictive risk analysis. Management is committed to developing an enhanced risk-based module to regulate high-risk registrants more effectively, thereby reducing consumer harm.

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

All other risks to the organization continue to be monitored and reported to the Board and Ministry as required. The Board remains satisfied that TICO's risk management framework and practices are effectively implemented and enable the organization to achieve its mandate.

Financial Inspections

TICO operates a risk management program, which includes financial inspections of registrants carried out under the direction and control of the Registrar of the *Act*. The objective of the program is to identify as early as possible any registrants at financial risk and to work with these registrants to ensure compliance with the *Act* and Regulation. Through early identification of registrants at financial risk, TICO's goal is to minimize potential claims against the Compensation Fund and disruption to consumer travel. The program consists of an annual review of the financial statements of all registrants, a more frequent review of the financial statements of larger registrants and site inspections. TICO's proactive measures include offering training to all new registrants to ensure their understanding of the *Act* and Regulation 26/05 ("the Regulation") governing the travel industry. Additionally, TICO proactively conducts inspections of many new registrants within their first year of operation to assess their compliance with the *Act* and the Regulation.

Value-for-Money Audit

During the fiscal year, the Office of the Auditor General of Ontario (OAGO) conducted a value-for-money audit of TICO and the Acting Auditor General's report was released in December.

The report identified opportunities for TICO to enhance its policies and procedures, risk-based decision-making processes and more effective collection and analysis of data to enhance business intelligence of the travel marketplace and registrants. The report also identified areas where further regulatory enhancements may assist TICO in the fulfilment of its mandate, and broader policy considerations for the government. In total, there were 16 recommendations in the report, including nine directed at TICO, six directed at both the Ministry and TICO, and one directed at the Ministry, with 32 associated action items.

Subsequent to the year end, TICO released its initial Public Action Plan, which details how the organization will address the recommendations of the OAGO. The updates in this initial Public Action Plan are as of March 31, 2024.

TICO Committees

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

Audit, Technology and Risk Management Committee

Chair: Doug Ellison

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

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

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

Regulatory and Business Strategy Committee

Chair: Robert Townshend

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

- Business and Strategic Planning
- Legislative and Regulatory Modernization and Reform
- Technology and Business Processes/Operational Effectiveness
- Stakeholder Relations/Communications
- Education

Governance and Nominations Committee

Chair: Zaid Lama

The Governance and Nominations Committee is responsible for providing oversight and recommendations to the Board in the following areas:

- Corporate Governance
- Human Resources
- Complaints against TICO





TICO Councils

Industry Advisory Council

Chair: Robert Townshend

Established: January 1, 2024

The Industry Advisory Council (IAC) was created to provide guidance and advice to the TICO Board of Directors on issues pertaining to TICO's consumer protection mandate and activities, as well as issues identified by TICO. Members of the IAC are expected to possess a positive orientation towards TICO's consumer protection mandate. The objectives of the IAC are:

- Provide independent and non-partisan advice to TICO's Board on:
 - » Emerging issues in the travel sector.
 - » Initiatives to advance TICO's consumer protection mandate.
 - » Opportunities for improvement with respect to service delivery, policies, and procedures.
- Provide recommendations on the development and implementation of TICO's planning documents when there is a consumer, industry, or public interest.
- Provide feedback on consultation plans prepared to support policy and regulatory changes impacting consumers and industry.
- Identify and recommend topics or policy issues that would enhance consumer confidence in Ontario's travel industry.
- Review the results of key surveys initiated by TICO in connection with services and interactions with consumers, industry and other stakeholders and provide feedback, advice, and/or recommendations for improvement to the surveys and other matters arising from the review as needed.

Consumer Advisory Council

Chair: Angela Dennis

Established January 1, 2024

The Consumer Advisory Council (CAC) was created to provide guidance and advice to the TICO Board of Directors on issues of importance to consumers pertaining to TICO's mandate and activities, as well as issues identified by TICO. Members of the CAC are expected to possess a positive orientation towards TICO's consumer protection mandate. The objectives of the CAC are:

- Provide independent and non-partisan advice to the Board on:
 - » Emerging issues in the travel sector.
 - » Approaches to enhance consumer awareness and engagement.
 - » Opportunities for improvement with respect to service delivery, policies and procedures.
- Provide recommendations on the development and implementation of TICO's planning documents when there is a consumer or public interest.
- Provide feedback on consultation plans prepared to support policy and regulatory changes impacting consumers.
- Identify and recommend topics or policy issues that would enhance consumer confidence in Ontario's travel industry.
- Identify travel-related issues requiring additional consumer input or research.

Business Accomplishments 2023/2024

Consumer Protection

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

BUSINESS OBJECTIVE	PERFORMANCE MEASURE 2023/2024	ACTIVITIES AND ACCOMPLISHMENTS
FY 2023/2024	<p>Following the funding framework consultations, determine the appropriate changes to policies, processes, and systems to support implementation of the new fee model.</p>	<p>The recommendations for the new funding framework were approved by the Board, and consultation sessions with registrants and stakeholders were completed in Q3.</p> <p>The final Notice of Fee change for the revised registration renewal fees and new late filing fees, effective April 1, 2024, was issued in Q4 as planned.</p>
	<p>Based on the agreed outcomes from the Compensation Fund consultations, determine the appropriate changes to policies, processes, and systems to support the change(s) to the Compensation Fund.</p>	<p>Following an actuary study, the recommended change to decrease Compensation Fund payments was approved by the Board, and consultation sessions with registrants and stakeholders were completed in Q3.</p> <p>The final Notice of Fee change for the reduced Compensation Fund payments, effective April 1, 2024, was issued in Q4 as planned.</p> <p>There were two proposals associated with the Compensation Fund that did not take effect on April 1, 2024 as they are subject to government consideration and decision-making, and are not within TICO's authority to implement. The proposals were: removing end-supplier coverage (airlines and cruise lines) from the Compensation Fund, and doubling the maximum Compensation Fund payment per person from \$5,000 to \$10,000.</p>
	<p>Identify and address the opportunities for modernization in the <i>Travel Industry Act, 2002</i> and its regulation.</p>	<p>Provide recommendations to the Ministry to update and modernize the legislation.</p> <p>Management provided meaningful insights to the Ministry for legislative and regulatory reform. Following dialogue with the Ministry, management recommended the expiration of two temporary regulatory provisions established during the pandemic to assist consumers and registrants. The first provision relating to the temporary expanded coverage under the Compensation Fund for unredeemed vouchers or similar documents, in certain cases, expired on April 1, 2024. The second provision relating to the temporary exemption for registrants, with annual Ontario gross sales of \$2 million or greater, from filing an annual financial statement with a review engagement report or audit opinion, will expire on December 1, 2024.</p> <p>TICO recognizes that the Ministry has indicated to the Auditor General that it is prioritizing consideration of recommendation 16 from the OAGO value-for-money audit report, which calls for a comprehensive review of the <i>Travel Industry Act, 2002</i> and TICO. Other recommendations that require legislative and/or regulatory changes would be assessed for consideration and decision-making, as appropriate, pending the outcome of the government's contemplation of recommendation 16.</p>
	<p>Operationalize efficiencies and initiatives identified from an internal review of TICO's compliance model to effectively reduce high-risk registrants and unregistered sellers of travel services to enhance consumer protection.</p>	<p>Complete implementation of the new compliance efficiencies to enhance TICO's compliance model.</p> <p>The OAGO value-for-money audit included a review of TICO's compliance policies and processes resulting in recommendations to enhance its risk-based framework, including its risk rating system, inspections, and risk assessment processes. While some process efficiencies have already been implemented during the year, management is committed to the modernization of its risk based model and related best practices.</p>



Awareness and Education

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

BUSINESS OBJECTIVE	PERFORMANCE MEASURE 2023/2024	ACTIVITIES AND ACCOMPLISHMENTS
FY 2023/2024 Uphold consumer awareness of TICO's role and the consumer protection in Ontario and revisit campaign strategy and messaging in response to the recovery of the global travel industry to build consumer confidence.	Maintain overall awareness and understanding of TICO and the consumer protection available by continuing to engage consumers by executing a modest digital media strategy. Conduct a consumer survey to gauge overall consumer awareness and knowledge of TICO. Produce and distribute various editorial and media releases to secure coverage in consumer publications to enhance education and awareness.	TICO maintained its digital 'always on' consumer awareness campaign throughout the fiscal year. By combining social media posts and advertising, Google search ads via the not-for-profit grant, and targeted advertising/collaboration opportunities, TICO's messaging was seen more than 3.8 million times in FY2023-24. TICO's consumer awareness survey showed improved metrics over the prior fiscal year, including 57% awareness of TICO (up from 41% last year). During FY2023-24, TICO responded to 21 mainstream media interviews/information requests, which resulted in 141 media hits. TICO saw coverage in top-tier media, including CTV Toronto, CP24, Global News, Toronto Star and Newstalk 1010.
In partnership with TICO's Education service provider, finalize development of a new interactive e-learning course of the education standards curriculum and testing to include adult learning principles and study tools.	Finalize and implement a new modernized online interactive e-learning course with new study tools and continuing education opportunities for TICO's Education Standards Program.	Curriculum development of TICO's new interactive e-Learning Program is underway with knowledge checks and case study development. Nine modules have been completed and delivered to Olivers for production and another three are being finalized. A number of modules are in the final stages of production with Olivers and are ready to be translated into French.
Provide registrants opportunities for engagement by leveraging technology for the purpose of education around various regulatory requirements.	Various online initiatives and engagement opportunities conducted with registrants and industry stakeholders to refresh and familiarize themselves with the regulatory requirements to operate and sell travel services in Ontario.	During 2023/2024, a total of 56 live webinars were held on various compliance topics. This includes 10 new registrant orientation sessions to familiarize them with TICO's role in the industry and to provide an in-depth focus on compliance related obligations as well as resources available to them. TICO also provided 10 work shops to travel and hospitality students at various community colleges in Ontario.
Through continuous and meaningful engagement of stakeholders, including TICO's Consumer and Industry Advisory Committee, develop opportunities and initiatives to identify challenges with the recovery of the travel industry and address issues impacting consumer confidence.	Proactively create opportunities to advance meaningful consumer and registrant engagement to support the economic viability and recovery of the travel industry and restore consumer confidence.	TICO proactively engaged consumers and other stakeholders throughout FY23-24. For consumers, an ongoing digital awareness campaign, an online consumer newsletter coupled with strategic advertising opportunities and media appearances, yielded more than 3.8 million impressions. For registrants, TICO conducted a comprehensive funding framework and fee review in FY23-24 that provided many opportunities to hear directly from registrants. The TICO Talk newsletter provided an additional touchpoint with registrants. The registrant survey indicated that there is more work to be done on registrant engagement, which will be a focus in FY24-25.

Organizational Resiliency

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

BUSINESS OBJECTIVE		PERFORMANCE MEASURE 2023/2024	ACTIVITIES AND ACCOMPLISHMENTS
FY 2023/2024	Enhance overall value proposition to stakeholders through a focus on core services (registration, compliance, complaints, claims, enforcement) leveraging technology and further opportunities for continuous improvement in service delivery.	Review, analyze and implement process improvements for core service deliverables including setting measurable service delivery targets.	Following the recent OAGO value-for-money audit report, management developed a detailed internal action plan addressing various core service delivery enhancements. These recommendations have planned implementation dates over the next two fiscal years, with some enhancements expected to be completed during fiscal year 2024-2025.
	Implement a data management policy and procedures to ensure all data is collected, maintained, retrieved, and stored according to defined standards and best practices.	Complete implementation of a data management policy, procedures, and process to ensure data meets business needs.	The development of a data classification policy is in progress. This policy will ensure that all documents are classified for public or internal use as appropriate. System setup to accommodate for data classification has also begun. Work on this specific initiative is set to be completed by the end of Q1 of FY 2024-25. As part of the broader Auditor General recommendations, other data management initiatives will be carried forward to FY2024-25 as identified in TICO's OAGO implementation plans.
	Enhance consumer protection by leveraging a resilient and calibrated workforce that embraces, adapts, and thrives in new work environments and evolving skills, reflecting life-long learning principles, increased agility, and enhanced productivity.	Empower and optimize TICO's workforce through an innovative work environment and execution of enhanced skills, performance management and competencies supported by a culture of life-long learning. A new and innovative workplace policy and learning maps will be delivered for all employees.	Implementation of professional development plans continued to be supported and encouraged for all employees. The majority of employees were able to engage in professional development through the year. Following an employee survey and continuous feedback, management implemented an updated hybrid work policy to support the organization in delivering its mandate. These revised work environment practices assist employees with finding the optimal balance between work/family demands and increased stresses impacting mental health/well-being. Further plans for leadership development, life-long learning and competency development remains a key focus.



Balanced Scorecard

TICO's 2023/2024 Business Plan included the following Balanced Scorecard. TICO deployed this balanced scorecard throughout its fiscal year to monitor and gauge ongoing efforts and achievement of its strategic objectives. This Balanced Scorecard is shared with stakeholders to ensure transparency and accountability consistent with the Business Plan.

CONSUMER PROTECTION			
OBJECTIVE	MEASURE	FISCAL YEAR 2023/2024 TARGET	ACTIVITIES AND ACCOMPLISHMENTS
Mitigate Risk and Enhance Consumer Protection	Overall pass rate of financial filing bench reviews based on established financial criteria per the Regulation.	Achieve a financial filing bench review pass rate of a minimum of 90%.	A pass rate of 92% was achieved for the bench reviews completed in 2023/2024.
	Complete financial bench reviews on a timely basis.	Completion of bench reviews within an average of 30 days of receipt.	The average turnaround time to complete bench reviews was 15 days from the date of receipt.
	Percentage of compliance achieved for the number of identified unregistered sellers of travel operating in contravention of the Act and Regulation.	Achieve a compliance rate of 95% from 94% of all unregistered sellers of travel identified and processed.	A compliance rate of 90% was achieved working with unregistered sellers of travel for the fiscal year 2023/24.
Enhance Engagement with Consumers	<p>Actively interact with consumers and maintain our social media engagement rate (defined as likes, comments, and shares).</p> <p>Provide timely information to consumers who are searching for consumer protection travel information online and enhance our Google Ad Grants metrics.</p>	<p>Seek opportunities to enhance consumer engagement on social media by maintaining an engagement rate of 3.5% on Facebook.</p> <p>Routinely update keywords and messaging to drive consumers to the TICO website. Aim for a click-through rate of 10% and a conversion rate (more than 1 minute on site) of 25%.</p>	<p>TICO saw continued growth in its social media engagement rates, including 7% engagement on Facebook. This suggests TICO's content is timely, relevant, and useful for travel consumers.</p> <p>We concluded the year with a click-through rate of 19% on our Google search ads, surpassing industry benchmarks. We are no longer able to measure the conversion rate of time on site due to changes with Google Analytics, however we can see that on average, people who land on the website from our Google search ads spend 1 minute and 23 seconds on the website.</p>
Improve Service Delivery	Improve service delivery of TICO's core mandate including the areas of registration, compliance, and complaints.	<p>Registration application process completed within 30 days from receipt of all required documentation.</p> <p>Complete termination compliance review within 30 days of the closing date.</p> <p>Completion of financial inspections, representing a minimum 10% of the number of registrants in the year.</p> <p>Complaints processing completed within 30 days from receipt of all required information and supporting documentation.</p>	<p>A total of 76 new registration applications were processed with an average turnaround time of 23 days from receipt of all required documentation.</p> <p>Termination compliance reviews were fulfilled for 64% of terminated registrations. Reviews were completed in an average of 35 days of the registration closing date.</p> <p>A total of 122 financial inspections were completed during the fiscal year, which represents 8% of the year-end registrant base head offices.</p> <p>A total of 281 complaint files were processed within an average of 15 days from receipt of all required information and supporting documentation.</p>



EDUCATION AND AWARENESS

OBJECTIVE	MEASURE	FISCAL YEAR 2023/2024 TARGET	ACTIVITIES AND ACCOMPLISHMENTS
Support an Informed Travel Marketplace	Measure Ontarians' awareness of the existence of a regulated marketplace and TICO as a regulator when purchasing travel services from Ontario registered travel agencies and websites.	Maintain awareness of TICO at post-pandemic baseline of 4-in-10 consumers, based on current economic projections, consumer confidence, and continued travel recovery expectations.	TICO's consumer survey found 57% of respondents were aware of TICO, an increase from 41% the prior year. Across the board, the consumer survey results were more favourable this year and more in-line with historic levels.
		Maintain awareness of regulated marketplace at post pandemic baseline of 5-in-10 consumers by continuing to provide timely and credible information, while acknowledging that the broader travel environment and federal regulations may cause some confusion in the marketplace.	TICO's consumer survey found 62% of respondents were aware that travel agencies in Ontario are regulated, an increase from 53% the prior year.
Measure Overall Consumer Value	Measure consumers' value of TICO's services and the consumer protection available in the province.	Maintain that 7-in-10 consumers value TICO and its services.	TICO's consumer survey found that 75% of respondents value TICO and its services, up from 71% the prior year.
Enhance TICO's Education Standards Program	Update and provide new study tools to assist individuals to meet the legislated Educational Standard to sell travel services in Ontario.	Improve the satisfaction rate from 71% to 75% for TICO's Education Standards Program and educational resources.	The overall satisfaction rate was 69% for TICO's Education Standards Program in 2023/2024.
Enhance Education Opportunities for Registrants	Develop educational webinars and online continuing education resources to engage and revitalize the knowledge of registrants and their travel counsellors.	Maintain a minimum 91% satisfaction rate of TICO's educational initiatives with registrants.	The overall satisfaction rate was 90% for TICO's educational initiatives in 2023/2024.

ORGANIZATIONAL RESILIENCY

OBJECTIVE	MEASURE	FISCAL YEAR 2023/2024 TARGET	ACTIVITIES AND ACCOMPLISHMENTS
Enhance TICO Value Proposition to Registrants	Develop and implement a survey tool that provides a comprehensive measure of registrant value of TICO and its services.	Maintain 67% for registrant value of TICO and its services as a basis for future enhancement strategies.	TICO's registrant survey found 54% of respondents value TICO, a decrease from 67% the prior year. It should be noted that the results are now consistent with the value levels reported in 2021. The survey results may have been impacted by the broader business environment, including the funding framework and fee review consultation and a period of intense stakeholder advocacy.

FINANCIAL PERFORMANCE

OBJECTIVE	MEASURE	FISCAL YEAR 2023/2024 TARGET	ACTIVITIES AND ACCOMPLISHMENTS
Deliver Budget Operating Expenses	Operating expenses, excluding extraordinary items.	Achieve operating expenses within a range of +/- 5% of annual budget.	Operating expenses achieved a 5% favourable variation to the annual budget.



Additional Business Accomplishments in 2023/2024

- Successfully returned to a post-pandemic cost-recovery model, concluding temporary funding arrangements with the Ontario government that ended on March 31, 2023.
- Completed supporting the OAGO in its audit process, resulting in a total of 16 recommendations with nine of those directed at TICO, six directed at both TICO and the Ministry, and one directed at the Ministry.
- Substantially completed work towards finalizing TICO's Public Action Plan, which outlines TICO's progress in addressing the recommendations of the OAGO.
- Reconstituted TICO's Board of Directors to align with the Minister's Orders received on August 11, 2023.
- Established the Industry Advisory Council and Consumer Advisory Council, both of which will provide guidance and advice to the TICO Board of Directors on issues pertaining to TICO's consumer protection mandate.
- Continued to seek operational efficiencies and a secure infrastructure through enhanced IT tools and processes.
- Conducted an employee engagement survey resulting in an employee engagement score of 82%.
- Maintained eligibility with Google to continue funding from their not-for-profit Google Ad Grants program, up to \$10,000 USD per month.
- Published TICO Talk e-newsletter on TICO's website and distributed by email to all registrants.
- TICO's Joint Health and Safety Committee, composed of employee and management representatives, continued its work to maintain and enhance the health and safety conditions in the workplace.
- Shared best practices and other updates through ongoing collaboration with other Ontario delegated administrative authorities.

Operational Performance Review

Registration

On March 31, 2024, there were a total of 1,921 registrations with TICO compared to 1,920 registrations the previous year. This represents a 0.1% increase in the number of registrants compared to the prior year (Fig. 1), marking the first time in the past five years that there has been an increase in registrant numbers.

Of these, **86% (1,643)** are retail travel agencies, that sell travel services directly to consumers and **14% (278)** are travel wholesalers, that sell travel services through travel retailers.

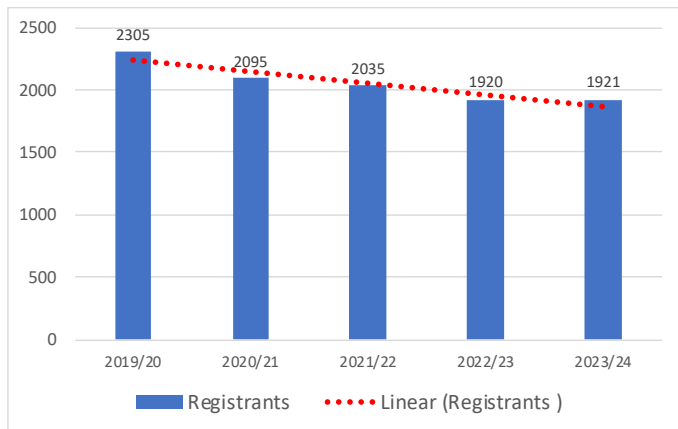


Figure 1: Registrations under the Act

In 2023/2024, there were a total of 135 terminations compared to 328 in the prior year (Fig. 2). A total of 1,713 registrations were processed under the *Travel Industry Act, 2002*, which included 76 new registrations (Fig. 3) and 1,637 renewals (Fig. 4). Registrations are renewed annually.

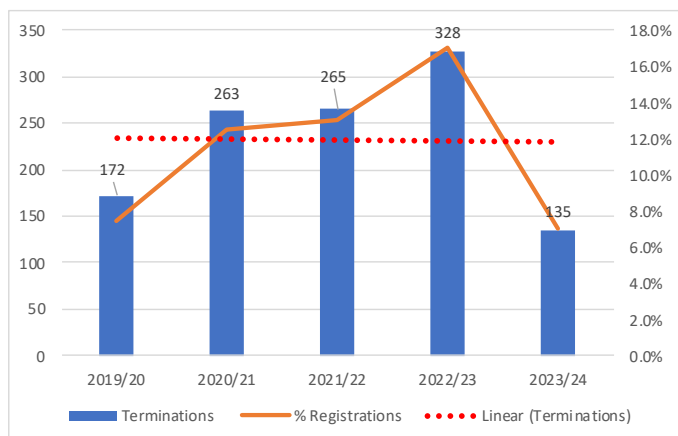


Figure 2: Voluntary Termination/Expired Registrations and Revocations

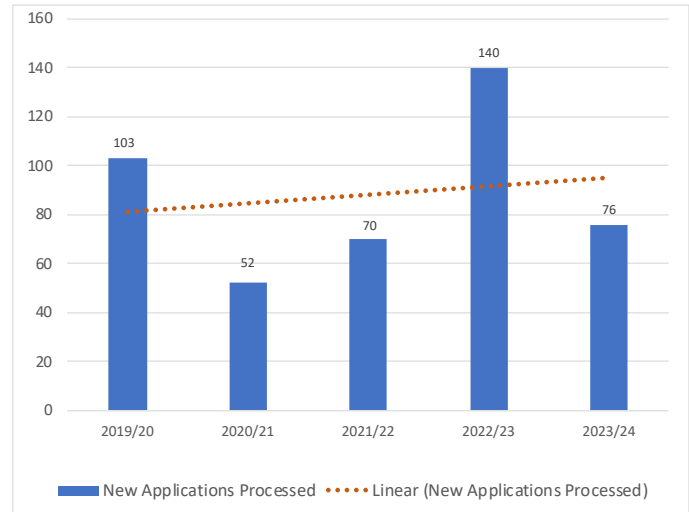


Figure 3: New Applications Processed

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

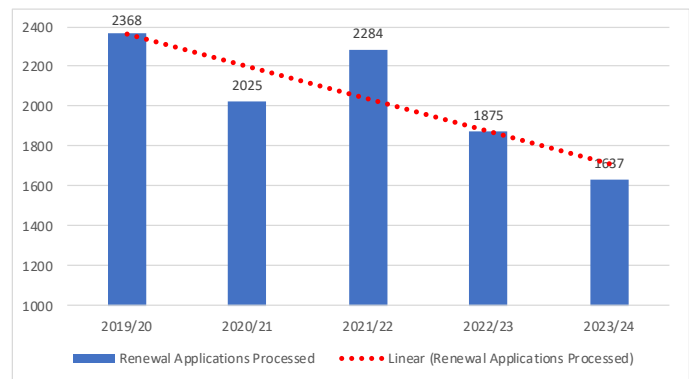


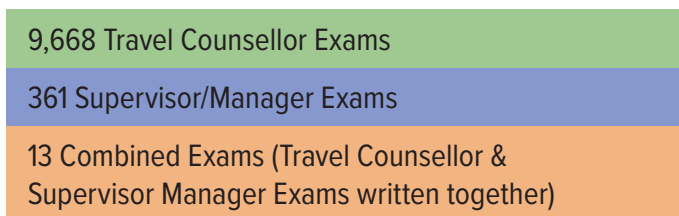
Figure 4: Renewal Applications Processed



Education Standards

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

The Education Standards Program is administered through a modern online educational platform and consists of two levels, the Travel Counsellor and the Supervisor/Manager exam. Those wishing to write both the Travel Counsellor exam and the Supervisor/ Manager exams at the same time may do so. During the fiscal year, a total of 10,042 exams were written compared to 7,143 the prior year, an increase of 41%. The number of exams written continues to exceed the pre-pandemic levels due to demand for human resources to meet the industry recovery needs. The breakdown of exams written during the fiscal year are as follows:



As at March 31, 2024, a total of 102,642 exams have been written since the inception of the Education Standards Program on July 1, 2009.

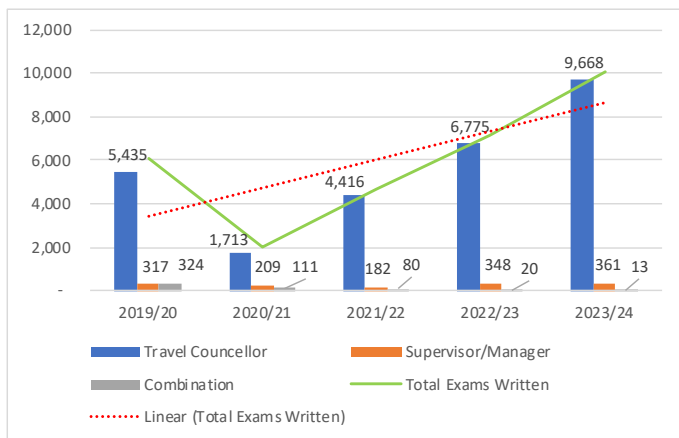


Figure 5: Exams Written

Complaint Handling Process

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

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

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

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

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

Registrant-to-registrant disputes have traditionally not been handled by the Registrar unless non-compliance with the Act and the Regulation are involved.

Complaints Against TICO

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

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

During the 2023/2024 fiscal period, there were no complaints against TICO that were subject to review by the Committee.

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

Consumer Complaints

During the 2023/2024 fiscal year, TICO continued to receive a large number of calls and emails from consumers.

TICO resolved 281 written consumer complaints against registrants in 2023/2024 compared to 204 in the previous year. This number of written consumer complaints resolved during the fiscal year is comparable to pre-pandemic levels. (Fig. 6). The number of new complaints received during 2023/2024 was 265 compared to 222 in the previous year. In processing these complaints, TICO successfully assisted consumers in obtaining \$354,534 in restitution compared to \$353,682 the previous year.

In addition, TICO handled 1,085 telephone complaint inquiries compared to 1,713 in the previous year and 1,229 email complaint inquiries compared to 1,410 in the previous year.

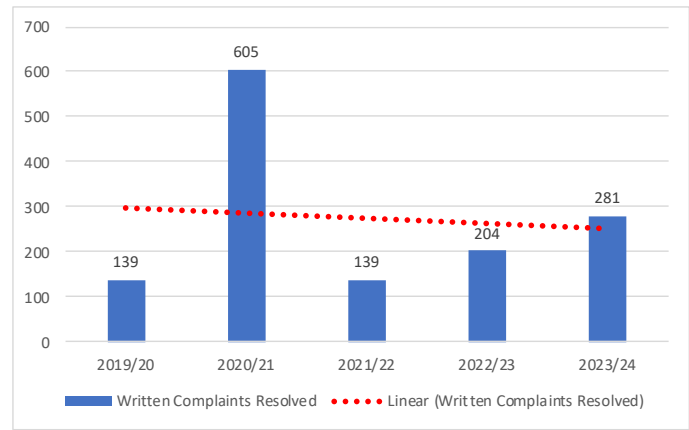


Figure 6: Written Complaints Handled

The 10 most frequent types of written complaints received at TICO in 2023/2024 were:

	2023/2024	2022/2023
1.	↑ Future travel credit refunds (expiration / redemption issues).	Dissatisfaction regarding future travel credit refunds issued in response to supplier failing to provide travel services.
2.	↑ Outstanding refund issues.	Invoicing issues (e.g. invoice not issued at time of purchase, etc.).
3.	↑ Cancellation issues related to a travel agent or a travel wholesaler.	Miscellaneous issues related to the cancellation of travel services due to the COVID-19 global pandemic (e.g. redemption issues, date expiration issues, pricing and additional fees).
4.	↓ Invoicing issues (e.g. invoice not issued at time of purchase, etc.).	Terms and Conditions of reservation.
5.	↓ Terms and Conditions of Reservation.	Cancellation/non-refundable/no insurance.
6.	→ Customer services issues.	Customer services issues.
7.	↑ Flight Delays and Cancellations.	Suspected fraudulent activity by an individual or company operating unregistered.
8.	↑ Miscellaneous issues as a result of consumer cancellations.	Ticketing Issues (e.g. erroneous ticketing numbers, tickets not issued, and tickets cancelled).
9.	↓ Ticketing Issues (e.g. erroneous ticketing numbers, tickets not issued, and tickets cancelled).	Flight delays and cancellations.
10.	↑ Itinerary or schedule change.	Outstanding refund issues.





Consumer Survey Results — Complaints Process

During the fiscal year 2023/2024, TICO distributed an online survey to 281 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 2024, there were 41 completed surveys returned to TICO, compared to 43 in the previous year.

The results of the 41 completed surveys received are as follows:

Consumers were asked about their overall satisfaction with service relating to communications during the complaint process. 95% of respondents indicated that they were satisfied with the communications received from TICO’s Complaints Officers during the complaints process while 5% indicated they were somewhat dissatisfied.

The survey results also indicated that of the 41 consumer respondents, 84% were satisfied or somewhat satisfied with the complaint turnaround times and 16% were dissatisfied. Comments received in the survey included, *“My complaint was taken care of right away. It was resolved so quick & I got my full refund without waiting for a long period of time”* and *“TICO’s timely intervention has led to a satisfactory resolution of my complaint, which has been languishing for many months prior to that.”*

Turnaround times may vary considerably depending on the volume of consumer complaints received, the complexity of the issues involved as well as the responses received from complainants and registrants, which could result in further information being required from suppliers or other third parties.

When asked to rate their satisfaction with the fairness of the process: 95% of respondents advised they were satisfied or somewhat satisfied with TICO’s process. When asked to rate their overall satisfaction with TICO’s handling of their complaint, 95% of consumer respondents advised they were satisfied, and 5% dissatisfied.

Customarily, consumers who have expressed dissatisfaction do so in response to TICO having no authority to assist them as their complaint matter does not contain issues that are covered by the legislation. In other cases, TICO is able to identify possible contravention(s) of the Act and/or Regulation by the registrant(s) involved. These issues were referred to TICO’s Compliance Department for further review. As a result, TICO requires registrants to initiate corrective measures in an effort to prevent similar situations from affecting future travelers. However, such referrals are not directed at obtaining compensation for specific complaints.

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

“

I am so happy and pleased with the communication and professionalism with the person dealing with my concern. Thank you for your assistance.

“

Finally was able to receive refund after a year of struggling.

“

I had a very positive experience with TICO and I am very grateful for their service.

“

I have been trying to receive a refund for 3 years for a covid cancelled vacation. TICO took 1 week to get my full refund. I AM VERY HAPPY with the experience.

Financial Inspections

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

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

During the fiscal period 2023/24, the burden relief sections of the Regulation continued to provide support to registrants through a simplified financial reporting structure, requiring a self-attestation of their financial position, in place of externally verified financial statements. TICO completed 1,879 bench reviews (Fig. 7) compared to 1,922 bench reviews in the previous year and completed 122 financial site and limited scope inspections compared to 196 in the previous year (Fig. 8). Limited scope inspections are in-house inspections that focus on trust accounting and working capital compliance.

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

Inspection Reason	2023/2024 Financial Inspections	2022/2023 Financial Inspections
Working Capital	43	19
Other/miscellaneous	35	48
Trust Accounting	32	38
Limited Scope	4	59
New Registrant	8	32
Total	122	196

New Registrant Training

During the year, TICO continued to hold virtual training sessions for new registrants, which largely replaced new registrant site inspections conducted by TICO. The training sessions provide a full overview of the compliance requirements under the Act and the Regulation, as well as information on the resources available to registrants. A total of 10 sessions were conducted and 64 registrants participated.

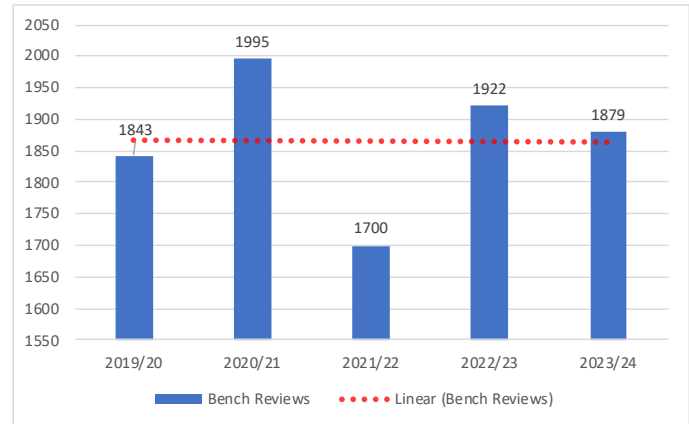


Figure 7: Financial Bench Reviews

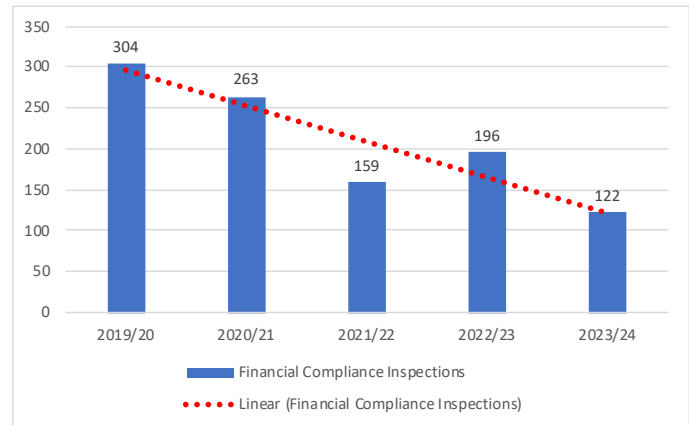


Figure 8: Financial Compliance Inspections



Compliance (Non-financial)

During the 2023/2024 fiscal period TICO processed 481 compliance files compared to 421 in the previous year. In 2023/2024, TICO performed 70 compliance site inspections and 161 desktop registrant closure reviews compared to 101 compliance site inspections and 164 desktop registrant closure reviews the prior year. Compliance site inspections are typically performed to address various issues such as operating without registration and follow-up site inspections to ensure former registrants have ceased operating when their registration has been terminated. TICO’s goal is to perform registrant closure reviews within 30 days of the closure taking place. This includes closure reviews of those registrants that have voluntarily terminated their registration as well as instances where registration was revoked by TICO.

In 2023/2024, a total of 82 warnings for operating without registration were issued compared to 93 in the previous year (Fig. 9) and 32 advertising warnings were issued to registrants and/or individuals who appeared to be carrying on business in contravention of the Act and Regulation compared to 18 in the previous year (Fig.10). In addition, 113 invoicing warnings (Fig. 11) were issued to registrants that did not provide proper invoices and/or receipts in accordance with the Regulation compared to 85 in the previous year. This increase in invoicing and advertising deficiencies is a result of the overall industry sales recovery and the resulting increase in TICO’s compliance activity.

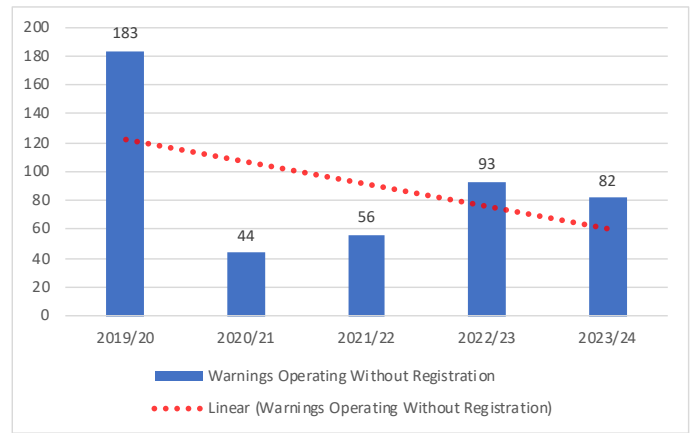


Figure 9: Warnings Issued for Operating without Registration

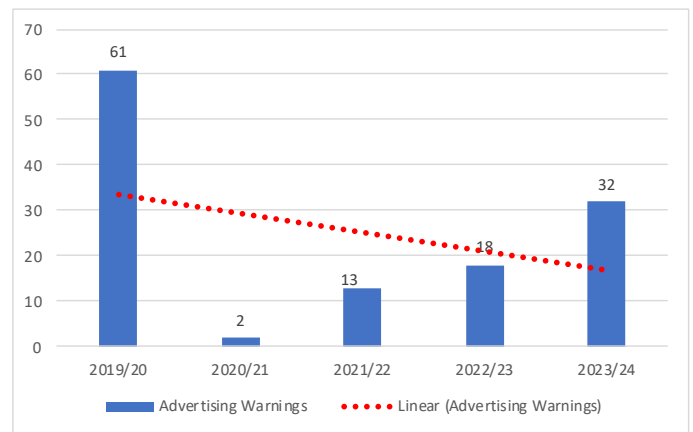


Figure 10: Warnings Issued for Advertising Infractions

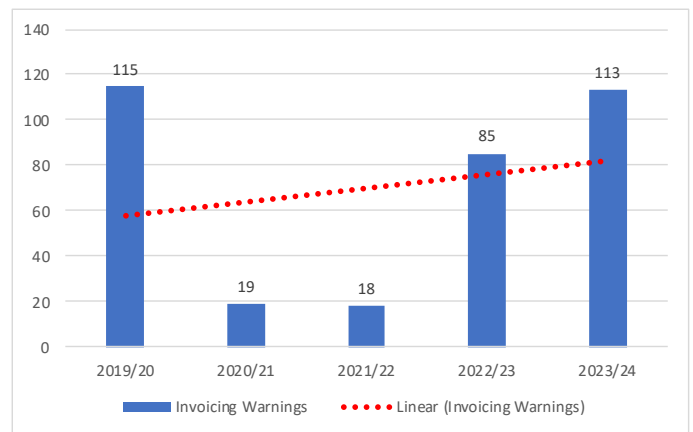


Figure 11: Warnings Issued for Invoicing Infractions

Travel Industry Compensation Fund

TICO is required to hold all Compensation Fund monies in trust. As at March 31, 2024, the assets held for the Compensation Fund were \$23,786,930.

Claims and Repatriation (net of professional fees)

Claims paid (or accrued) during the fiscal year ended March 31, 2024, compared to the previous year ended March 31, 2023, were as follows:

	2023/24	2022/23
Number of claims paid	66	129
Number of consumers assisted	105	278
Claims paid - Registrant failure	211,719	128,709
Claims paid - End supplier failure	66,189	434,839
	<u>\$277,908</u>	<u>\$563,548</u>
Repatriation/Trip Completion	-	-
Total Claims Paid	\$277,908	\$563,548
Accruals ¹	(169,149)	52,994
As per Statement of Operations	<u>\$108,759</u>	<u>\$616,542</u>
Recoveries	(\$51,516)	(\$6,278)

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

Closures Resulting in Significant Claims Paid

The following entities resulted in claims paid during the 2023/2024 fiscal year:

Crystal Cruises, LLC

Crystal Cruises, LLC operating out of Miami, Florida, USA ceased operations on February 11, 2022. Crystal Cruises sold luxury cruises that included cruises to the Pacific/Southeast Asia, Europe, North and Central America and Caribbean. During the year ended March 31, 2024, a total of \$65,560 was paid out of the Compensation Fund. During the year ended March 31, 2023, a total of \$403,214 was paid out of the Compensation Fund, assisting a total of 148 consumers.

Holy Destinations Travel Inc.

Holy Destinations Travel Inc., a travel agency located in Nepean, Ontario, had its retail registration revoked under the *Travel Industry Act, 2002* effective July 26, 2023. This travel agency specialized in Islamic holy pilgrimages — including Hajj and Umrah — to Mecca, Saudi Arabia. During the year ended March 31, 2024, a total of \$123,000 was paid out of the Compensation Fund, assisting a total of 25 consumers.





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

REGISTRANTS	CLAIMS PAID 2023/2024 \$	RECOVERIES 2023/2024 \$	CLAIMS PAID 2022/2023 \$	RECOVERIES 2022/2023 \$
Active Journeys Inc (R)	3,600	-	-	-
Albarkah Travel and Tours Inc (R)	4,253	-	-	-
Crystal Cruises *	65,560	5,000	403,214	-
Dolphin Travel (R)	-	600	-	600
Fly Jamaica Airways *	629	-	12,868	-
Holy Destinations Travel Inc. (R)	123,000	10,000	-	-
Jacco Tours (R) (W)	-	12,904	12,904	-
Jet Airways *	-	-	18,757	-
Luxury Travel Centre Inc. (R)	2,640	10,000	2,377	-
Rejoice Holidays (R)	26,985	-	45,657	-
Sakthivel Suppiah (R)	-	300	-	-
Sinorama Holidays Inc. (R) (W)	-	-	-	2,280
Sunmed Holidays (R)	-	-	64,471	3,398
The 5700 Inc. (R)	2,711	2,712	-	-
The Travel Broker Group Inc. (R)	12,500	-	-	-
World Travel Inc. (R)	36,030	-	3,300	-
2363495 Ontario Inc. (R)	-	10,000	-	-
TOTAL CLAIMS PAID (GROSS)	277,908	51,516	563,548	6,278

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

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

Figure 12 illustrates the total claims paid by the Fund over the last five years. The total claims paid during 2023/2024 totaled \$277,908 compared to \$563,548 the previous year. Recoveries recognized by TICO in 2023/2024 were \$51,516 compared to \$6,278 recovered in 2022/2023.

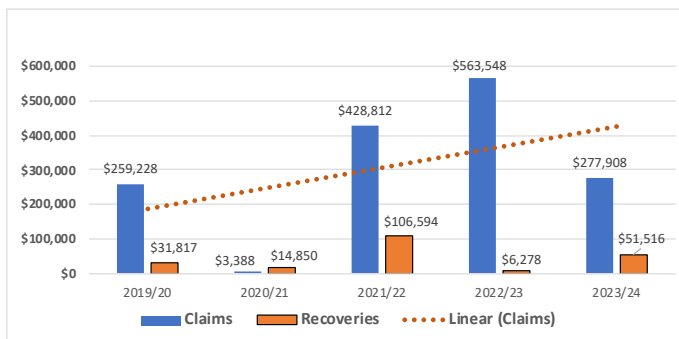


Figure 12: Total Claims paid and Recoveries to the Fund

Figure 13 provides a comparison of the total claims paid out of the Compensation Fund as a result of TICO registrant closures and claims paid as a result of end supplier (airline or cruise line) failures. During the 2023/2024 fiscal year, there was a decrease in overall claims paid out of the Compensation Fund as a result of lower end supplier failures.

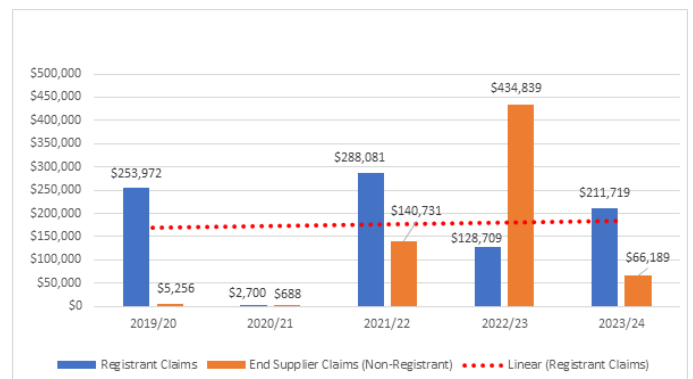


Figure 13: Registrant Claims vs Non-Registrant End Supplier Claims



In 2023/2024, a total of \$211,719 was paid in claims related to registrant failures compared to \$128,709 the prior year. During the fiscal period 2023/2024, a total of \$66,189 in claims was paid as a result of end supplier failures compared to \$434,839 in the previous year.

Contributions to the Fund from registrants (Fig. 14) in 2023/2024 were higher compared to the previous year with \$4,539,314 recognized in the current year and \$Nil recognized in 2022/2023. The last year results reflected continuation of fee waivers of all fees due between April 1, 2022, to March 31, 2023. The waiver period ceased at the beginning of the current fiscal year.

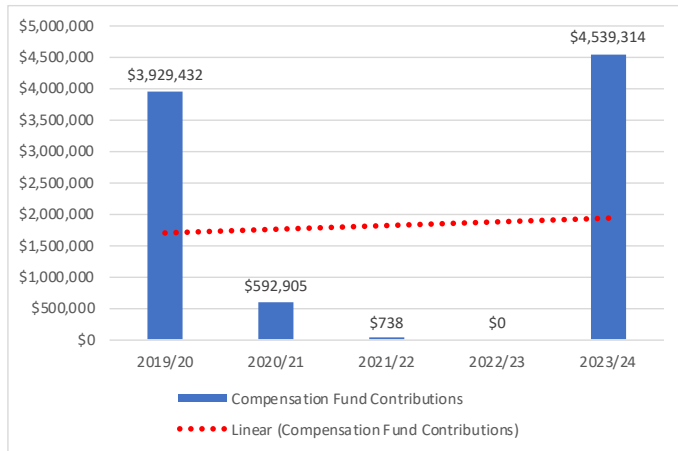


Figure 14: Contributions to the Compensation Fund

Consumer Survey Results – Claims Process

During the fiscal year 2023/2024, TICO distributed an online consumer survey to claimants who filed claims against the Compensation Fund inviting feedback on their experience with TICO’s claims process. At the end of March 2024, there were 12 completed surveys returned to TICO which was lower than the 17 completed in the previous year.

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

The survey results indicated 82% consumers were satisfied or somewhat satisfied with the length of time to process their claim, with 18% of consumers indicating they were dissatisfied. Turnaround times vary considerably depending on the complexity of the claims and the supporting documentation required to prove a claim from claimants, registrants, suppliers and/or other third parties.

When asked to rate their satisfaction with the fairness of the claims process, 82% of respondents advised they were satisfied and 18% were somewhat satisfied with the fairness of TICO’s claims process. When asked to rate their overall satisfaction with TICO’s handling of their claim, 82% of respondents advised they were satisfied and 18% somewhat satisfied.

During the fiscal year, TICO conducted a comprehensive survey with Ontario consumers to measure the value of the consumer protection TICO administers and enforces, including the Compensation Fund. The results of the values survey can be found on page 38.

Legal Matters

Claims

LAT hears appeals from decisions of the Board relating to the eligibility of claims for payment from the Compensation Fund. During the period ended March 31, 2024, there were five claim appeals to LAT.

Investigations

TICO initiates and conducts investigations when it becomes apparent that there may have been a breach of the legislation. Investigations can result in charges being laid under the statute. During fiscal 2023/2024, TICO opened 10 new investigations and closed nine investigations. There were 52 charges laid under the

statute during the fiscal year. Some of the investigations were carried over from the prior fiscal year. As of March 31, 2024, there were four open investigations.

Prosecutions

Prosecution activities conducted during 2023/2024 resulted in 21 convictions.

Penalties imposed in relation to these activities include:

- **\$105,925 fines (including victim surcharge)**
- **\$68,643 restitution**
- **33 years’ probation**



The following prosecutions were carried out during the fiscal year:

DEFENDANT	COUNTS	OFFENCE	SENTENCE					
			FINE (INCLUDING VICTIM SURCHARGE OR SUSPENDED SENTENCE (SS))		RESTITUTION		PROBATION/ COMMUNITY SERVICE/JAIL	
			COMPANY OR INDIVIDUAL	AMOUNT/ OUTCOME	PAYABLE TO	AMOUNT	INDIVIDUAL	TIME
Angie's All Seasons Travel Inc. and Angela Comella	1	Failing to provide complete invoice	Angie's All Seasons Travel Inc.	SS	-	-	2-year probation	-
	1	Failing to disclose counselling/ service charge	Angie's All Seasons Travel Inc.	SS	-	-	-	-
	1	Operating as an unregistered travel agent	Angela Comella	\$5,625	-	-	2-year probation	-
Bermuda Accommodations Inc. and Fiona Campbell	1	Operating as an unregistered travel agent	Bermuda Accommodations Inc.	SS	-	-	2-year probation	-
	1	Operating as an unregistered travel agent	Fiona Campbell	\$15,625	-	-	2-year probation	-
Elite Encounters and Adventures Inc., Stephanie Landriault and Dwayne Pogue	1	Operating as an unregistered travel agent	Elite Encounters	SS	-	-	2-year probation	-
	1	Failing to take reasonable care to prevent the corporation from committing an offence	Dwayne Pogue	\$12,500	-	-	2-year probation	-
Encore Sports Tours and David McCabe	1	Operating as an unregistered travel agent	Encore Sports Tours	SS	-	-	-	-
	1	Failing to take reasonable care to prevent the corporation from committing an offence	David McCabe	\$9,375	-	-	2-year probation	-
Luis Da Silva o/a Bwiti Canada	1	Operating as an unregistered travel agent	Luis Da Silva	\$4,375	-	-	2-year probation	-
Hameed Khan o/a Ottawa Sports Tours	1	Operating as an unregistered travel agent	Hameed Khan	\$18,750	-	-	2-year probation	-

DEFENDANT	COUNTS	OFFENCE	SENTENCE					
			FINE (INCLUDING VICTIM SURCHARGE OR SUSPENDED SENTENCE (SS))		RESTITUTION		PROBATION/ COMMUNITY SERVICE/JAIL	
			COMPANY OR INDIVIDUAL	AMOUNT/ OUTCOME	PAYABLE TO	AMOUNT	INDIVIDUAL	TIME
Rustic Mama Retreats Inc. and Jennifer Aide	1	Operating as an unregistered travel agent	Jennifer Aide	\$11,875	–	–	2-year probation	–
	1	Failing to take reasonable care to prevent the corporation from committing an offence	Jennifer Aide	SS	–	–	–	–
	1	Operating as an unregistered travel agent	Rustic Mama Retreats Inc.	SS	–	–	2-year probation	–
Sonia Guillermo, Leila Per, Jerome Peralta, Amalia Lim, all o/a Wintours Budget Travel	1	Operating as an unregistered travel agent	Sonia Guillermo	\$3,750	–	–	2-year probation	–
	1	Operating as an unregistered travel agent	Leila Per	\$4,375	–	–	2-year probation	–
	1	Operating as an unregistered travel agent	Amalia Lim	\$300	–	–	2-year probation	–
	1	Operating as an unregistered travel agent	Jerome Peralta	\$4,375	–	–	2-year probation	–
Weatech Inc. o/a Eventtours and Liezl Albino	1	Operating as an unregistered travel agent	Liezl Albino	\$15,000	Consumer	\$68,643	3-year probation	–
	1	Failing to take reasonable care to prevent the corporation from committing an offence	Liezl Albino	SS	–	–	–	–
	1	Operating as an unregistered travel agent	Weatech Inc. o/a Eventtours	SS	–	–	–	–
TOTALS	COUNTS: 21		FINES: \$105,925		RESTITUTION: \$68,643		PROBATION: 33 years	COMMUNITY SERVICE/JAIL: 0 hours





Proposals to Revoke/ Refuse Registration

In 2023/2024, TICO issued 25 proposals to revoke or refuse registration. The proposals were issued for the following reasons:

	2023/24	2022/23
Failure to submit Financial Filings	20	49
Registrant's Conduct Issues	4	4
Working Capital Deficiency	1	2
Refuse to Renew Registration	0	1
	25	56

In fiscal year 2023/2024, there were eight registration revocations issued by LAT as a result of TICO proposals, while special terms and conditions were imposed on 19 registrants.

Changes to Ontario Regulation 26/05

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

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

During the 2023/2024 fiscal year, the following temporary burden relief measures were still in effect:

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

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

On March 25, 2024, TICO reminded registrants via a Registrar Bulletin that this temporary amendment expires effective December 1, 2024.

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

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

On March 25, 2024, TICO reminded registrants via a Registrar Bulletin that this temporary amendment expired effective April 1, 2024.

Status of the *Travel Industry Act, 2002* Review

So that the regulatory framework of the travel industry in Ontario is better aligned with the changing industry landscape and associated industry risks to consumers, the OAGO recommended in their December 2023 report that the Ministry conduct a comprehensive review of the *Travel Industry Act, 2002* and its regulation as well as the existing mandate of TICO (recommendation 16). The Ministry has indicated to the Auditor General that it is prioritizing consideration of recommendation 16. Other recommendations that require legislative and/or regulatory changes would be assessed for consideration and decision-making, as appropriate, pending the outcome of the government's contemplation of recommendation 16.



Consumer and Industry Advisory Committee Report

December 2023

Chair – E. Finkelman

During the past year, the Consumer & Industry Advisory Committee (CIAC) met three times, sharing their insights and feedback to senior management and the Board of Directors. The Ministry also attended these meetings in an observatory role.

Acknowledging the travel marketplace has strengthened following the pandemic, CIAC members continued to highlight both challenges and opportunities for consumers and industry.

The consumer perspective

For consumers, CIAC reaffirmed TICO's value proposition, noting that while general consumer awareness had improved, there is still a need to seek innovative approaches and messaging to reach a growing and diverse travelling public.

CIAC members encouraged management to consider emerging technologies (e.g., artificial intelligence) and other third-party collaborations to extend its consumer outreach.

The committee continued to support management's digital consumer and registrant outreach programs, commenting on strong metrics throughout the year.

Travel advisors continue to be recognized as the best ambassadors of the consumer protection message, and the committee stressed that TICO must continue to find tools for advisors that are helpful to their consumers.

The industry perspective

For industry, CIAC members highlighted remaining post-pandemic challenges, particularly financial issues associated with higher registrant debt burdens and increased competition from global travel sellers.

Recognizing TICO's role in education, CIAC also encouraged management to continue enhancing its learning management systems for both mandatory and voluntary continuous education, including re-certification.

Management was encouraged to seek efficiencies and simplify regulatory processes and burdens, while continuing to strengthen the overall consumer protection framework.

Management also shared with the committee the principles, objectives and process associated with the funding framework and fee review. Following Board approval of a comprehensive business case, and in accordance with the fee setting principles, and criteria in the TICO/Ministry Administrative Agreement, TICO proceeded with an overhaul of its funding framework, which took effect April 1, 2024. CIAC members were apprised of the process and provided helpful insights into a province-wide consultation.

Looking ahead

On August 11, 2023, TICO received Minister's Orders aimed principally at reconstituting the composition and enhancing governance of the Board of Directors, as further detailed on page 56 of this report. One of the Minister's Orders included a requirement for the formation of a new Industry Advisory Council. With a new Industry Advisory Council, it was equally important to ensure a separate advisory body for consumers existed. CIAC members reviewed this Order and provided their insights into an effective transition, and as of December 31, 2023, CIAC's mandate concluded and planning for two new advisory councils commenced.

Recognizing the industry continues to recover, grow and innovate, CIAC members encouraged TICO, industry and government to continue their efforts to promote the travel sector in Ontario, while it maintains a fair, safe and informed marketplace. There continues to be significant benefits for consumers to meet their travel needs by engaging with a TICO retailer, particularly following the COVID-19 pandemic. In closing, the committee expressed its appreciation for the opportunity to provide strategic advice to TICO's Board of Directors.



Consumer Awareness Campaign

With a return to more typical travel conditions in 2023, consumer demand for travel soared. TICO continued to engage Ontario's travellers to remind them of the consumer protection that's available when booking with a TICO registered travel agency or website.

Strategy

Using insights from previous years, TICO executed a digital-first strategy to educate and inform Ontarians. This included an 'always-on' campaign to ensure TICO would be easy to find for those who needed support. This was complemented by targeted collaborations with content creators, unique advertising opportunities, public relations and industry engagement to extend the reach of our messaging.

Messaging

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

Campaign highlights

- Google Ads (search engine marketing): Through Google Ads, TICO addressed consumers' concerns and questions by making information easy to find and readily available. As a not-for-profit organization, TICO accessed nearly \$92,000 USD in free advertising through the Google Ad Grants program, with ads being seen more than 161,000 times and driving approximately 31,000 visits to TICO's website.
- Social media: TICO continued an 'always-on' approach with social media, with both organic posts and advertising throughout the year. The content in our posts related to the peace-of-mind and confidence that booking with a TICO registered travel agency or website offers. TICO's social media content was seen more than 2.7 million times by Ontarians, with engagement rates significantly higher than industry averages.
- Public relations: TICO's spokespeople are consistently acknowledged as expert voices in the travel industry. Through proactive media engagement, strategic editorial placements and prompt responses to media enquiries, TICO appeared in 141 media articles and broadcasts over the past year. This included top-tier national media outlets, as well as local publications throughout Ontario.
- Digital collaborations: TICO partnered with four digital content creators to produce custom videos and posts for social media. These targeted collaborations were seen more than 300,000 times, reaching diverse segments of Ontario consumers.
- Media partnerships: TICO partnered with Horizon Magazine, which focuses on travel and lifestyle information. TICO had a two-page spread in the September edition, which was distributed in the Saturday Toronto Star to 50,000 GTA households and emailed to 100,000 digital subscribers. As a value add, TICO was featured in a digital billboard advertisement at Yonge-Dundas Square, which is estimated to have been seen more than 400,000 times.

Consumer Values Survey Results

- TICO conducted a survey of nearly 800 Ontario consumers in November 2023. The survey found that 62% of respondents were aware that travel agencies and tour operators in Ontario are regulated, up from 53% in fiscal year 2022/2023. Similarly, 57% of respondents were aware of TICO, up from 41% in fiscal year 2022/2023.
- The survey found respondents' perceived value of TICO increased to 75%, up from 71% in the prior year. Additionally, 76% of respondents indicated that the Compensation Fund is valuable to them, an increase from 71% in the prior year.
- Following a relatively smooth year in the broader travel environment, consumers' trust in the travel industry has rebounded with 65% of survey respondents indicating they have trust in the travel industry, an increase from 55% in the prior year.

By the numbers

3,811,850

total campaign impressions

161,055

search impressions (free Google search ads)

141

media articles and broadcasts that featured TICO

7%

Facebook engagement rate

2,766,842

overall impressions on social media

30,960

link clicks to TICO's website from Google search ads

16.7%

Instagram engagement rate

75%

of Ontario respondents feel TICO is valuable to them as a travel consumer

Registrant Engagement

Ontario's registered travel agencies, booking websites and tour operators play a vital role in informing consumers of the consumer protection available through TICO.

TICO executed a small refresh of the digital Registrant Toolkit (www.tico.ca/toolkit), which offers Ontario's travel agents, agencies, websites and tour operators shareable resources that speak to the value of booking with a TICO-registered business. The information is available in a variety of formats and languages. The Registrant Toolkit was accessed more than 4,000 times during the 2023/2024 fiscal year.

Registrant Values Survey Results

TICO surveys registrants annually to measure their perceived value of TICO and their confidence and satisfaction in TICO's services. TICO conducted its latest survey in November 2023, where all registrants were invited to participate and 225 completed the survey.

- The period just prior to the survey being fielded included the resumption of fees payable to TICO after three years of waivers, sustained industry advocacy and a broad industry consultation for the funding framework and fee review. Additionally, balances on any Canada Emergency Business Account (CEBA) loans were coming due in the near future for many businesses. These factors played into the overall sentiment of registrants and the responses TICO saw during this wave of research.
- TICO saw declines across several metrics, including perceived value of TICO at 54%, compared to 67% the prior year. Similarly, confidence in TICO declined to 63% from 72% the prior year and satisfaction with TICO declined to 58% from 71% in the prior year.
- While there have been declines across several metrics compared to the record highs experienced in the two prior fiscal years, the results have recalibrated to previous benchmarks.
- TICO remains committed to enhancing the value it offers to the industry. These survey results will inform future registrant engagement strategies and tactics.



Corporate Social Responsibility (CSR)

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

Environmental Initiatives

TICO staff maintained their commitment to clean Max Ward Park in Mississauga through various clean-up programs.



Local Initiatives

In recognition of the increased food insecurity within our community, TICO donated an additional \$2,363 to Food Banks Mississauga from its fundraising efforts.

The Shoebox Project for Women is a registered charity that collects and distributes gift-filled shoeboxes to local women impacted by homelessness. During the holiday season, TICO staff compiled and delivered 21 shoeboxes to the charity, filled with products valued at \$1,050. In addition, a Toy Mountain fundraiser was held, where staff collected unwrapped toys valued at \$700.



Charitable Initiatives

TICO successfully raised over \$2,235 through various CSR fundraising events and initiatives to donate to Food Banks Mississauga and Plan Canada. TICO also organized food drives both at Christmas and in the spring of 2024 to receive donations.

Global Initiatives

TICO staff continued a child and community sponsorship with Plan International Canada through a donation of \$504.

Accessible Goods, Services, or Facilities

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

During the fiscal year, TICO received one query regarding accommodation available for the TICO Education Standards Exam, and the individual was informed about the available options. However, no formal requests for accommodations were received, and consequently, no accommodations were provided throughout the year.

French Language Services

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

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

- TICO's core services and information on a French microsite.
- Education Standards Program information and online registration process on TICO's website
- Education Standards materials (study manual, proctor guide, forms, etc.)
- TICO exams
- Complaint forms and Compensation Fund claim forms
- Informational materials promoting awareness of TICO and its services.

During the fiscal year, TICO received 15 enquires in French. Of the 10,042 Education Standards exams written during the fiscal year, a total of 923 were written in French.

Financial Review

The following financial review is based on the audited financial statements for the Travel Industry Council of Ontario (TICO) for the year ended March 31, 2024, with comparative figures for March 31, 2023.

Overview

Fiscal year 2023/2024 resulted in a strong Ontario Gross Sales recovery for the travel industry. However, despite this, the year was also marked with hardships experienced by some registrants who needed to re-establish their business in the post-COVID market. The recovery rate is at approximately 97% of the pre-pandemic record year of 2018/2019.

During the fiscal year, TICO's management completed a review of the organization's funding framework. This review included engaging a subject matter expert consultant and conducting in-depth industry consultation sessions with individual registrants as well as industry associations. The new funding framework aligns better with guiding principles such as long-term financial sustainability and cost equitability, which were used as the primary lens through which the funding framework was developed. The implementation of the new funding framework also addressed one of the Auditor General's recommendations, which called for revisions to TICO's fee structure to ensure that operating costs are sufficiently funded through registration and other fees charged to registrants. The final notice about the new fees was issued to registrants during the year. Burden relief continued to be provided to registrants through temporary regulatory provisions that require less onerous financial reporting requirements.

TICO's funding shortfall, which was a result of a revenue shortfall due to industry recovery from COVID-19, was funded through TICO's unrestricted reserves. Ending unrestricted funds balance is \$860,896. TICO did not receive any transfer payment agreement (TPA) funding from the Ontario government during the year (compared to \$2,500,000 in the prior year).

Investment returns on the managed portfolio performed exceptionally well, ending the year with \$1,661,616 in investment income. Compensation Fund claims expenses remained relatively low compared to historical results, while TICO's operating expenses performed better than budget but higher than the prior year, as further explained below. The final result for the fiscal year was excess of revenues over expenses.

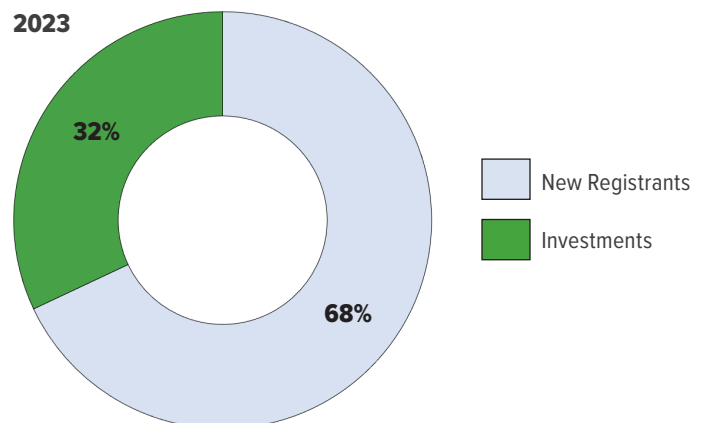
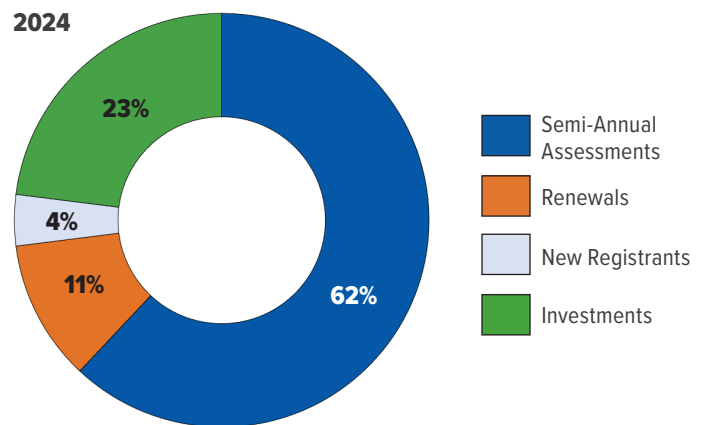
TICO realized an overall excess of revenues over expenses of \$1,985,224. This performance is better than budgeted, primarily due to investment performance as well as lower net claims and savings in operating expenditures.

As of March 31, 2024, total net assets were \$27,510,137 compared to \$25,524,913 for the year ended March 31, 2023. TICO's investment portfolio generated returns that reflected the positive capital market conditions, fuelled by the anticipated decrease in interest rates and were reflected in the recovery of the bond market, which underpins the majority of TICO's investments. Total revenues finished at \$7,334,630 (2023 - \$354,211) while operating expenses, before net claims, were higher by \$805,278 (19%). Claims before recoveries and related costs were significantly lower than the prior year at \$108,759 (2023 - \$616,542) and lower when compared to updated actuarial expectations (Actuarial evaluation of the Compensation Fund, June 2023).

As of March 31, 2024, assets held for the Compensation Fund totalled \$23,786,930 (compared to the actuarial prediction of \$22,822,000, reflecting an increase of \$1,000,000, which represents a transfer from unrestricted funds. An interfund transfer of \$1,000,000 to the Compensation Fund was reflected in the Statement of Changes in Net Assets.

Revenues

The composition and sources of revenues are provided below:



Revenues exceeded budget expectations and the prior year by \$6,980,419, with all revenue sources performing better than the previous year. Strong investment recovery contributed to robust investment income, while the reintroduction of registrant fees, including renewals and semi-annual assessments, which had been waived throughout the COVID-19 pandemic, resulted in revenues approaching pre-pandemic levels. During the 2023-2024 period, the total number of registrants was higher than the prior year by one, marking the first year without a decline in the number of registrations. This trend aligns with the overall recovery of the travel industry, as reported through Ontario Gross Sales.

The distribution of revenue from various sources has changed over the years during the COVID-19 pandemic but is consistent with the historical, pre-COVID-19 mix. Revenue from semi-annual payments emerged as the primary contributor to overall revenue, representing 62% compared to no revenue in the prior year.

Registrants' Ontario Gross Sales have recovered by 128% over the prior year, totalling \$18.1 billion, which represents a 97% recovery compared to the pre-pandemic record 2018/2019 fiscal year.

The number of registrants increased by one, which is a positive outcome considering the 6% annual attrition rate in the previous year. There were a total of 1,921 registrants, compared to 1,920 in the previous year. This includes 76 new registrations (including branches) that opened during the fiscal year, down from 140 in the prior year.

The total number of new registrants was offset by 137 terminations (expired registrations, voluntary terminations and revocations) during the year (2023 – 328). A total of nine revocations are included in the number of terminated registrations.

In aggregate, new registration revenues totalled \$321,000 (2023 - \$239,900). The strong performance in new registrations is consistent with the overall industry recovery.

The year ended with investment income of \$1,661,616, compared to \$114,311 in gains the prior year. This result is significantly higher than budget expectations. An anticipated reduction in interest rates and four consecutive months of increased consumer confidence (source: The Conference Board of Canada) have contributed to strong investment performance compared to the prior year. TICO holds its investments in a diversified low-risk portfolio, which is managed by an external investment advisor with oversight provided by management and the Board of Directors.

Operating Expenses

Total operating expenses of \$5,156,514 were higher than the prior year by \$805,278 (19%). The overall increase in expenses was largely a result of increased investment in the workforce, as reflected in salaries and benefits, which were higher by \$434,068 (14%). This increase reflects normal market adjustments to base salaries, reflecting overall performance and other market benchmarks. Following a headcount freeze during the pandemic, an incremental three resources were added within operations and legal to reflect operational needs in response to market demands and TICO's workforce strategy.

Additionally, the Ontario government oversight fee of \$358,012 was reintroduced, which accounts for approximately 7% of the total increase in operating expenses. Consumer and registrant awareness expenses and efforts continued to be largely conducted in-house by dedicated TICO staff. TICO ended the year with 30 staff, which represents an increase of three incremental staff compared with the prior year.

Other less significant increases in expenses are related to facility operating costs, computing service & hosting and bank charges & merchant fees.

A large decrease in expenses was related to professional fees in the amount of \$83,087. This year's level of professional fees is more in-line with historical spending. The decrease can be attributed to the prior year's consultant fees for work related to the new funding framework proposal.

Other operating expenses reflected either smaller increases or smaller cost savings and could therefore be characterized as similar to the prior year.



Capital asset purchases of \$65,171 were funded through TICO's unrestricted reserves and were amortized in accordance with the capital assets amortization policy.

Compensation Fund

The Compensation Fund balance at March 31, 2024, was \$23,786,930 (2023 – \$22,786,930). Claims against the Compensation Fund for this fiscal year were \$108,759 (2023 - \$616,542) reflecting registrant and end-supplier failures that occurred during the year. The recoveries recorded relate to past years' failures. The net cost of claims totalled \$57,243 for the year (2023 - \$610,264).

A total of \$45,200 was recorded as a professional fee incurred to update the Compensation Fund actuarial evaluation. The net costs of \$102,443 related to the Compensation Fund balance were absorbed through TICO's Statement of Operations. The total increase of the Compensation Fund of \$1,000,000 represents a transfer of excess revenues over expenses and is recorded as an interfund transfer on the Statement of Changes in Net Assets.

Average claims against the Compensation Fund have generally been considered low in recent years and the balance available for future claims for potential registrant and/or end-supplier failures remains sufficient based on the most recent actuarial report.

Capital Expenditures

Capital assets deployed in the business at March 31, 2024, totalled \$584,636 (2023 – \$609,914). Capital expenditures were technology related. Management’s longer-term technology plan leverages cloud-computing, with virtually all of TICO’s infrastructure and applications hosted through various cloud-based services. Enhancements made throughout the year will enable TICO to implement its new funding framework and continue to modernize its services using e-commerce capabilities.

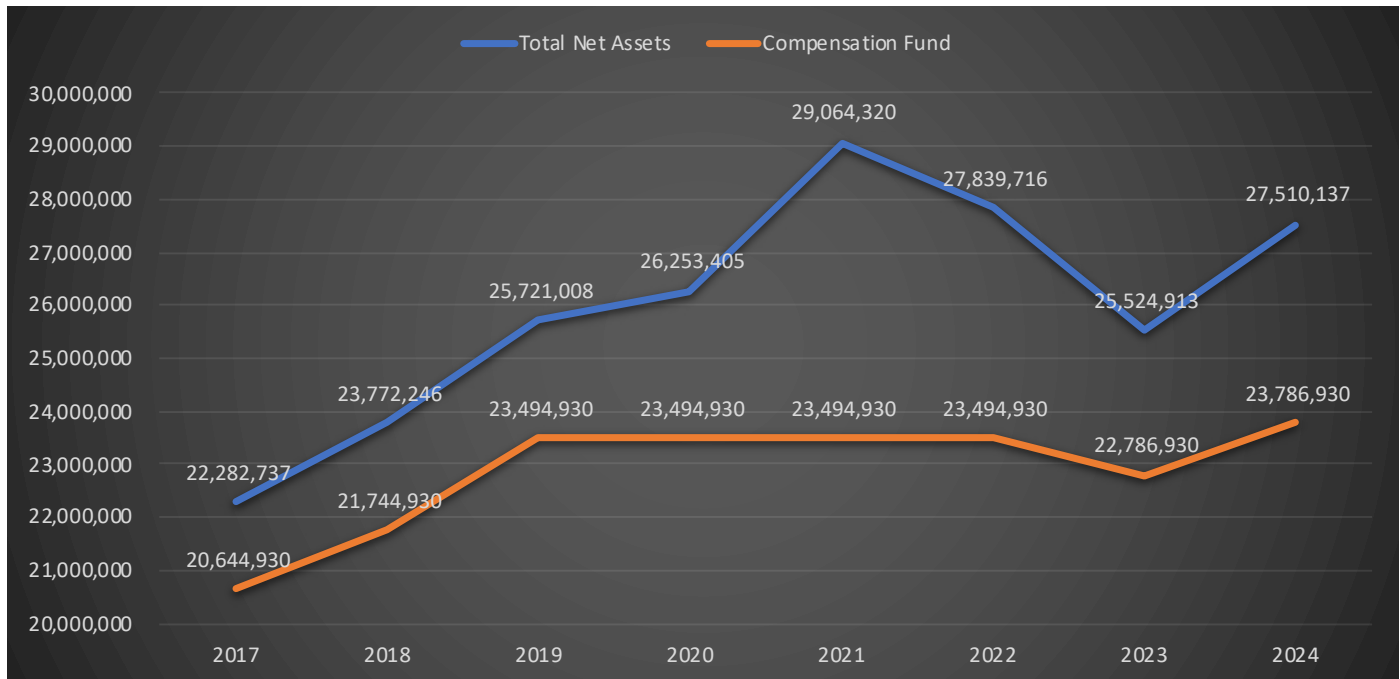
Statement of Net Assets

For the year ended March 31, 2024, total net assets were \$27,510,137, an increase of \$1,985,224, reflecting excess of revenues over expenses compared to last year’s deficiency of revenues over expenses (2023 – deficiency \$2,314,803).

The Compensation Fund had a balance of \$23,786,930 as of March 31, 2024. Net claims and professional fees, as noted above, were absorbed by TICO operations and an unrestricted fund in the amount of \$1,000,000 was transferred to the Compensation Fund.

A further \$1,000,000 from the unrestricted fund was transferred to the internally restricted operating reserve. Consistent with best practices and governance principles, this reserve was established from an allocation from the unrestricted fund accumulated from past fiscal years and is intended for additional protection caused by an unforeseen adverse event. The internally restricted operating reserve balance is subject to the sole discretion of the Board of Directors.

The unrestricted fund of \$860,896 (2023 - \$934,879) may be used for operations for the year 2024/2025, consistent with the Business Plan as required.





Appendix I

Travel Industry Council of Ontario Financial Statements For the year ended March 31, 2024

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Independent Auditor's Report

To the Members of the Travel Industry Council of Ontario

Opinion

We have audited the financial statements of Travel Industry Council of Ontario ("TICO"), which comprise the statement of financial position as at March 31, 2024, and the statements of operations, the changes in net assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Travel Industry Council of Ontario as at March 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

Independent Auditor's Report (Continued)

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

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

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

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



Chartered Professional Accountants, Licensed Public Accountants
Oakville, Ontario
May 28, 2024

Travel Industry Council of Ontario Statement of Financial Position

March 31	2024	2023
Assets		
Current		
Cash (Note 2)	\$ 1,190,676	\$ 501,718
Short-term investments (Note 3)	23,696,630	19,982,016
Accounts receivable	355,127	-
Prepaid expenses	110,271	97,098
	25,352,704	20,580,832
Investments (Note 3)	5,799,624	8,435,806
Capital assets (Note 4)	584,636	609,914
	\$ 31,736,964	\$ 29,626,552
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities	\$ 875,700	\$ 425,828
Deposits from registrants	2,993,630	3,283,630
	3,869,330	3,709,458
Deferred leasehold inducement (Note 6)	222,325	253,004
Deferred rent	135,172	139,177
	4,226,827	4,101,639
Net assets		
Compensation fund (Note 7)	23,786,930	22,786,930
Invested in capital assets	362,311	303,104
Internally restricted operating reserve fund (Note 8)	2,500,000	1,500,000
Unrestricted fund	860,896	934,879
	27,510,137	25,524,913
	\$ 31,736,964	\$ 29,626,552

Travel Industry Council of Ontario Statement of Operations

For the year ended March 31	2024	2023
Revenue		
Semi-annual payments from registrants	\$ 4,539,314	\$ -
Investment income	1,661,616	114,311
Renewals	812,700	-
New registrants	321,000	239,900
Total revenue	7,334,630	354,211
Expenses		
Claims	108,759	616,542
Professional fees	45,200	97,718
Recoveries	(51,516)	(6,278)
Net claim and related costs	102,443	707,982
Salaries and benefits	3,562,928	3,128,860
Ontario Government oversight and other statutory fees (Note 10)	364,476	6,276
Computer network and support	308,027	286,400
Facilities	290,765	265,727
Board and governance expense	188,577	182,366
General and office	134,242	118,922
Consumer and registrant awareness	99,483	99,723
Professional fees	87,740	170,827
Insurance	68,008	55,434
Bank charges and merchant fees	24,232	8,913
Travel and related	20,705	19,881
Credit checks	7,331	7,907
Total operating expenses	5,156,514	4,351,236
Excess (deficiency) of revenue over expenses for the year before amortization and government assistance	2,075,673	(4,705,007)
Amortization	(90,449)	(81,778)
Government assistance - expense reimbursements (Note 5)	-	2,471,982
Excess (deficiency) of revenue over expenses for the year	\$ 1,985,224	\$ (2,314,803)

Travel Industry Council of Ontario
Statement of Changes in Net Assets

For the year ended March 31

2024

2023

	Invested In Capital Assets	Restricted For The Ontario Travel Industry Compensation Fund (Note 7)	Internally Restricted Operating Reserve Fund (Note 8)	Unrestricted Fund	Total	Total
Balance, beginning of year	\$ 303,104	\$22,786,930	\$ 1,500,000	\$ 934,879	\$25,524,913	\$27,839,716
Excess (deficiency) of revenue over expenses for the year	-	-	-	1,985,224	1,985,224	(2,314,803)
Capital assets purchases (Note 9)	118,977	-	-	(118,977)	-	-
Deferred lease inducement	30,679	-	-	(30,679)	-	-
Amortization of equipment	(90,449)	-	-	90,449	-	-
Inter-fund transfers (Note 7 & 8)	-	1,000,000	1,000,000	(2,000,000)	-	-
Balance, end of year	\$ 362,311	\$23,786,930	\$ 2,500,000	\$ 860,896	\$27,510,137	\$25,524,913

Travel Industry Council of Ontario Statement of Cash Flows

For the year ended March 31	2024	2023
Cash was provided by (used in)		
Operating activities		
Excess (deficiency) of revenue over expenses before other items	\$ 1,985,224	\$ (2,314,803)
Adjustments to reconcile deficiency of revenue over expenses to net cash provided by operating activities		
Amortization	90,449	81,778
Unrealized (gain)/loss in investments	(320,572)	338,021
Changes in non-cash working capital balances		
Accounts receivable	(355,127)	77,021
Prepaid expenses	(13,173)	(1,326)
Accounts payable and accrued liabilities	449,872	(10,123)
Deposit from registrants	(290,000)	430,000
Deferred lease inducement	(30,679)	(30,680)
Deferred rent	(4,005)	11,041
	1,511,989	(1,419,071)
Investing activities		
Purchase of investments	(11,771,277)	(7,632,291)
Redemption of investments	11,013,417	8,714,787
Purchase of capital assets	(65,171)	(81,824)
Government assistance - capital assets	-	28,018
	(823,031)	1,028,690
Increase (decrease) in cash	688,958	(390,381)
Cash, beginning of year	501,718	892,099
Cash, end of year	\$ 1,190,676	\$ 501,718

Travel Industry Council of Ontario

Notes to Financial Statements

March 31, 2024

1. Significant Accounting Policies

Nature and Purpose of Agency

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

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

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

During the pandemic, the Ontario government announced time-limited regulatory amendments to Ontario Regulation 26/05 aimed at reducing burden on Ontario's registered travel agencies and tour operators and enhancing consumer protection for certain travellers. The final two temporary amendments will expire on April 1 and December 31, 2024.

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

Basis of Accounting

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

Revenue Recognition

TICO records revenue using the deferral method of accounting for contributions. Semi-annual payments from registrants, renewals and new registrant fees are recorded when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Investment income is recorded as revenue when received or receivable.

Claims

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

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

Travel Industry Council of Ontario

Notes to Financial Statements

March 31, 2024

1. Significant Accounting Policies (Continued)

Deposits From Registrants

Deposits from registrants are received or receivable upon registration with TICO and is returned to the registrant upon the completion of submitting two consecutive financial statements to TICO and given the registrar has no concerns about registrants compliance.

Recoveries

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

Capital Assets

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

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

Deferred Lease Inducement

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

Deferred Rent

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

Government Assistance

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

Use of Estimates

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

Financial Instruments

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

Travel Industry Council of Ontario

Notes to Financial Statements

March 31, 2024

2. Credit Facility

During the year, TICO obtained a revolving demand facility in the amount of \$1,200,000 bearing an interest rate of RBP + 0.0%. The amount drawn upon was \$Nil in 2024. The facility is secured by \$1,200,000 of cash collateral in the investments.

3. Investments

Investments consist of guaranteed investment certificates ("GIC") , fixed income notes, and mutual funds recorded at fair value. Guaranteed investment certificates and fixed income notes bear interest at rates ranging from 1.31% - 5.20% (2023 - 0.75% - 4.70%) and with maturity dates ranging from September 2024 to August 2027 (2023 - April 2023 to August 2027). Mutual funds and GICs that mature within the next fiscal year are presented as short-term on the statement of financial position. Included within the investments are restricted deposits from registrants.

4. Capital Assets

	2024		2023	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Furniture and equipment	\$ 182,216	\$ 125,960	\$ 182,216	\$ 111,896
Computer and hardware	309,488	278,552	282,033	269,354
Computer software	126,198	110,589	110,860	99,128
Database	394,460	350,821	372,082	331,204
Leasehold improvements	627,488	190,227	627,488	154,518
Vehicles	35,475	34,540	35,475	34,140
	\$ 1,675,325	\$ 1,090,689	\$ 1,610,154	\$ 1,000,240
Net book value		\$ 584,636		\$ 609,914

5. Government Assistance

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

Travel Industry Council of Ontario

Notes to Financial Statements

March 31, 2024

6. Deferred Leasehold Inducement

	2024	2023
Original inducement	\$ 385,950	\$ 385,950
Accumulated amortization	(163,625)	(132,946)
	\$ 222,325	\$ 253,004

7. Internally Restricted Net Assets - The Ontario Travel Industry Compensation Fund

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

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

During the year, \$1,000,000 was transferred from the unrestricted fund to the compensation fund (2023 - \$708,000 was transferred from the compensation fund to the unrestricted fund).

8. Internally Restricted Operating Reserve and Unrestricted Reserve Fund

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

During the year, \$1,000,000 (2023 - \$Nil) was transferred from the unrestricted fund to the restricted operating reserve fund.

The restricted operating reserve at March 31, 2024 is \$2,500,000 (2023 - \$1,500,000). The remaining unrestricted reserve will be left to fund continuing operations consistent with the Board approved business plan.

9. Invested in Capital Assets Fund

During the year, \$118,977 (2023 - \$Nil) was transferred from the unrestricted fund to the invested in capital assets fund. This is representative of net capital asset purchases in 2024 of \$65,171 and in 2023 of \$53,806.

Travel Industry Council of Ontario

Notes to Financial Statements

March 31, 2024

10. Commitments and Contingencies

a) Under terms of an Administrative Agreement executed in April 2023 between TICO and the Ministry of Public and Business Services Delivery (the "MPBSD"), TICO is obligated to pay a maximum annual fees based on cost recovery to the Province of Ontario. As at March 31, 2024, this annual fee was \$358,012. The fee was waived in 2023.

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

2025	\$	309,909
2026		309,909
2027		309,909
2028		322,993
2029		327,547
Thereafter		<u>736,547</u>
Total	\$	<u>2,316,814</u>

11. Financial Instruments Risk

Market value risk

Market value risk is the risk of potential loss caused by the fluctuations in fair value or future cash flows of financial instruments by changes in their underlying market value. TICO is exposed to this risk through its investments (Note 3). This risk has not changed from the prior year.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. TICO is exposed to interest rate risk arising from the possibility that changes in interest rate will affect the value of fixed income denominated investments. This risk has not changed from the prior year.

Appendix II

TICO Board of Directors 2023/2024

(as of March 31, 2024)

Ministerial Appointments

Michael Levinson, Chair

Chief Strategist
YouNeedaStrategy.com
Toronto, ON

Angella Blanas

Senior Consultant, Architecture & Urban Planning
Toronto, ON

Zaid Lama

Partner
Evolv Capital Partners
Oakville, ON

Elected Industry Representatives

Robert Townshend, Vice-Chair

President
Total Advantage Travel & Tours Inc.
Toronto, ON

Douglas Ellison

President
Ellison Travel & Tours Ltd.
Exeter, ON

Andrew Dawson

President
Sunwing Vacations Group
Toronto, ON

Elected Public Representatives

Archana Gupta-Harit

Partner
Haritage Consultants
Toronto/London, ON

Heather Colquhoun

Vice-President, People & Culture
StarTech.com
London, ON

Christopher Warren

Executive Director
Sustainability Leadership
Oakville, ON

Board of Director Biographies

Michael Levinson

Michael Levinson is a transformative professional in the hospitality and real estate sectors, with nearly 40 years of innovative achievements. He founded the Albert at Bay Suite Hotel and Best Western Plus Ottawa Downtown Suites, award-winning hotels established in 1985 and 1990, respectively, and remained actively involved until their closure. In 1996, he revolutionized online hotel booking with the launch of the Bookdirect Hotel Reservations System, setting new industry standards.

Michael has been a prominent voice in key industry associations, serving as President of the Ottawa Gatineau Hotel & Motel Association and Vice President of the Ontario Hotel & Motel Association. He also influenced global marketing strategies as a board member of Best Western Hotels' International Marketing Advisory Board. Additionally, his contributions to the Canadian Tourism Research Institute, part of the Conference Board of Canada, significantly impacted research on human resources strategies in the Canadian accommodations sector.

Currently, Michael is the founder and chief strategist of a leading business consultancy, where he continues to drive innovation and deliver bespoke solutions to a diverse clientele. His career is characterized by visionary leadership and innovative solutions, continuously influencing the sectors he has helped shape.

Angella Blanas

Angella Blanas is a senior economic and business development executive, known for her charisma, innovation and community-focused approach. With extensive experience as a Senior Project Manager and Investment Attraction Advisor, she has achieved significant outcomes in economic and community development at local, regional, national, and international levels.

Angella is dedicated to sustaining and promoting healthy environments and economic development to support people, communities and the planet. Her expertise includes executive leadership, managing strategy and planning initiatives, and collaborating with stakeholders. She specializes in waterfront development, neighborhood revitalization, repurposing brownfields, urban development, and transportation planning. With over 20 years of professional experience, Angella is a trusted advisor and consultant.

Angella holds a Bachelor of Architecture with a Minor in Project Management from Ryerson University and a Master of Architecture with a Minor in Urban Planning from the University at Buffalo, State University of New York. She also serves on several boards, including the Greenbelt Foundation.

Zaid Lama

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

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

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

Robert Townshend, CTC

Robert Townshend is the President of Total Advantage Travel & Tours since its inception in 1995. The agency holds both retail and wholesale licences. Robert has 35 years' experience in the travel industry working for various other agencies prior to the opening of his agency.

Robert is actively involved in the Travelsavers consortium speaking at several conferences. Robert is a graduate of Ryerson University and the Canadian Travel School. He has taught the travel and tourism program at both Centennial College and Sheridan College. He was the on-air travel advisor on the TV show "Bad Trips Abroad". He currently sits on the Travel Industry Advisory Board for a major Canadian tour operator. He was elected to the TICO Board of Directors in 2018. Robert also serves as Chair on TICO's Regulatory and Business Strategy Committee and as Chair of the Industry Advisory Council.

Douglas Ellison

Prior to founding Ellison Travel & Tours in 1980, Doug spent 14 years in education organizing school trips. Today, Ellison Travel has over 100 staff across three locations in Exeter and London, ON, and North Vancouver, BC, with sales teams in Calgary, Ottawa, and Toronto.

Doug has volunteered for various organizations, including the Lions Club, Western Ontario Athletic Association and the Student & Youth Travel Association. He organized the local Terry Fox Run and ran a charity golf tournament for 20 years, raising thousands of dollars. Doug continues to support youth sports teams, music programs and hospitals.

Ellison Travel specializes in customized planning for private groups, particularly music groups, seniors' groups, schools and community organizations. They are the appointed travel provider for MusicFest Canada and Con Brio Festivals. Ellison's public tour division offers customized travel for women's tours, seniors' tours and international culinary experiences to various destinations worldwide.

As Ellison Travel celebrates its 44th year in business, they remain committed to increasing the quality of their clients' travel experiences.

Andrew Dawson

Andrew joined Sunwing in January 2009 as Chief Operating Officer and President of Tour Operations. In August 2023, Andrew was appointed President of Sunwing Vacations Group, the vacation division of the WestJet Group and also joined WestJet's Executive Leadership Team.

As President of Sunwing Vacations Group, Andrew oversees all aspects of the group's vacation and retail services, for brands including Sunwing Vacations, WestJet Vacations, Vacation Express, SellOffVacations and Luxe Destination Weddings.

Under Andrew's direction over the past 14 years, Sunwing's brands have grown to serve almost three million guests annually. Andrew continues to propel the WestJet Group's robust vacation offerings forward, providing North American customers with affordable leisure travel options to dozens of popular vacation destinations.

Prior to joining Sunwing, Andrew served as Interim President of TUI Travel's Canadian businesses. He previously held previous leadership roles in Canada, the USA and the UK with Airtours plc and Asda Stores.

Andrew qualified as a Chartered Management Accountant in the UK in 1991. In his leisure time Andrew has a passion for football ("soccer!"), loves to travel and plays pickleball.

Archana Gupta-Harit

Archana Gupta-Harit is a trailblazing leader, acclaimed for her commitment to financial sustainability, governance and operational excellence. Archana excels at driving transformation, sparking innovation and forging key partnerships.

As a CPA-CMA, PMP and MBA from Richard Ivey School of Business, Archana skillfully combines finance, IT and business acumen, drawing from her deep public and private sector experience.

Archana's Board experience at Rapport Credit Union, Hospice Toronto, and as Chair of the Deputy Minister Diversity Partnership Program Association at OPS emphasize her commitment to excellence, mental health, diversity, and equity.





As a partner at Heritage Consultants, Archana leads client relationships and strategic business solutions. She recently served as Director of Financial Services & Treasurer, earning the GFOA's 2022 Best Budget Presentation Award. Archana's work with the UAE Government's Excellence Programs focuses on aligning with their 2040 vision. With over a decade in the OPS, she was recognized with an individual Deputy Minister Standing Ovation Award for enterprise risk management, collaboration and strategic forward thinking. Her consultancy experience in healthcare and education highlights her versatile professional background.

Heather Colquhoun

Heather Colquhoun is a seasoned human resources (HR) executive, who is known for being results-oriented, future-focused and collaborative. She is currently the Vice President, People & Culture for a global computer accessories manufacturing company and has previously held progressive HR leadership roles, including 13 years in human capital consulting across various sectors, such as construction, consumer packaged goods, engineering, insurance, mining, and professional services.

Heather's professional experience began in the travel industry, where her passion for travel and languages landed her a role as a German-qualified flight attendant, where she had the opportunity to use her French, German and Italian language skills. Heather remains passionate about travel and often says she "hasn't been everywhere, but it's on my list."

Heather earned a master's degree in organizational diversity and has taught organizational behaviour at the Schulich School of Business at York University.

Heather is deeply committed to community service, bringing 16 years of governance experience as a strategic and collaborative Board Director.

Christopher Warren

Chris is an experienced nonprofit executive and public affairs professional; impactful, inclusive and visionary leader; and integrous governance board member. He is currently Executive Director of Sustainability Leadership, and previously served as Director, Government and Community Relations at Brock University and as a trusted senior policy and stakeholder relations advisor to Ontario's Ministers of Energy, Infrastructure, and Colleges and Universities and an Ontario Member of Provincial Parliament. He excels at strategic planning; spearheading change through close collaboration; managing cross-functional and diverse teams; and as an experienced culture creator who leads growth from foundational values including respect, diversity, empowerment, and integrity.

With a long-demonstrated history of community service, Chris is a passionate advocate for the positive impacts of non-profit community organizations. He currently serves on the boards of the Travel Industry Council of Ontario, the College of Physiotherapists of Ontario, Oakville Soccer Club, and Crusaders Rugby Club, and supports several other organizations in various volunteer roles.



Appendix III

Statutory Appointments

(as of March 31, 2024)

Dorian Werda
Statutory Registrar
Travel Industry Act, 2002

Michael Pepper
Statutory Director
Travel Industry Act, 2002

TICO Leadership Team

(as of March 31, 2024)

Richard Smart, CPA, CA, ICD.D
President & Chief Executive Officer

Antoine (Tony) Aramouni
Chief Information Officer

Dorian Werda
Chief Operating Officer and Registrar

Sanja Skrbic, CPA, CA
Chief Financial & Administrative Officer

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

Auditors

BDO Canada LLP
360 Oakville Place, Suite 500
Oakville, ON

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

PRESIDENT & CHIEF EXECUTIVE OFFICER

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

Prior to his appointment, Richard was the Chief Financial Officer (CFO) of the Technical Standards and Safety Authority (TSSA) from 2009-2014. While at TSSA, Richard gained invaluable experience in a senior leadership role interacting with the Board of Directors and Ministry of Government and Consumer Services (now the Ministry of Public and Business Service Delivery and Procurement).

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

Richard is a Chartered Professional Accountant, having earned his Chartered Accountant designation with PricewaterhouseCoopers in 1985. Richard has also received his ICD.D director's designation through the Institute of Corporate Directors and is committed to excellence in boardroom governance.



TICO's Leadership Team





Biography of Antoine (Tony) Aramouni

CHIEF INFORMATION OFFICER

Tony Aramouni serves as the Chief Information Officer. Tony is a visionary IT leader and big-picture strategist with the ability to inspire lasting change amongst diverse stakeholder groups, with a reputation for being a trusted advisor driving collaboration, support, and consultation. Working for the Travel Industry Council of Ontario (TICO), developing and implementing a new IT strategy that supports the development of the business objectives contributing to the continued growth of the organization. With over 30 years of experience in managing data centers and operations in Canada, the USA, and overseas, he has supported several industries.

Tony graduated from DeVry Institute of Technology with a Bachelor of Science, Electronics Engineering Technology, and certifications in Lean Six Sigma, Change Management, ITIL, and COBIT. Having the diversity in industries that he supported and the countries and cultures that he worked with, Tony brings great value to TICO.

Biography of Dorian Werda

CHIEF OPERATING OFFICER & REGISTRAR, *TRAVEL INDUSTRY ACT, 2002*

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

In June of 1997, the Ontario government delegated the responsibility of administering Ontario’s Travel Industry Act, including the Ontario Travel Industry Compensation Fund, to TICO. Dorian was promoted to Manager, Administration & Claims, overseeing TICO’s Claims and Consumer Complaints Departments. In 2012, she became Director, Customer Service and Stakeholder Relations, and in 2014, she was promoted to Vice President, Operations. In her role as Chief Operating Officer, Dorian is responsible for managing TICO’s Registration, Claims, Complaints, Compliance, Investigations, and TICO’s Certification Departments. In 2016, Dorian attended the Harvard Kennedy School Executive Education and earned a Certificate in Strategic Management of Regulatory and Enforcement Agencies. On April 1, 2023, Dorian was appointed Registrar, *Travel Industry Act, 2002* by TICO’s Board of Directors.

Biography of Sanja Skrbic, CPA, CA

CHIEF FINANCIAL & ADMINISTRATIVE OFFICER

Sanja Skrbic serves as the Chief Financial and Administrative Officer for the Travel Industry Council of Ontario (TICO). Prior to her current role, Sanja held the position of Chief Financial and Compliance Officer at TICO.

Her public accounting experience encompasses auditing companies across various industries, including publicly traded entities. She also dedicates part of her time to supporting non-profit initiatives, most recently as a Treasurer at MCIS Language Solutions, a non-profit organization that supports vulnerable populations.

Sanja earned her Bachelor of Business Administration (Honours) at Wilfrid Laurier University’s Lazaridis School of Business and Economics, and obtained her Chartered Accountant designation with Grant Thornton.

Biography of Tracey McKiernan, LL.B.

GENERAL COUNSEL & CORPORATE SECRETARY

Tracey McKiernan is General 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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