



Travel Industry Council of Ontario



2018

ANNUAL REPORT & BUSINESS PLAN



Amalfi Coast

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A photograph of two women walking along a paved path in Paris. The woman on the left is wearing a green and black plaid jacket, a brown hat, and sunglasses. The woman on the right is wearing a beige trench coat and holding a coffee cup. In the background, the Eiffel Tower is visible, along with a crowd of people and a cityscape under a cloudy sky. A green semi-transparent box is overlaid on the image, containing the text "Travel the World".

Travel the World



Message From Chair

June 15, 2018

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

Dear Minister MacCharles,

It's with great pleasure, and my honor, to provide my report on another successful year in TICO'S activities. Our accomplishments over the past year are due to a healthy and collaborative relationship with industry and government, and with the support of a very dedicated Board of Directors and a dynamic team at TICO. We remain committed to continue improving Ontario's current consumer protection model with the goal to expand its benefits in the near future, without increasing the burden on the industry.

Claims against our Compensation Fund (Fund) during the past fiscal year were the lowest levels experienced since TICO's inception. Despite this positive situation, we need to stay financially vigilant and be pro-active to make sure the Fund reaches the level recommended by our experts to ensure capacity to face any important event that would require its support.

We recognize that consumer protection can only be maximized through a healthy and prosperous marketplace, where travel agencies, tour operators and other travel sellers can be successful. That's why TICO's role as Ontario's travel regulator is critical and can evolve with changing demographics, emerging business models and respond to existing and new risks inherent in this complex operating environment.

During the last year, the Board of Directors were actively involved and provided guidance to management in their support of a comprehensive review of Ontario's Travel Industry Act by the

Government of Ontario. This review, the first in more than a decade, represented a unique opportunity to modernize Ontario's travel legislation. The Board, along with management, worked tirelessly throughout the year to identify gaps, and make recommendations that were optimized for all stakeholders. Late 2017, the Board was pleased to see the passing of a new Bill, the *Strengthening Protection for Ontario Consumers Act, 2017*. This new Act contains many important changes that will benefit consumers. It also achieves many of the goals that we, along with the government, had set at the inception of this review. We remain enthusiastic as we look forward to a second phase of improvements for consumer protection in the next year.

Perhaps the most significant matter for continued consideration relates to the industry-financed Compensation Fund which was unchanged in the new Act pending further review. Last year, we released an actuary report completed by Deloitte. This report commissioned a study of consumer protections provided by the Fund, analyzed travel market dynamics and determined that a future target Fund balance of \$50 million is necessary. To achieve that target all stakeholders need to be engaged, and particularly the consumer. As noted earlier, the travel industry has evolved greatly over the past decade, with large global players who compete in an ultra competitive marketplace. It remains critical that TICO has the tools to ensure appropriate consumer protection for the future. The Board and management look forward to working on new solutions to address current challenges so travellers have access to the right consumer protections.

Finally, I'm also very pleased with the governance work undertaken by the Board throughout the year following several recommendations identified in an earlier governance review. The Board remains committed to enhanced governance

principles and adoption of best practices in the areas of transparency and disclosures. More recently, TICO's recommendation for changes to its By-law, subject to a member's vote, have been approved by the government. Amongst several recommendations within the By-law, a detailed Competency Matrix was developed to ensure the Board continues to attract and maintain the required competencies and skills to ensure future successes. We have also made huge progress in our governance role to provide oversight, guidance and strategic direction with a constant focus around enhancing protection to Ontario's consumers, for both travellers and the industry.

In closing, I'd like to express my appreciation to all employees at TICO for another successful year and their continued dedication and commitment in support of TICO's important mandate. I would also like to thank you, Minister MacCharles, and your team as well as my colleagues on the Board of Directors for their tireless support, expertise and insights. We remain committed to the regulatory review underway and look forward to continued enhancements to Ontario's consumer protection framework for Ontario's travellers.

Yours truly,
Travel Industry Council of Ontario

Jean Hébert
Chair of the Board of Directors



Message du président du conseil

15 juin 2018

Honorable Tracy MacCharles

Ministre des Services gouvernementaux et des Services aux consommateurs
6th Floor, Mowat Block
900 Bay Street
Toronto, Ontario M7A 1L2

Madame la ministre,

C'est avec beaucoup de plaisir et de fierté que je vous présente ce rapport d'une autre année réussie pour les activités de TICO. Nos accomplissements de la dernière année s'expliquent par une saine collaboration avec l'industrie et le gouvernement, et par le soutien d'un conseil d'administration très dévoué et d'une équipe dynamique chez TICO. Nous demeurons engagés à continuer d'améliorer le modèle de protection du consommateur existant en Ontario et en accroître les avantages dans un avenir rapproché, sans augmenter le fardeau pour l'industrie.

Les réclamations au Fonds de compensation (le Fonds) dans la dernière année financière sont au plus bas depuis la fondation de TICO. Malgré cette situation positive, nous devons demeurer vigilants et proactifs sur le plan financier afin d'assurer que le Fonds atteigne le montant recommandé par nos experts pour faire face à tout événement important qui nécessiterait son soutien.

Nous reconnaissons que la protection du consommateur ne peut être maximisée que par l'entremise d'un marché sain et prospère, où les agences de voyages, les opérateurs touristiques et les autres marchands de voyages peuvent connaître du succès. C'est pourquoi le rôle de TICO comme régulateur pour l'Ontario est essentiel et peut évoluer au rythme de l'évolution démographique et des modèles d'affaires émergents, ainsi que répondre aux risques nouveaux et existants inhérents à cet environnement opérationnel complexe.

Dans la dernière année, le conseil d'administration a offert son soutien et ses conseils aux gestionnaires pour appuyer un examen approfondi de la Loi sur le

secteur du voyage par le gouvernement de l'Ontario. Cet examen, le premier depuis plus d'une décennie, représentait une occasion unique de moderniser la Loi sur le secteur du voyage de l'Ontario. Le conseil d'administration, tout comme les gestionnaires, a travaillé inlassablement au cours de l'année pour identifier des lacunes et émettre des recommandations optimisées pour l'ensemble des parties prenantes. Vers la fin de 2017, le conseil d'administration fut ravi de voir un nouveau projet de loi être adopté, la Loi de 2017 sur le renforcement de la protection des consommateurs ontariens. Cette nouvelle loi contient de nombreux changements importants dont bénéficieront les consommateurs. Il atteint également plusieurs des objectifs que nous, de pair avec le gouvernement, nous étions fixés au départ de l'exercice. Nous demeurons enthousiastes dans la perspective d'entreprendre une deuxième phase d'améliorations pour la protection du consommateur dans l'année à venir.

N'ayant fait l'objet d'aucune modification lors de la révision de la Loi, sans doute que la question concernant le Fonds de compensation, financé par l'industrie, demeure la plus importante et nécessitera une attention continue lors d'un prochain réexamen. L'an dernier, nous avons publié un rapport actuariaire réalisé par Deloitte. Ce rapport a étudié les protections au consommateur offertes par le Fonds, a analysé les dynamiques du marché du voyage, et a conclu qu'une cible budgétaire de 50 millions de dollars pour le Fonds était nécessaire. Afin d'atteindre cette cible, toutes les parties prenantes devront être engagées, tout particulièrement le consommateur. Comme noté plus tôt, l'industrie du voyage a grandement évolué au cours de la dernière décennie, avec de grands joueurs mondiaux qui se font concurrence dans un marché ultra compétitif. Il demeure essentiel que TICO dispose des outils nécessaires pour assurer une protection adéquate du consommateur à l'avenir, dont le Fonds. Le conseil d'administration et les gestionnaires ont hâte de travailler avec le gouvernement sur de nouvelles solutions pour résoudre les défis cités plus haut et afin que les consommateurs de voyage aient accès à des protections adéquates.

Enfin, je suis également très satisfait du travail de gouvernance entrepris par le conseil d'administration au cours de l'année suite à plusieurs recommandations identifiées dans un examen de gouvernance précédent. Le conseil d'administration demeure engagé envers des principes de gouvernance accrus et l'adoption de meilleures pratiques en ce qui concerne la transparence et les divulgations. Plus récemment, une recommandation de changements à ses règlements administratifs a été approuvée par le gouvernement. Ainsi, parmi les changements aux règlements administratifs qui seront soumis au vote des membres, une Matrice de compétences détaillée fut développée pour assurer que le conseil d'administration continue d'attirer et de maintenir les compétences et habiletés requises pour assurer un succès continu. Nous avons également fait énormément de progrès dans notre rôle de gouvernance de fournir une supervision, une orientation et une direction stratégique avec comme objectif fixe la protection augmentée des consommateurs de l'Ontario, à la fois pour les voyageurs et pour l'industrie.

En conclusion, je tiens à exprimer mon appréciation à tous les employés de TICO pour une autre année réussie et leur dévouement continu dans la réalisation du mandat important de TICO. Je tiens également à vous remercier, ministre MacCharles, votre équipe ainsi que mes collègues au conseil d'administration pour leur appui infatigable, leur expertise et leurs perspectives. Nous demeurons engagés envers l'examen réglementaire en cours et espérons des améliorations continues à l'infrastructure de protection du consommateur pour les voyageurs de l'Ontario.

Salutations cordiales,

Jean Hébert
Président du conseil d'administration
Travel Industry Council of Ontario (TICO)



Chief Executive
Officer's Report

Executive Summary

Our 20th year of operations is now complete, and at the Travel Industry Council of Ontario (TICO), we look back at the year with a great sense of accomplishment. I am pleased to provide my report to stakeholders on the challenges, accomplishments and financial performance of the Travel Industry Council of Ontario. Overall, it was another busy year with progress achieved on many fronts. In the end however, our barometer always brings us back to our consumer protection mandate, and the fulfilment that consumers continue to receive a level of protection that remains fair and balanced in this constantly shifting marketplace.

As always, it is important we reflect on the environment in which we operate. For the most part, the economies of the developed world all performed well, exceeding economic projections made at the start of the year. Employment rates generally improved throughout the year, and consumer confidence ended the year at an all time high. Even the political environment, while volatile, did not stop travellers from enjoying the wonderful experience of travel. Notwithstanding the generally positive economic environment, we are also reminded how fragile life can be with random acts of terrorism that were so often the news in 2017. Despite these challenges, consumers continue to travel, and the industry continues to grow. For TICO's 2017/2018 fiscal year, we saw record sales from Ontario registrants which translated into a successful year for TICO as well. We continue, however, to experience an industry in constant transformation which is yet another catalyst for the legislative reform underway.

As has been well-communicated over the past year, the Ontario government has led a detailed and comprehensive review of the *Travel Industry Act, 2002* and Ontario Regulation 26/05. Like other stakeholders, TICO has been intricately involved providing valuable expertise and inputs for desired change and assisting the government in understanding the complexities of today's travel marketplace. Broad stakeholder input was the basis of the new *Strengthening Protection for Ontario Consumers Act, 2017* which received Royal Assent this past December. Attention has now turned to developing and finalizing the detailed

regulation needed to support the new Act. With the support of TICO's Board of Directors, management supports a modernization of the industry financed Compensation Fund (Fund) and the coverages provided to consumers. The Fund, an important element of today's consumer protection framework was designed many years ago when the travel purchase was simpler and the risks fewer. We remain committed to finding innovative solutions to these challenges for today's environment and the future.

While the Fund is important, TICO's consumer awareness program is also critical to the success of our mission. In 2017, we continued to leverage our prior year's investment in a new and clever messaging approach, using emoticons, with two shorter commercials that were aired during the busy winter booking season. We supported these ads with social media to broadcast our key consumer protection messages. We were pleased to see our overall consumer awareness grow across the province to 34%, and even higher within the GTA at 40%. There was also evidence that consumers were also more aware of the travel compensation fund, a key element of the overall protection available to consumers. Our message is not an easy one to deliver. There is so much more to be accomplished in this area, leveraging new marketing channels and reaching more consumers than ever before. Consumer outreach and education remains at the forefront of TICO's overall mission and mandate.

As noted above, fiscal 2017/2018 was a strong year for TICO. Consistent with the strength of registrant's Ontario sales, TICO experienced strong top-line revenues, mostly driven from assessments directed at the Fund. Investment income has also seen some improvement as interest rates and overall yields begin to strengthen. Education fees, related to TICO's certificate program, are up over prior year, a positive sign consistent with the strength of Ontario registrant growth. However, the number of active registrants continues to decline, down 2% from the prior year. The number of registrants in Ontario at March 31, 2018 was 2,359. New applications are not sufficient to offset

the reduction of registrants caused by retirement, voluntary terminations and other consolidation. This trend continues to reflect in lower registration and renewal fees. Operating expenses remain a focus for management. Total operating expenses for the year were lower than budget estimates, and the prior year. These results reflect both timing, and management's continued attention to strong cost controls.

Lastly, we continue to refine our three-year business plan and remain focused on our core strategic priorities. While the comprehensive review is a top priority, management continues to make progress on important technology and operational process improvements. We remain very proud of our Corporate Social Responsibility accomplishments this year through our partnership with Plan Canada and the Mississauga Food Bank, exceeding our campaign goals for the year.

In closing, I would once again like to thank the Board of Directors for their continued guidance and support provided to management throughout a very busy year. In addition, we could not have accomplished what we did in 2017 without the strong and passionate team that exists at TICO. Our team at TICO is steadfast to our corporate values and to ensuring consumers receive the very best in the consumer protections available to them. It's been an honor to serve our stakeholders this past year, and I look forward to the opportunities ahead.

Yours truly,
Travel Industry Council of Ontario

Richard Smart
President & CEO



Rapport du PDG

Sommaire Exécutif

Notre 20e année d'opérations est maintenant terminée, et chez TICO, nous contemplons cette année avec un grand sens d'accomplissement. C'est avec plaisir que j'offre aux parties prenantes mon rapport sur les défis, les accomplissements, et le rendement financier du Conseil de l'industrie du voyage de l'Ontario (Travel Industry Council of Ontario - TICO). Dans l'ensemble, ce fut une autre année occupée où du progrès fut accompli à plusieurs niveaux. En fin de compte, cependant, notre boussole nous ramène toujours à notre mandat de protection du consommateur, et d'assurer que les consommateurs continuent de recevoir un niveau de protection qui demeure juste et équilibré dans ce marché en évolution constante.

Comme toujours, il est important de réfléchir à l'environnement dans lequel nous opérons. Pour la plupart, les économies des pays développés ont toutes un bon rendement, surpassant les projections économiques émises au début de l'année. Les taux d'emploi se sont généralement améliorés au cours de l'année, et la confiance du consommateur était à son apogée à la fin de l'année. Même le climat politique, bien que volatile, ne retenait pas les voyageurs de la magnifique expérience de voyager. Nonobstant le climat économique généralement positif, la vie nous rappelle parfois à quel point elle ne tient qu'à un fil lors d'actes de terrorismes arbitraires qui ont si souvent fait les manchettes en 2017. Malgré ces défis, les consommateurs continuent de voyager, et l'industrie continue de grandir. Pour l'année financière 2017/2018 de TICO, nous avons vu un record de ventes chez nos exploitants de l'Ontario, ce qui a donné lieu à une bonne année pour TICO également. Nous sommes toujours toutefois confrontés à une industrie en transformation constante, ce qui est un autre catalyseur pour la réforme législative en cours.

Comme clairement communiqué au cours de la dernière année, le gouvernement de l'Ontario a mené une révision détaillée et exhaustive de la Loi sur le secteur du voyage de 2002 et le Règlement de l'Ontario 26/05. Comme les autres parties prenantes, TICO a été impliqué de très près en fournissant une expertise recherchée ainsi que des suggestions d'améliorations, en plus d'aider au gouvernement à comprendre les complexités du marché du voyage actuel. Une large participation des parties prenantes formait la base de la nouvelle Loi de 2017 sur le renforcement de la protection des consommateurs ontariens, qui a reçu la sanction royale en décembre dernier. L'attention est maintenant tournée vers l'élaboration et la finalisation de la réglementation détaillée requise pour appuyer la nouvelle loi. Avec l'appui du conseil d'administration

de TICO, les gestionnaires poursuivent leur travail en faveur d'une modernisation du Fonds de compensation (Fonds) financé par l'industrie, et de la protection offerte aux consommateurs. Le Fonds, un élément important dans le régime actuel de protection du consommateur, a été conçu il y a plusieurs années dans un contexte où l'achat de voyages était plus simple et moins risqué. Nous demeurons engagés à trouver les solutions innovatrices à ces défis d'aujourd'hui et aussi pour l'avenir.

Si le Fonds est un élément important dans la protection du consommateur, notre campagne de sensibilisation est essentielle au succès de notre mission à TICO. En 2017, nous avons continué à soutenir notre investissement de l'année précédente dans une nouvelle approche de communication plus ingénieuse, à l'aide d'émoticons et de deux publicités plus courtes diffusées lors de la haute saison touristique d'hiver. Nous avons diffusé ces publicités sur nos réseaux sociaux pour répandre nos messages-clés de protection du consommateur. Nous avons été ravis de constater que notre reconnaissance auprès des consommateurs s'est accrue à 34 % dans l'ensemble de la province, et encore plus dans le Grand Toronto avec 40 %. Il y a également des preuves que les consommateurs sont plus conscients du fonds de compensation de voyage, un élément clé de la protection offerte aux consommateurs. Notre message n'est pas facile à livrer. Il y a tellement de travail à accomplir à ce niveau en considérant tous les nouveaux moyens de communication et de marketing pour joindre plus de consommateurs que jamais. La sensibilisation et l'éducation du consommateur demeurent à l'avant-plan de la mission et du mandat de TICO.

Tel que noté plus haut, l'année fiscale 2017-2018 en fut une bonne pour TICO. En lien avec les ventes élevées de nos exploitants, TICO a connu des revenus bruts élevés, principalement tirés d'évaluations dirigées vers le Fonds. Les revenus d'investissement se sont également améliorés alors que les taux d'intérêt et les rendements généraux se stabilisent. Les revenus provenant des frais rattachés au programme de certification de TICO, sont plus élevés que l'année précédente, un signe positif qui reflète la croissance de membres en Ontario. Toutefois, le nombre de membres actifs continue à diminuer, de 2 % par rapport à l'année précédente. Le nombre d'exploitants en Ontario au 31 mars 2018 était de 2359. Les nouveaux d'exploitant ne suffisent pas pour combler la réduction du nombre d'exploitants causée par les cessations volontaires et autres consolidations. Cette tendance continue à se refléter dans nos droits d'enregistrement

et de renouvellement. Les dépenses opérationnelles demeurent une priorité pour les gestionnaires. Le total des dépenses opérationnelles de cette année est inférieur aux prévisions budgétaires, ainsi qu'à l'année précédente. Ces résultats sont le fruit à la fois du contexte et de l'attention soutenue des gestionnaires à l'égard d'un contrôle serré des dépenses.

Enfin, nous continuons à peaufiner notre plan d'affaires sur trois ans, et nous gardons le cap sur nos priorités stratégiques. Bien que la révision de la Loi et des Règlements demeure une priorité élevée, les gestionnaires continuent à faire du progrès au niveau de la technologie et des améliorations au processus opérationnel. Nous sommes toujours très fiers de nos accomplissements de responsabilité sociale organisationnelle de cette année grâce à notre partenariat avec Plan Canada et la banque alimentaire de Mississauga, surpassant nos cibles de campagne pour cette année.

En conclusion, j'aimerais une fois de plus remercier le conseil d'administration pour leurs conseils et leur soutien offerts aux gestionnaires lors de cette année très occupée. De plus, nous n'aurions jamais pu accomplir tout ce que nous avons fait en 2017 sans la magnifique équipe passionnée de TICO. Notre équipe adhère à nos valeurs et s'assure que les clients reçoivent la meilleure protection possible aux consommateurs. Ce fut un honneur de servir nos parties prenantes dans la dernière année, et j'envisage les opportunités à venir d'un bon œil.

Bien cordialement,

Richard Smart
Président et CEO



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

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

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

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

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

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

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

MANDATE

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

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

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

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



Travel Industry Council of Ontario

Vision & Mission

VISION STATEMENT

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

MISSION STATEMENT

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



Regulation



Monitoring



Refunds



Complaints



Education



VALUES

Efficiency

We drive value through continuous improvement and cost effectiveness.

Leadership

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

Accountability

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

Service Excellence

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

Teamwork

We are one team, knowledgeable and experienced working together.

Innovation

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

Communication

We build trusting relationships as an authority in Consumer Protection.



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

STAKEHOLDERS

TICO works with stakeholder groups including:

Consumers: to increase awareness of their rights and responsibilities, and those of the Ontario travel industry under the Act. TICO has a consumer awareness campaign to enhance consumer's awareness of TICO, its services and the consumer protection available when purchasing travel services from Ontario registered travel agencies and websites. In addition, TICO's website is designed in a way to provide consumer's easy access to helpful information with respect to available consumer protections. TICO staff also attend consumer tradeshows and other outreach programs to enhance overall awareness.

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

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

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

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

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

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

SERVICES

The services delegated to TICO to provide are detailed below.

Registration

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

Consumer Protection

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

Complaint Resolution

- Resolving complaints:
 - between consumers and registrants.
 - between consumers and TICO.
 - between registrants and TICO.
- Where complaints have not been resolved, providing information on other options. The process is outlined in more detail on page 23.

Government Liaison

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

Additional Responsibilities

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

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

TICO Structure

Organization

TICO is a not-for-profit corporation financed through fees from its approximately 2,360 travel retail and wholesale registrants. The Ministry of Consumer and Commercial Relations delegated responsibility for the administration to TICO in June 1997. The *Travel Industry Act, 2002* (the Act) governs Ontario travel retailers and wholesalers and provides for the operation of a travel industry Compensation Fund. The Ministry of Government and Consumer Services (the Ministry) is currently responsible for the Act and Ontario Regulation 26/05 (the Regulation).

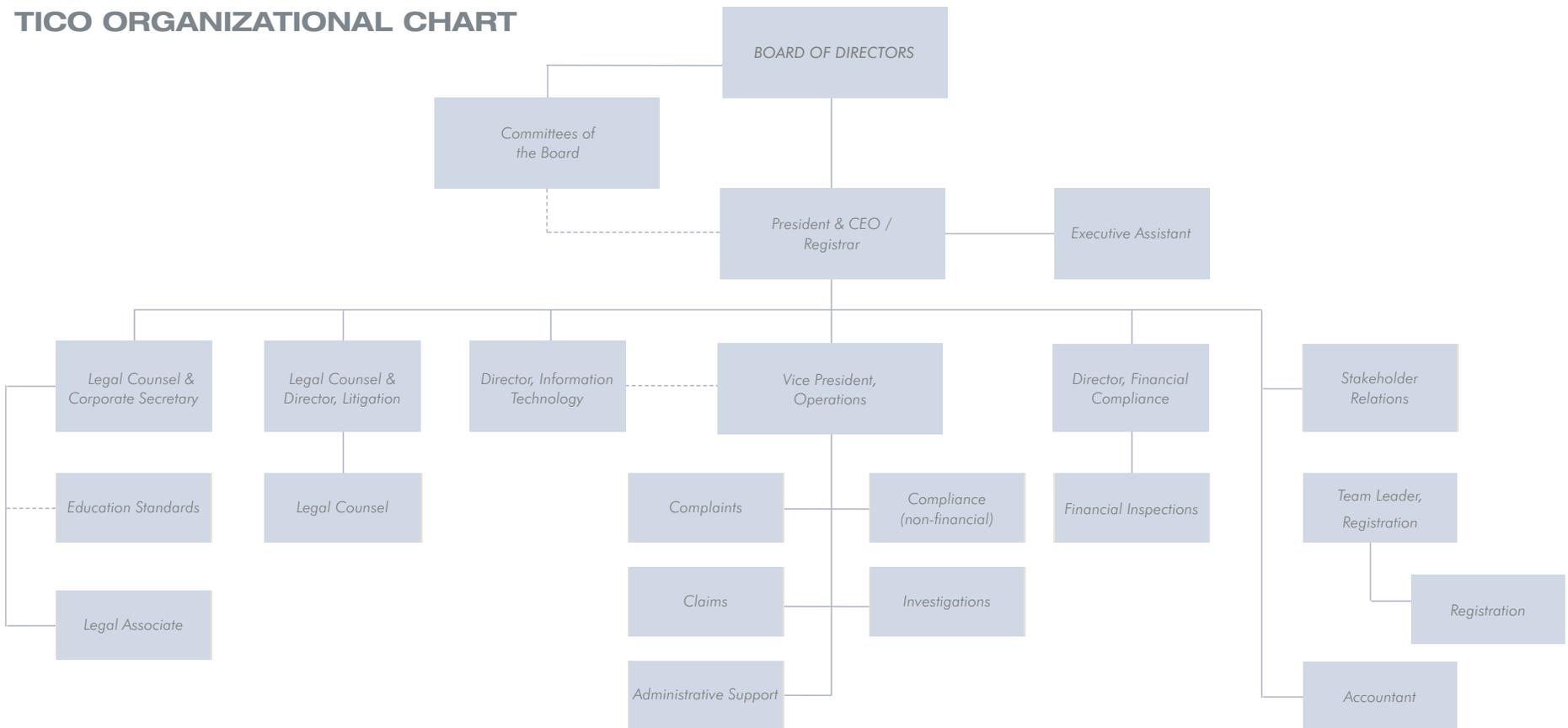
Governance

The TICO Board of Directors consists of fifteen members. There are three individuals appointed by the Association of Canadian Travel Agencies (ACTA), three from the Canadian Association of Tour Operators (CATO) and one from the Ontario Motor Coach Association (OMCA) and five appointed by the Minister of Government and Consumer Services. There are also three members that are elected by the industry at large. During the year, TICO's Board of Directors reviewed and updated the set of competencies, desired collectively across the Board of Directors, to enhance overall governance practices. More information regarding these competencies can be found on TICO's website.

(See Appendix II)

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

TICO ORGANIZATIONAL CHART



Remuneration of Board and Committee Members (Per Diems)

TICO's by-laws provide for the remuneration of Directors. The Board has approved the following levels of remuneration effective April 1, 2017, which will be adjusted annually with the Consumer Price Index (CPI):

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

Board Meetings:

Chair	\$480
Vice-Chair	\$379
Member	\$310

Committee Meetings:

Committee Chair	\$310
Committee Member	\$240
Statutory Director / Deputy	\$5,755/annum
Statutory Director under the Act*	

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

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

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

Ontario Travel Industry Compensation Fund

Background on the Ontario Travel Industry Compensation Fund

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

Management of the Compensation Fund

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

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

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

Section 73 of Ontario Regulation 26/05 allows the costs of administering the Compensation Fund to be paid from the Fund.

Fund Financing

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

Surplus Funds

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

Actuarial Study and Financial Assessment of Ontario's Travel Compensation Fund

During 2017, Deloitte was commissioned by management to perform an Actuarial Study and Financial Assessment on the industry financed Travel Compensation Fund. Deloitte examined the current fund balance and determined the appropriate future fund balance. Further, the analysis was stress tested for expected future claims and for catastrophic loss scenarios. The financial modelling was further analyzed by giving consideration to the current claims process, identifying and understanding impacts of various risks, assessing the probability and impact of large losses and exploring alternative risk transfer mechanisms, such as reinsurance.

The key findings of Deloitte's study were:

- Current legislated maximum claim limits of \$5 million per event and \$5 thousand per individual leave consumers exposed in the event of a large or catastrophic registrant or end-supplier failure;
- A significant risk exists that the general terms and conditions for credit card chargebacks will eventually exclude liability arising from registrant and/or end-supplier failures;
- A target fund balance of between \$40-60 million is recommended, with a final recommendation of \$50 million;
- An optimal approach to provide necessary fund growth is for TICO to deploy a Consumer Protection fee levied to consumers;
- Catastrophic losses and the coverage provided to consumers, over-and-above any reinsurance limits, should be addressed in a policy statement from government.

Deloitte's recommendations were clear that more cooperation between registrants, industry and government was necessary to ensure consumers were protected consistent with the mandate required of TICO. During the year, TICO completed its previously announced multi-phase increase of the compensation fund assessment rate. Effective April 1, 2017, the contribution rate was increased from \$0.20 to \$0.25 per thousand dollars of Ontario sales.

Claims

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

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

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

Appeal of Decisions

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

Risk Management

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

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

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

Financial Inspections

TICO operates a risk management programme, which includes financial inspections of registrants carried out under the direction and control of the Registrar, Travel Industry Act, 2002. The objective of the programme is to identify as early as possible any registrants at financial risk and to work with these registrants to ensure compliance with the Act and Regulation. Through early identification of registrants at financial risk, TICO's goal is to minimize potential claims against the Compensation Fund and disruption to consumer travel. The programme consists of an annual review of the financial statements of all registrants, a more frequent review of the financial statements of larger registrants and site inspections. The programme is proactive as TICO visits all new registrants within the first year of operation to ensure their understanding of the Act and Regulation and compliance requirements.



TICO Committees

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

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

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

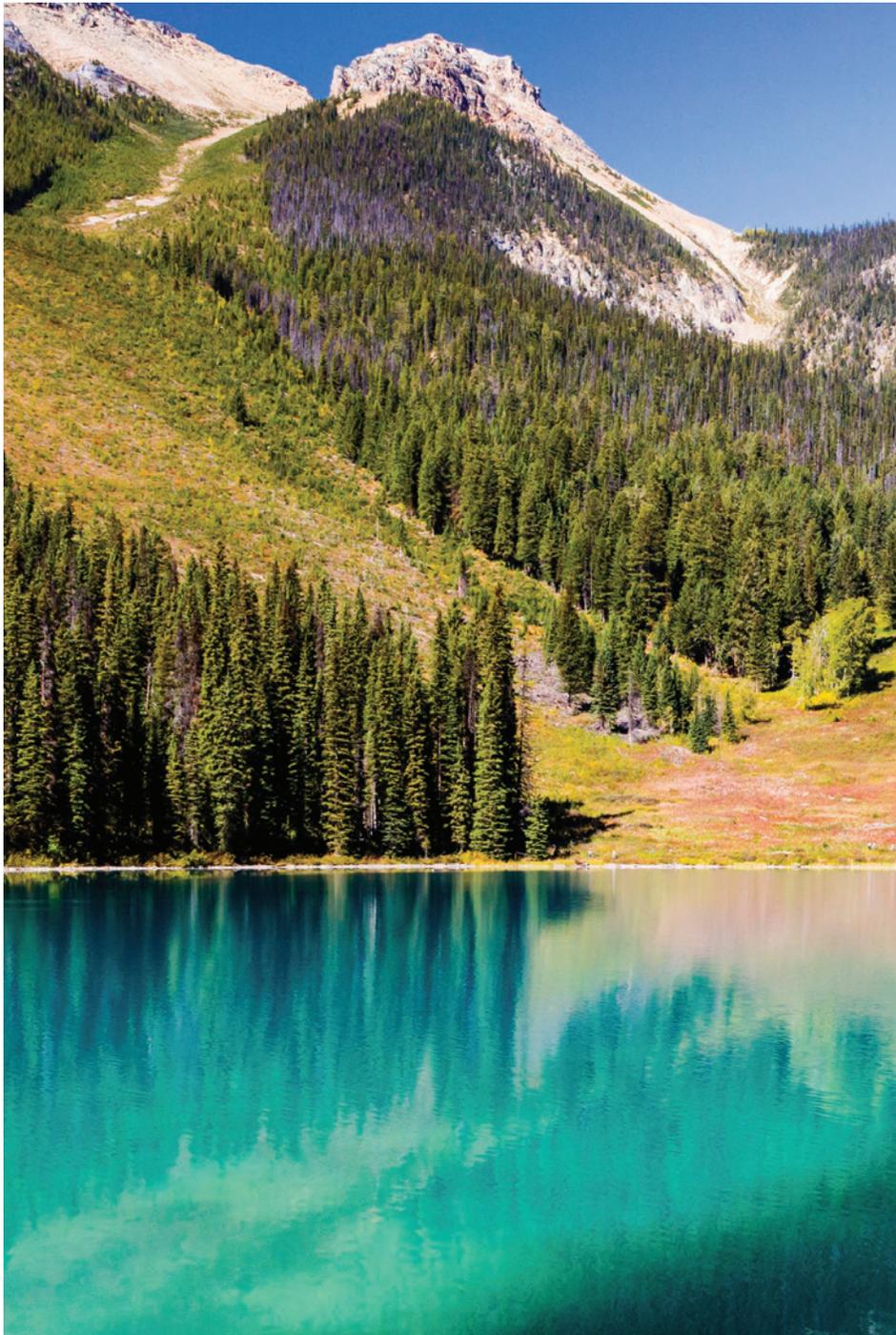
The Committee will oversee financial statements, internal control structures, compliance, technology strategic plan and roadmap, risk management frameworks and the audit functions of TICO. The Committee will review, oversee and provide recommendations to the Board of Directors in the following areas:

- Audit
- Accounting and Finance
- Technology
- Risk Management

Business Strategy Committee (Chair: Ian MacMillan)

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

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



Executive Committee

(Chair: Jean Hébert)

The Executive Committee was created to assist the President & CEO and provide interim support between board meetings on an ad hoc basis. The Committee's role also includes participating in crisis or incident management, as required, in accordance with the Communications for Major Issues Policy. In the event of a significant disruption to TICO's business operations, the Committee will participate in the implementation of the Business Continuity Plan.

Governance and Human Resources Committee

(Chair: Lorraine Nowina)

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

- Corporate Governance
- Human Resources
- Complaints against TICO

Legislative and Regulatory Modernization Committee

(Chair: Richard Vanderlubbe)

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

BUSINESS ACCOMPLISHMENTS 2017-2018

CONSUMER PROTECTION

Goal: To regulate 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 OBJECTIVES	PERFORMANCE MEASURE 2017/2018	ACTIVITIES & ACCOMPLISHMENTS
<p>Advocate and advance legislative and regulatory reform.</p>	<p>In collaboration with the Ministry and in consultation with stakeholders identify and address the opportunities for modernization in the <i>Travel Industry Act, 2002</i> and the Regulation for the purpose of modernizing the consumer protection legislation.</p>	<p>Worked in collaboration with the Ministry on its government led comprehensive review of the Act and the Regulation.</p> <p>Legislative & Regulatory Modernization Committee met to provide guidance and oversight in the development of recommendations to the Board of Directors for reform of the Act and the Regulation.</p> <p>Completed extensive research on various issues and jurisdictions in support of the development of TICO's recommendations.</p> <p>Participated in a number of meetings with the Ministry to provide information and feedback to assist with the development of proposed changes to the Act and Regulation.</p> <p>Retained the services of Deloitte to complete an actuary analysis and financial assessment of the industry financed Compensation Fund ("Fund"). The purpose of this study was to determine the adequacy of the Fund under various scenarios of expected losses, and to assess the sustainability of the Fund into the future.</p> <p>Drafted and submitted two written submissions to the Ministry in response to Phase One and Phase Two Reports issued by the Ministry.</p> <p>Continued to provide stakeholders with timely communications and advisories regarding the comprehensive review including its two submissions to the Ministry and notice informing all stakeholders of the public hearings being held by the Standing Committee on Social Policy regarding Bill 166, the <i>Strengthening Protection for Ontario Consumers Act, 2017</i>.</p>
<p>Develop an action plan for effective implementation and enforcement of any potential legislative and regulatory changes.</p>	<p>Assess the implications of any potential legislative and regulatory changes and develop an action plan with operational priorities, funding requirements and service commitments to ensure TICO effectively administers and enforces the consumer protection legislation in Ontario.</p>	<p>Bill 166 received Royal Assent on December 14, 2017. Development of a detailed action plan is dependent on the timing of the review of Ontario Regulation 26/05. While some planning may commence during January to March of 2018, it is likely that a detailed action plan will not be developed and implemented until next fiscal year, once further clarity on the next steps for the development of regulatory changes are determined.</p>

BUSINESS ACCOMPLISHMENTS 2017-2018

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 OBJECTIVES	PERFORMANCE MEASURES 2017/2018	ACTIVITIES & ACCOMPLISHMENTS
<p>Continue to build and enhance consumer awareness in Ontario.</p>	<p>Continue to build and enhance a series of comprehensive activities aimed at increasing consumer awareness of TICO's role and the consumer protection in Ontario.</p>	<p>TICO's 2017-2018 Consumer Awareness Campaign strategy included two new 15-second animated icon story television commercials. The commercials were aired on all major Ontario television networks for 5 weeks in mid-December 2017 to January 2018 and were accompanied by a digital media strategy to increase consumer awareness.</p> <p>Of the consumers surveyed in Ontario, 34% of consumers indicated awareness of TICO in 2017-2018 compared to 33% in the previous year.</p> <p>Of the consumers surveyed in the GTA, 40% indicated awareness of TICO compared to 36% in the previous year.</p> <p>Of those consumers surveyed who recognized the TICO logo, 78% correctly identified at least one TICO role compared to 81% in the previous year.</p> <p>Of those consumers surveyed, 73% indicated that they were aware that they must purchase travel services from an Ontario registered travel agency or website to obtain the protection from TICO and the Compensation Fund, which matched the awareness in the previous year.</p> <p>TICO attended 8 consumer trade shows throughout Ontario and conducted 8 speaking engagements with consumers to increase awareness of TICO, its services and the consumer protection available in Ontario.</p> <p>More information about TICO's Consumer Awareness Campaign activities may be found on page 34.</p> <p>TICO issued an RFP for Marketing and Public Relations Services. The successful firm will launch TICO's 2018-2019 Consumer Awareness Campaign.</p>

BUSINESS ACCOMPLISHMENTS 2017-2018

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 OBJECTIVES	PERFORMANCE MEASURES 2017/2018	ACTIVITIES & ACCOMPLISHMENTS
<p>Establish a communications strategy and plan for any potential legislative and regulatory changes.</p>	<p>Develop and implement a communications plan and corresponding informational resources and tools to educate and inform all stakeholders regarding any potential legislative and regulatory changes to the consumer protection legislation in Ontario.</p>	<p>During the fiscal year, various communications, advisories and bulletins were produced and distributed to stakeholders providing updates and timely information regarding the Ministry's comprehensive review of the Act and Regulation.</p> <p>TICO also continued to provide speaking engagements to various stakeholder groups as well as interviews with media on any activities around the comprehensive review.</p>
<p>Produce and implement updated Education Standards curriculum and exams.</p>	<p>Identify areas and opportunities to enhance the current Education Standards Programme including an update to the current curriculum and exam bank of questions with recent regulatory changes and content reflecting various new business models and methods of selling travel services that have emerged in the industry.</p>	<p>Updates to the Education Standards curriculum have been drafted and exams are being revised to reflect recent changes to the Regulation.</p> <p>Updates have been drafted for TICO's Proctor Guide to keep it current.</p> <p>TICO issued an RFP for an Education Services Delivery Partner to assist with the administration and delivery of its online Education Standards Program. The successful firm will be onboarded in the 2018/2019 fiscal year.</p>
<p>Drive registrant engagement and improve TICO's value proposition to registrants.</p>	<p>Through continuous and meaningful engagement and communications with registrants, identify key drivers of TICO's value proposition and initiatives to improve.</p>	<p>TICO retained the assistance of a research consultant with experience in designing, implementing and assessing public relations/education/outreach strategies. The assignment included qualitative research and interactive engagement with TICO stakeholders including management, staff and the Board of Directors at TICO as well as various industry/registrant stakeholders to assist in identifying and defining TICO's value proposition.</p>

BUSINESS ACCOMPLISHMENTS 2017-2018

ORGANIZATIONAL EFFECTIVENESS

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

BUSINESS OBJECTIVES	PERFORMANCE MEASURES 2017/18	ACTIVITIES & ACCOMPLISHMENTS
Continue implementation of IT systems and infrastructure strategy.	Commence Phase II of IT systems and infrastructure strategy to build new online system capability to streamline and automate TICO's registration and renewal processes.	<p>Enhancements to TICO's registration database are on target. Once completed, this will allow for better overall functionality and will streamline and improve the new registration and renewal process including turnaround times.</p> <p>Development of a self-serve portal is underway and on target.</p> <p>An e-commerce solution has been established and will be piloted which will allow stakeholders to make online payments for annual registration renewal filings.</p>
Enhance and develop data and analytics through business processes and reporting.	Review of departmental functional analysis and review of the reporting to provide registrant information faster and reduce processing time.	<p>Introduced new reports and developed further enhanced reporting capabilities to provide better analytics.</p> <p>Critical existing reports have been assessed and are being redeveloped based on priority.</p> <p>Internal dashboards have been introduced to provide live data analytics and statistics to increase business intelligence.</p>
Development of enhanced collaboration tools to establish efficiencies in providing access to data.	Develop collaboration tools to facilitate better communications with all TICO stakeholders.	<p>Development and introduction of a TICO Intranet (TICONet) was completed during the fiscal year to serve as the main collaboration tool for the TICO team.</p> <p>Skype for business was rolled out to enhance communications between TICO and all stakeholders, providing instant messaging and video conferencing for better collaboration.</p>
Update and modernize crisis management protocols to control and effectively respond to a crisis or potential crisis situation.	Assess TICO's vulnerabilities to priority risks and develop crisis management protocols and communications to ensure TICO's responses demonstrate its effectiveness as Ontario's Travel Regulator in times of crisis.	<p>TICO retained a firm specializing in crisis communications and public relations to test and assess TICO's crisis management and communications procedures and practices. TICO participated in a table-top crisis simulation. A report of observations and recommendations provided will become the basis of an action plan in 2018/2019 to update and modernize TICO's crisis management protocols.</p>
Update TICO's governance best practices.	Develop a prioritized action plan for governance improvements to support effective Board of Directors operations and processes.	<p>Established Board Development Plan.</p> <p>Annual Board development on Policy/Strategy Governance Model completed.</p> <p>Reduced the number of committees and adjusted mandates consistent with a Policy/Strategy Governance Model.</p> <p>Review of compensation structures completed.</p> <p>Consent agenda process approved and implemented.</p> <p>Developed Board Competency Matrix and Gap Assessment methodology.</p> <p>Conducted a review of the Board Composition and made a recommendation to the Minister of Government and Consumer Services to change TICO's By-law.</p>

BUSINESS ACCOMPLISHMENTS 2017-2018

CORPORATE SOCIAL RESPONSIBILITY (CSR)

TICO is committed to achieving its Vision/Mandate and is confident with the strategic priorities described in its Business Plan. Complementing these strategies is a new, innovative focus on corporate social responsibility (CSR). Within TICO's environment, CSR is viewed as the organization's broader involvement in the communities it aims to protect. As a small organization, TICO must consider innovative methods, leverage partnerships and build sustainable relationships to make a footprint in these communities. While CSR has been around for many years, it has not been woven into the strategic plans of many non-for-profit organizations. TICO believes that its mandate of consumer protection will be facilitated through an effective CSR strategy, deploying the talents and passions of all TICO employees, and over time leveraging like-minded stakeholders.

BUSINESS OBJECTIVES	PERFORMANCE MEASURES 2017/2018	ACTIVITIES & ACCOMPLISHMENTS
<p>Incorporate CSR into TICO operations and initiatives.</p>	<p>Continue to examine how CSR can be integrated into stakeholder outreach initiatives and core processes, including the introduction of Environmental, Social and Governance (ESG) responsible investing.</p>	<p>Implemented a revised Board Policy for investment of funds to integrate ESG investing into TICO's overall CSR framework and established the first ESG investment with TICO's financial partner.</p>
<p>Engage and build a relationship with a long-term CSR partner</p>	<p>Continue to engage and enhance relationship with CSR partners with the aim to establishing a rewarding long-term relationship that continues to support and compliment overall CSR strategy.</p>	<p>TICO continued its relationship with Plan International Canada to support a community in Nga, Laos. TICO staff participated in various initiatives during the year such as holding Bake, Book and Basket sales, silent auctions, etc. to raise funds. During the 2017/2018 fiscal year, TICO successfully raised \$5,080 through various CSR initiatives in support of Plan Canada.</p> <p>TICO continued its work with the Mississauga Food Bank and organized three food drives during 2017/2018 and collected 280 pounds of food donations. In addition, staff volunteered at the Mississauga Food Bank terminal and sorted 4,840 meals to assist families in need.</p> <p>Completed a two year initiative to help keep Max Ward Park clean.</p> <p>More information regarding TICO's CSR initiatives may be found on page 36.</p>
<p>Through promotion and awareness promote stakeholder engagement and participation in broader CSR initiatives and activities.</p>	<p>Develop and design an innovative strategic plan to promote the awareness and participation of stakeholders in CSR initiatives and activities.</p>	<p>The CSR committee continues to meet and explore options to enhance TICO's CSR footprint. This may include working with other stakeholders, including registrants, other DAAs and the broader public.</p>

NEW BALANCED SCORECARD

TICO's 2017 Business Plan included the following Balanced Scorecard. TICO deployed this balanced scorecard throughout its fiscal year to monitor and gauge ongoing efforts and achievement of its strategic objectives. This Balanced Scorecard is shared with stakeholders to ensure transparency and accountability consistent with the Business Plan.

Objective	Performance Measure	FY 2017/2018 Target	FY 2017/2018 Achievements as at March 31, 2018
AWARENESS AND EDUCATION			
Increase Consumer Awareness and Education	Annual omnibus survey of Ontarians which measures TICO's consumer education and awareness initiatives.	Achieve equal to or greater than the current score of 33% of consumers in Ontario aware of TICO.	34% of consumers surveyed indicated awareness of TICO compared to 33% in the previous year.
		Achieve equal to or greater than the current score of 36% of consumers in the GTA aware of TICO.	40% of consumers in the GTA surveyed indicated awareness of TICO compared to 36% in the previous year.
		Achieve equal to or greater than the current score of 81% of consumers who can identify at least one of TICO's roles.	78% of consumers surveyed were able to identify at least one of TICO's roles correctly.
Enhance Consumer Protection in Ontario	Overall pass rate of financial statement bench reviews based on established financial criteria per the Regulation.	Establish baseline pass rate in 2017-2018.	Financial statements reviewed had a 95% compliance pass rate based on established financial criteria per the Regulation.
	Number of high risk unregistered travel sellers operating and selling travel services to consumers in Ontario in contravention of the <i>Travel Industry Act, 2002</i>	Increased compliance, monitoring and resolution of unregistered sellers, equal to or greater than prior year's 120.	TICO identified 125 unregistered sellers of travel in Ontario. Of those identified: <ul style="list-style-type: none"> • 72 became compliant. • 3 referred to Investigations. • 50 open files.

NEW BALANCED SCORECARD

Objective	Performance Measure	FY 2017/2018 Target	FY 2017/2018 Achievements as at March 31, 2018
ORGANIZATIONAL EFFECTIVENESS			
Enhance TICO Value Proposition to Registrants	Value survey to score TICO's value proposition to registrants, and to identify key drivers for continuous improvement.	Establish baseline value score in 2017-2018.	TICO retained the assistance of a consultant who completed qualitative research through interactive engagement with various TICO stakeholders to assist in identifying and defining TICO's value proposition. Further qualitative and quantitative research will be conducted in 2018-2019 in preparation of developing a registrant value survey.
Enhanced Employee Engagement	Annual employee engagement survey score.	Achieve above average score in the range of 77 to 85 demonstrating strong employee engagement.	Achieved an Employee Engagement Score of 79%.
Enhance Organizational and Professional Development	Overall percentage of employee professional development plans completed during the fiscal year.	Achieve 75% completion of all employee professional development plans.	Achieved 51% of the budgeted expense allocated to Employee Professional Development Plans.
FINANCIAL PERFORMANCE			
Deliver Budget	FY 2017/2018 Net Surplus/(Deficit) before claims.	Achieve equal to or greater than budgeted Net Surplus/(Deficit) after adjusting for the exclusion of the net claims and related costs against the Compensation Fund.	TICO achieved a Net Surplus of \$1,554,279 over and above the budgeted amount of \$525,868 after adjusting for the exclusion of net claims and related costs.
Compensation Fund Claims Ratio	% Provision of Registrant Claims to Operating Revenue	Achieve equal to or less than the percentage of Provision of Gross Registrant Claims relative to Operating Revenues of 16% based on a rolling 5 year average.	TICO achieved 0.1% Provision of Gross Registrant Claims relative to Operating Revenues of 12% on a rolling 5 year average.
Drive Operational Efficiencies	Efficiency Ratio Percentage.	Achieve an Operating Efficiency Ratio, defined as operating expenses relative to operating revenues, of less than 100% on a rolling 5 year average.	TICO achieved an 80% Operating Efficiency Ratio for the fiscal year and 105% Operating Efficiency Ratio on a 5 year rolling average.

ADDITIONAL BUSINESS ACCOMPLISHMENTS 2017-2018

- Successful communication and implementation of a Compensation Fund assessment rate increase.
- Successfully administered TICO's Education Standards Program.
- Met the terms of the Administrative Agreement with MGCS by maintaining operations and systems to protect consumers in Ontario.
- Increased IT security monitoring of the network environment.
- Introduced a new enhanced and responsive website for TICO and continued to maintain the website with up to date and timely information for the benefit of all stakeholders
- Implementation of paperless financial inspection reports including online acknowledgements from registrants; on target to become 100% paperless.
- TICO Talk quarterly newsletter produced and made available on TICO's website and e-blasted to all registrants.
- Communicated TICO's Voluntary Code of Ethics for registrants on TICO's website and TICO Talk newsletter.
- TICO provided a number of webinars, seminars and workshops to industry stakeholders to educate and increase understanding of the requirements under the *Travel Industry Act, 2002* and Ontario Regulation 26/05.
- Continued to provide advisories and registrar bulletins containing timely information to assist all registrants with industry related issues.
- Conducted a number of speaking engagements to consumer groups to increase awareness of TICO and the benefits of purchasing travel services from Ontario registered travel agencies and websites.
- Distributed and made available on TICO's website, TICO's Annual Report and Business Plan in June of 2017.
- TICO's Joint Health and Safety Committee composed of employee and management representatives continued its work to maintain and enhance the health and safety conditions in the workplace.



Operational Performance Review

Registration

On March 31, 2018, there were a total of 2,359 registrations with TICO compared to 2,418 registrations the previous year. (Fig. 1).

Of these, 86% (2,023) are retail travel agencies, who sell travel services directly to consumers and 14% (336) are travel wholesalers, who sell travel services through travel retailers.

In 2017/2018, there were a total of 181 terminations (Fig. 2). A total of 2,407 registrations were processed under the *Travel Industry Act, 2002*, which included 118 new registrations (Fig. 3) and 2,289 renewals (Fig. 4). Registrations are renewed annually.

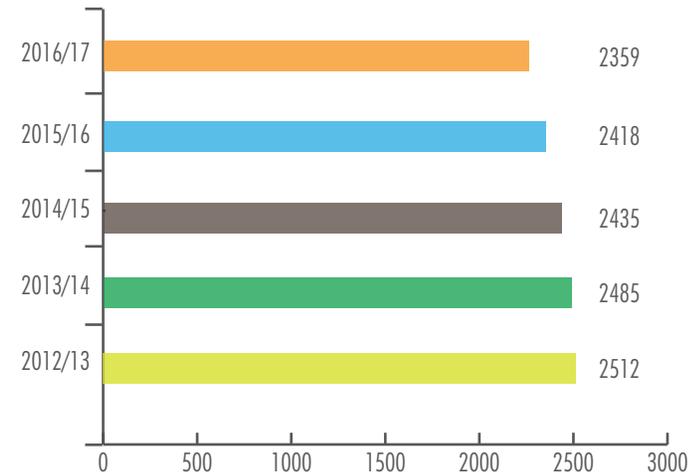


Figure 1: Total Registrations under the Act

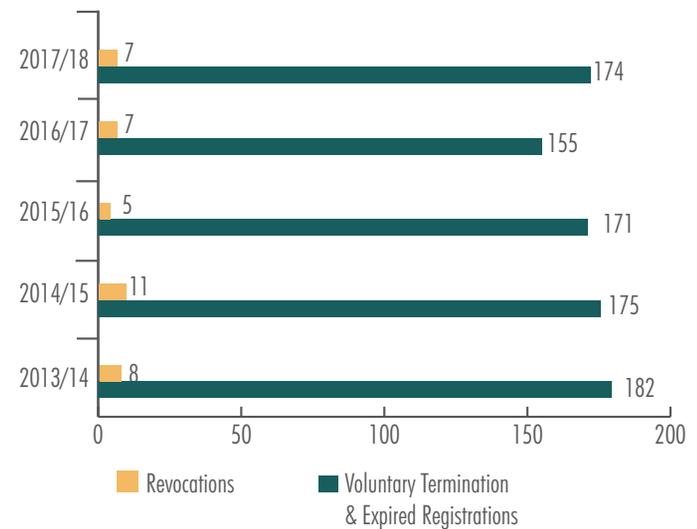


Figure 2: Total Voluntary Termination / Expired Registrations vs. Revocations

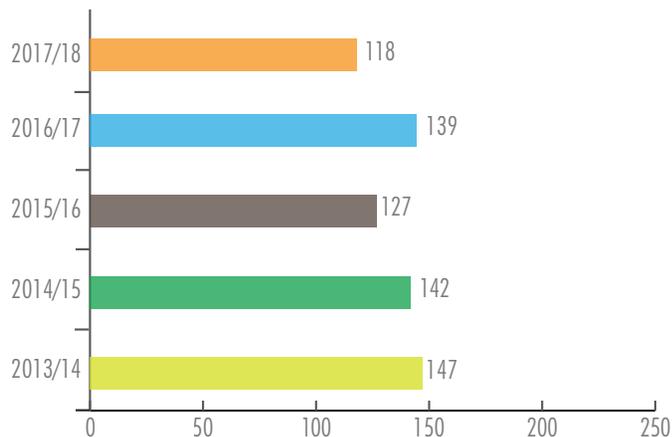


Figure 3: Total New Applications Processed

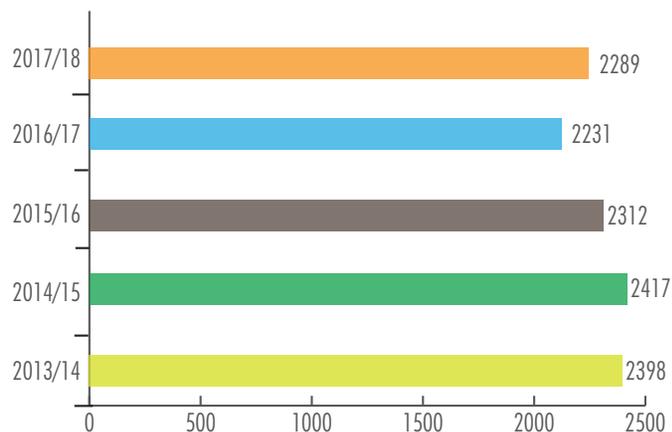


Figure 4: Total Renewal Applications Processed

Education Standards

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

The Education Standards Program is administered by TICO and consists of two levels, the Travel Counsellor and the Supervisor/Manager exam. A combination exam is available for those wishing to write both the Travel Counsellor and the Supervisor/Manager exams at the same time.

During the fiscal year, a total of 6,298 exams were written as follows:

5,610 Travel Counsellor Exams.

184 Supervisor/Manager Exams.

504 Combined Travel Counsellor and Supervisor/Manager Exams.

As at March 31, 2018, a total of 66,563 exams have been written since the inception of the Education Standards on July 1, 2009.

Complaint Handling Process

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

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

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

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

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

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

Complaints Against TICO

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

The Governance and Human Resources Committee's mandate is to review and resolve, as appropriate, complaints against TICO, which are based on dissatisfaction

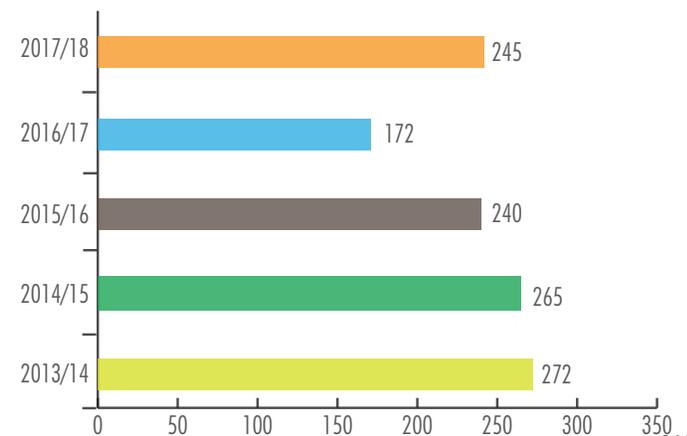


Figure 5: Written Complaints Resolved

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 2017/2018 fiscal period, there were no complaints against TICO that were subject to a review by the Committee.

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

Complaints

TICO resolved 245 written consumer complaints against registrants in 2017/2018 compared to 172 in the previous year (Fig. 5). Some of these complaints related to files that were opened in the previous fiscal year. The number of new complaints received during 2017/2018 was 174 compared to 177 in the previous year. In processing these complaints, TICO successfully assisted consumers in obtaining \$115,836 in restitution compared to \$86,948 the previous year. In addition, TICO handled 1,220 telephone complaint inquiries and 623 email complaint inquiries.

The most frequent types of written complaints received at TICO in 2017/2018 were:

MOST FREQUENT COMPLAINTS RECEIVED AT TICO

(Top 10 Complaint Reasons)

2017/2018	2016/2017
1. Outstanding refunds	1. Outstanding refunds
2. Invoicing issues (i.e. not complete with required information or invoice not provided to consumer) 	2. Failure to provide proper disclosure of required information (i.e. availability of travel insurance)
3. Suspected fraudulent activity by an individual or company operating unregistered 	3. Information / documentation (i.e. issues related to travelling with passports and other travel documents)
4. Failure to provide proper disclosure of required information (i.e. availability of travel insurance, terms and conditions, etc.) 	4. Customer service issues
5. Customer service issues 	5. Suspected fraudulent activity of travel counsellor
6. Information / documentation (i.e. issues related to travelling with passports and other travel documents) 	6. Advertising issues.
7. Ticketing issues 	7. Cancellation / non-refundable / no insurance
8. Incomplete or incorrect information provided to the consumer (i.e. information regarding the travel services being sold) 	8. Ticketing issues
9. Advertising issues 	9. Accommodation changed
10. Cancellation / non-refundable / no insurance 	10. Incomplete or incorrect information provided to the consumer (i.e. information regarding the travel services being sold)

Consumer Survey Results – Complaints Process

During the fiscal year 2017/2018, TICO distributed an online consumer survey to 245 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 2018, there were 24 completed surveys returned to TICO.

The results of the 24 completed surveys received are as follows:

The survey results indicated that 23 consumers were either satisfied or somewhat satisfied with the complaint turnaround times and 1 consumer was somewhat dissatisfied. Turnaround times may vary considerably depending on the complexity of the issues involved as well as the responses received from complainants and registrants, which could result in further information being required from suppliers or other third parties.

When asked to rate their satisfaction with the fairness of the process: 22 consumers advised they agreed or they were satisfied and 2 indicated that they were somewhat dissatisfied or dissatisfied.

When asked to rate their overall satisfaction with TICO's handling of their complaint: 23 consumers advised they were satisfied or somewhat satisfied and 1 consumer indicated they were dissatisfied.

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

In other cases, TICO was able to identify possible contravention(s) of the Act and/or Regulation 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 travellers. However, such referrals are not directed at obtaining compensation for specific complaints.

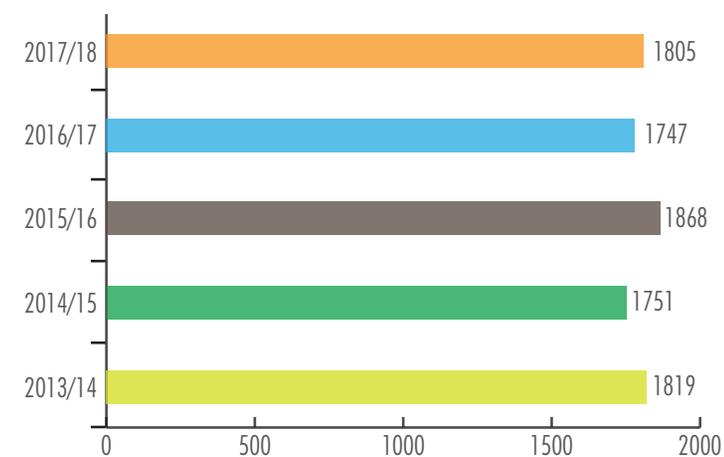


Figure 6: Total Financial Bench Reviews

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

Financial Inspections

Under the direction of the Registrar, TICO is responsible for conducting a financial inspection programme. All registrant financial statements are subject to a bench review to ensure compliance with the financial standards required by regulation. The bench review process produces information, which may determine those registrants that should receive financial site inspections. During the fiscal period 2017/2018, TICO completed 1,805 bench reviews (Fig. 6) and completed 259 financial site inspections compared to 370 site inspections in the previous year (Fig. 7). The number of site inspections performed was down compared to the prior year as TICO's financial inspections focused on higher risk registrants which involve more comprehensive reviews. In addition, TICO shifted its approach by reviewing more registrant trust account reconciliations in-house compared to travelling on site to conduct a financial site inspection.

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

Inspection Reason	2017-2018	2016-2017
	Financial Inspections	Financial Inspections
Working Capital	91	140
New Registrant	68	106
Trust Accounting	23	32
Other / miscellaneous	77	92
Total	259	370

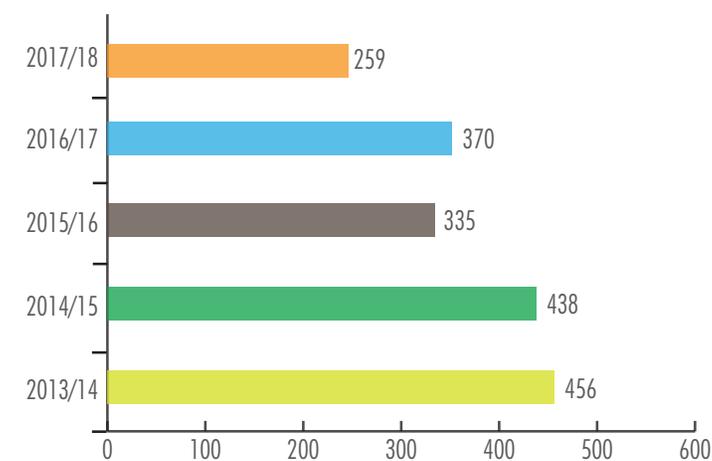


Figure 7: Financial Site Inspections

Compliance (Non-financial)

During the 2017/2018 fiscal period TICO processed 346 compliance files compared to 386 in the previous year. TICO performed 104 compliance site inspections during the 2017/2018 fiscal year compared to 67 in the prior year. Compliance site inspections are performed to address various issues such as advertising, invoicing, operating without registration as well as follow up site inspections to ensure former registrants have ceased operating when they have either voluntarily terminated, allowed their registration to expire or have had their registration revoked. In 2017/2018, a total of 125 warnings for operating without registration were issued compared to 119 in the previous year (Fig. 8) and 83 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 184 in the previous year (Fig.9). In addition, 72 invoicing warnings (Fig. 10) were issued to registrants who did not provide proper invoices and/or receipts in accordance with the Regulation compared to 156 in the previous year. Invoicing deficiencies are forwarded to the Compliance Department from consumer complaints, financial inspections and claims.

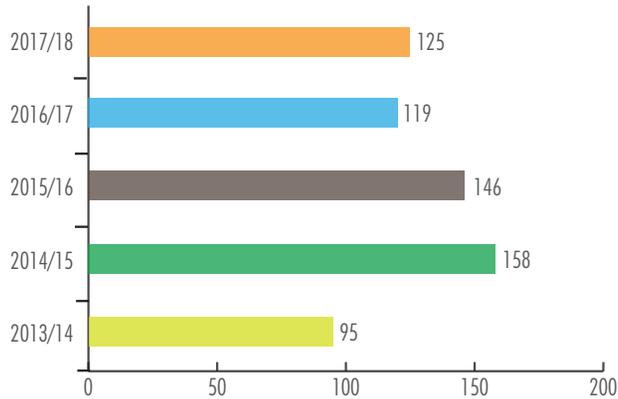


Figure 8: Total Warnings Issued for Operating without Registration

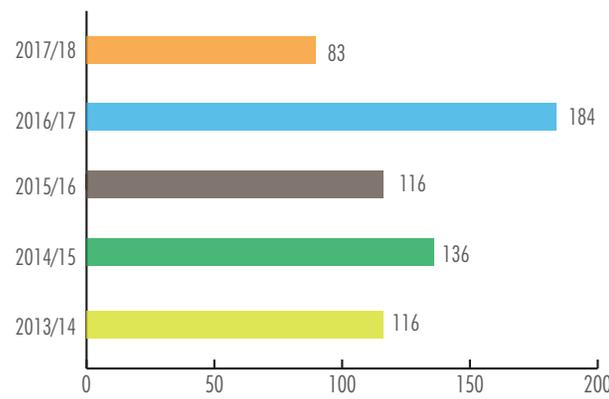


Figure 9: Total Warnings Issued for Advertising Infractions

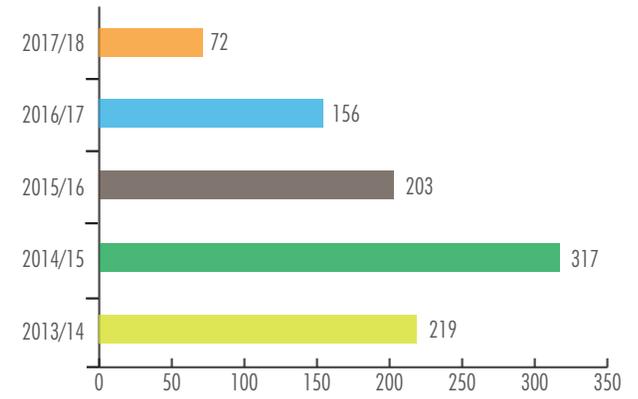


Figure 10: Total Warnings Issued for Invoicing Infractions



Travel Industry Compensation Fund

TICO is required to hold all Compensation Fund monies in trust. As at March 31, 2018, the assets held for the Compensation Fund were \$21,744,930.

Claims and Repatriation (net of professional fees)

Claims paid during the fiscal year ended March 31, 2018 compared to the previous year ended March 31, 2017 were as follows:

	2017/18	2016/17
Number of claims paid	3	80
Number of consumers assisted	22	177
Claims paid - Registrant failure	\$ 24,495	\$ 216,291
Claims paid - End supplier failure	<u>\$ 3,090</u>	<u>\$ 27,134</u>
	\$27,585	\$243,425
Repatriation / Trip Completion	\$ —	\$ —
Total Claims	\$ 27,585	\$ 243,425
Adjustment for pending claims	<u>\$ (23,544)</u>	<u>\$ (137,713)</u>
As per Statement of Operations	<u>\$ 4,041</u>	<u>\$ 105,712</u>
Claims Activity:		
Recoveries	\$ (7,550)	\$ (63,433)
Net claims paid	\$ 20,035	\$ 179,992

Repatriation / Trip Completion

During the fiscal year ended March 31, 2018, there were no registrant failures that resulted in trip completion costs against the Compensation Fund.

SUMMARY OF CLOSURES RESULTING IN CLAIMS AGAINST THE COMPENSATION FUND AND CORRESPONDING RECOVERIES

REGISTRANTS	CLAIMS PAID 2017/18 \$	RECOVERIES 2017/18 \$	CLAIMS PAID 2016/17 \$	RECOVERIES 2016/17 \$
Aerosvit Airlines *	-	-	5,022	115
Akkiratourz Ltd (R)	24,495	-	5,950	-
Best Way To Travel (R)	-	-	500	-
Business & Vacation Travel Planners (R)(W)	-	-	25,899	7,000
Conquest Vacations (R)(W)	-	-	-	37,232
Dolphin Travel (R)	-	600	-	600
Esna Travel and Tours (R)	-	1,150	142,300	1,700
Executive Worldwide Travel (R)	-	800	-	16,786
Smartchoice Travel & Tours (R)	-	-	1,500	-
SkyGreece Airlines *	-	-	22,112	-
Skypride Travel & Tours (R)	-	5,000	40,142	-
Transaero Airlines *	3,090	-	-	-
TOTAL CLAIMS PAID (GROSS)	\$27,585	\$7,550	\$243,425	\$63,433

(R) = Retailer

(W) = Wholesaler

(*) = Non-registrant End Supplier (Airline or Cruise line)

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

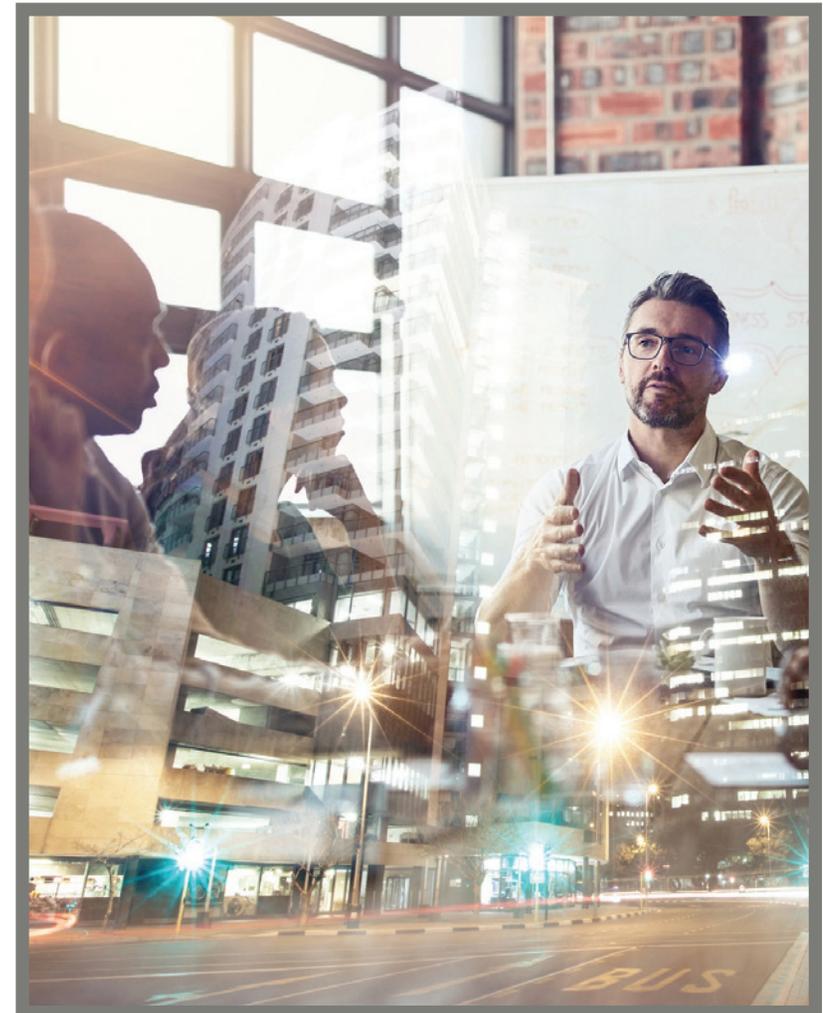


Figure 11 illustrates the total claims paid by the Fund over the last five years. The total claims paid during 2017/2018 totalled \$27,585 compared to \$243,425 the previous year. Recoveries received by TICO in 2017/2018 were \$7,550 compared to \$63,433 recovered in 2016/2017.

Figure 12 provides a comparison of the total claims paid out of the Compensation Fund as a result of TICO registrant closures and claims paid as a result of end supplier (airline or cruise line) failures. During the 2017/2018 fiscal year, there was a decrease in overall claims paid out of the Compensation Fund as a result of registrant and end supplier failures.

In 2017/2018, a total of \$24,495 was paid in claims related to registrant failures compared to \$216,291 to the prior year. During the fiscal period 2017/2018, a total of \$3,090 in claims was paid as a result of end supplier failures compared to \$27,133 in the previous year.

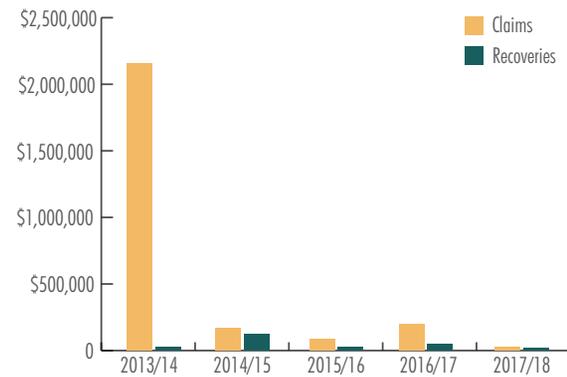


Figure 11: Total Claims paid and Recoveries to the Fund

Contributions to the Fund from registrants (Fig. 13) in 2017/2018 were higher compared to the previous year with \$3,980,009 recognized in 2017/2018 and \$2,710,952 recognized in 2016/2017. The increase in contributions is attributed to the increase in the assessment rate from \$0.20 to \$0.25 per thousand dollars of Ontario sales that became effective April 1, 2017.

Consumer Survey Results – Claims Process

During the fiscal year 2017/2018, TICO distributed an online consumer survey to 3 claimants who filed claims against the Compensation Fund inviting feedback on their experience with TICO’s claims process. At the end of March 2018, TICO did not receive any responses to the survey request.

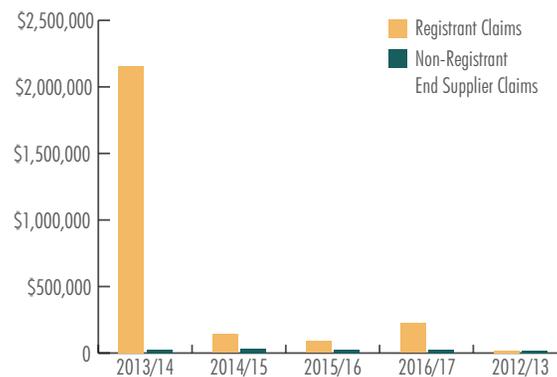


Figure 12: Registrant Claims vs Non-Registrant End Supplier Claims

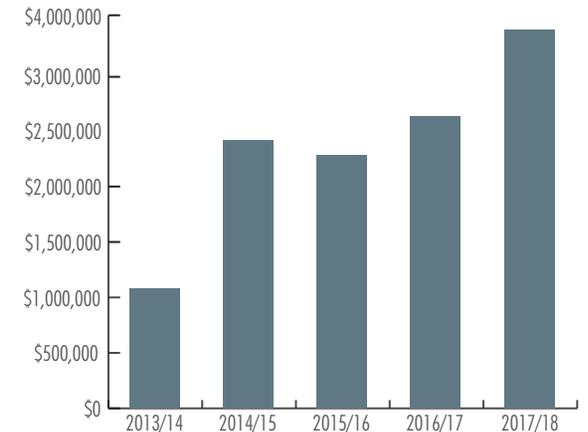


Figure 13: Contributions to the Compensation Fund

Legal Matters

Claims

The Licence Appeal Tribunal (LAT) hears appeals from decisions of the Board relating to the eligibility of claims for payment from the Compensation Fund. During the period ended March 31, 2018, there were 2 LAT hearings held in relation to a decision of the Board to disallow a claim. LAT upheld the Board's decision to disallow the claim for payment from the Compensation Fund.

Investigations

TICO initiates and conducts investigations when it becomes apparent that there may have been a breach of the legislation. Investigations can result in charges being laid under the statute. During the fiscal 2017/2018, TICO opened 10 new investigations and closed 8 investigations that resulted in 16 charges being laid under the statute. Some of the investigations were carried over from the prior fiscal year. As at March 31, 2018, there were 6 open investigations.

Defendant	Counts	Offence	Sentence					
			Fine (including Victim Surcharge)		Restitution		Probation / Community Service / Jail	
			Company or Individual	Amount \$	Payable to	Amount \$	Individual	Time
Dominic Daly	3	Operating as an unregistered travel agent	Dominic Daly	3,000	Consumer	3,881	Dominic Daly	2 yr probation
Gladys Calderon and Gerardo Calderon o/a Smartchoice Travel & Tours	5 1	Failure to follow proper Trust Accounting Making a False Statement on an Application for Registration	Gladys Calderon Gerardo Calderon	12,500 2,500	Consumers —	23,700 —	Gladys Calderon	2 yr probation
Frank Cardona (additionally convicted on 1 count of Fraud over \$5,000 contrary to Criminal Code of Canada)	1	Operating as an unregistered travel agent	Frank Cardona	12,500	Consumer	4,060	Frank Cardona	1 yr probation
Tajmahal Toursim Inc.	5	Operating as an unregistered travel agent	Tajmahal Tourism Inc.	72,000	—	—	—	—
Ronald Greenwood	2 1	Failure to follow proper Trust Accounting Maintaining more than 1 Trust Account without Registrar's consent	Ronald Greenwood Ronald Greenwood	— —	Compensation Fund	2,036,933	Ronald Greenwood	18 months jail
Tri World Travel (1054304) / Gary Cristello	4 6 4	Furnishing false information through outside sales representative Failure to follow proper Trust Accounting Failure to take reasonable steps to prevent sales rep from furnishing false information	Tri World Travel Tri World Travel Gary Cristello	12,500 — 6,250	— Consumers —	— 2,000 —	— — —	— — —
Blue Mountain Travel / Carolyn Solomon (Carolyn Solomon additionally convicted of 6 counts of Fraud contrary to Criminal Code of Canada, 3 years probation)	4 1	Operating as an unregistered travel agent Operating as an unregistered travel agent	Blue Mountain Travel Carolyn Solomon	62,500 —	Consumer	462,805	Carolyn Solomon	18 months jail

Prosecutions

Investigations conducted during 2017/2018 have resulted in 45 convictions. Penalties imposed in relation to the convictions include:

\$196,250 fines
\$2,549,138 restitution
36 months jail
9 years probation
200 hours community service.

The following prosecutions were carried out during the fiscal year:



Defendant	Counts	Offence	Sentence					
			Fine (including Victim Surcharge)		Restitution		Probation / Community Service / Jail	
			Company or Individual	Amount \$	Payable to	Amount \$	Individual	Time
Pawel Jedruch	1	Operating as an unregistered travel agent	Pawel Jedruch	6,250	—	—	—	—
Raquel Gordon (additionally convicted on 4 counts of Fraud related offences contrary to Criminal Code of Canada)	2	Operating as an unregistered travel agent	Raquel Gordon	6,250	Consumers	1,854	Raquel Gordon	2 yr probation
Alicia Kielek	5	Operating as an unregistered travel agent	Alicia Kielek		Consumer	13,905	Alicia Kielek	2 years probation / 200 hours community service
TOTAL:	45		Fines:	\$196,250	Restitution:	\$2,549,138	9 Years Community Service: 200 Hours	36 Months

Proposals to Revoke Registration

A total of 14 proposals to revoke registration were issued during 2017/2018. The proposals were issued for the following reasons:

	2017/18	2016/17
Failure to file Financial Statements	11	7
Failure to maintain Working Capital	0	1
Failure to maintain Trust Accounting	2	3
Failure to file Compensation Fund Assessment (Form 1)	1	1
Other Breaches of the Act and Regulation	<u>0</u>	<u>2</u>
	14	14

TICO attended 25 case conferences and 7 hearings before LAT in response to the proposals issued against registrants. Case conferences are a mandatory part of the LAT appeal process. Some proposals were settled prior to their scheduled hearing date. During the year, 7 registrations were revoked, 3 voluntarily terminated, 1 proposal was withdrawn and 4 were settled by consent order. At the beginning of the fiscal year, there were 7 outstanding proposals and at the end of March 2018, there were 6 outstanding proposals.



Legislative and Regulatory Changes

Comprehensive Review of the *Travel Industry Act, 2002* and Ontario Regulation 26/05

In June 2016, the Ontario Ministry of Government and Consumer Services announced that they would be conducting a comprehensive review of the *Travel Industry Act, 2002* and Ontario Regulation 26/05. The goal of the review was to update and modernize the consumer protection legislation, strengthen consumer protection and regulatory efficiency as well as reduce burden on business.

After 15 months and multiple rounds of industry and consumer consultation, the proposed changes to the *Travel Industry Act, 2002* were introduced to the Ontario Legislature as part of Bill 166, the Strengthening Protection for Ontario Consumers Act, 2017.

On December 13, 2017, Bill 166, the Strengthening Protection for Ontario Consumers Act, 2017 passed Third Reading in the Ontario legislature. Royal Assent was received on December 14, 2017. The changes include:

- Enabling the creation of new rules for representations, such as advertising, by out of province travel sellers who target Ontarians.
- Creating a registration requirement for individual travel salespersons.
- Lessening the burden on travel agents and travel wholesalers by creating a registration class of travel seller so that the businesses would no longer need to register as both a travel agent and travel wholesaler.
- Improving compliance with the rules by providing new enforcement tools, such as administrative penalties and compliance orders, including a new appeal mechanism to the License Appeal Tribunal for these new enforcement measures.

The provisions amending the *Travel Industry Act, 2002* are yet to be proclaimed into force. A review of Ontario Regulation 26/05 is currently underway. The Ministry held targeted consultation meetings with key stakeholders in March and April 2018 in order to answer outstanding questions to inform potential changes to the regulation.

Consumer Awareness Campaign

During the 2017/2018 fiscal year, TICO worked with its marketing services partner on TICO's Consumer Awareness Campaign. The goal each year is to increase consumer awareness and to ensure that consumers gain a better understanding of TICO and the consumer protection that is available when they purchase travel services from Ontario registered travel agencies and websites.

The Campaign strategy included the use of two 15-second commercials that uses innovative travel icon symbols to convey a story and provide TICO's important consumer protection message. Using various moving travel icons, the 15-second animated television commercials were produced with one depicting a family denied boarding at the airport because they held an expired passport. The other portrayed a family ready to start their vacation only to learn their airline has ceased operations and the only way to receive protection from Ontario's Compensation Fund is to book with a TICO registered travel agency or website. The call to action that follows states, "For all the information you don't know you don't know, book with a TICO registered travel agency or website. TICO, Ontario's Travel Regulator. Look for the logo." The Campaign promotes the benefits of booking with Ontario registered travel agencies and their respective travel counsellors in addition to promoting TICO and the consumer protection available in Ontario.

TICO's media strategy had the two 15-second television commercials airing on all Ontario television networks as well as viewed online as pre-roll ads to capture consumers who view news, television and video online. The television commercials aired over a 5-week period from mid-December 2017 through to January 2018 delivering to the targeted audience of over 88 million adult 18+ impressions and over 18 million women between ages 25-54. To provide a more meaningful impact and use of TICO's advertising dollars, the television commercials were also supported by digital media.

During the fiscal year, TICO's Consumer Awareness Campaign included a dedicated digital marketing media strategy to increase its reach to improve awareness among Ontario travelers, particularly those in a younger age bracket that predominantly use the internet and social media to resource and purchase products and services as opposed to turning to the traditional bricks and mortar retail travel agency.

The Campaign's digital marketing strategy included pay-per-click advertising to capture consumers on the internet when searching for travel services. Display ads were used and linked to customized landing pages, which provided consumers with TICO's consumer awareness message. This initiative resulted in over 125,000 clicks and approximately 40,000,000 impressions during the fiscal year.

The consumer campaign during the year generated over 500,000 unique page views

with 238,491 total consumer-related pageviews visits to TICO's website, which is an increase of 19.5% of visits to tico.ca compared to the previous year. TICO also enhanced its website with a new look and information in addition to being responsive to mobile devices. The growth of consumer views was also largely driven by informative search optimized blogs with useful travel tips and information for consumers which was up 73% over the previous year. TICO also had numerous postings via various social media networks such as Facebook, Twitter, Instagram and Pinterest. Postings included regular informative postings about travel and consumer protection and the benefits of booking with Ontario registered travel agencies and websites.

Throughout the fiscal year Google Display Ads were targeted at consumers who were in the market to purchase travel services and generated 35,771,926 impressions and 75,227 clicks to a newly designed consumer landing page which received 65,278 visits and an average time-on-page of 02:03 compared to 00:31 on the previous landing page.

Throughout 2017/2018, TICO continued to attend consumer trade shows around the province to promote consumer awareness and educate them about TICO and the consumer protection available to them when they purchase travel services from TICO registered travel agencies.



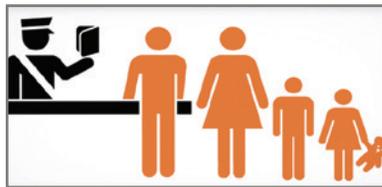
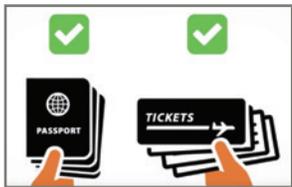
Each year, TICO conducts an omnibus survey to measure the success of the campaign. Awareness of TICO in Ontario increased to 34% compared to 33% in the previous year. Of those consumers surveyed in the GTA, 40% indicated awareness of TICO compared to 36% in the previous year. In addition of those consumers surveyed who recognized the TICO logo, 78% correctly identified at least one TICO role compared to 81% in the previous year.

The Omnibus survey revealed that of those consumers surveyed, 73% indicated that they were aware that they must purchase travel services from an Ontario registered travel agency or website to obtain the protection from TICO and the Compensation Fund, which was the same outcome in the previous year.

In 2018, 39% of consumers surveyed in Ontario indicated television advertising as the source of awareness of TICO, compared to 38% in the previous year. In addition, 27% of consumers indicated a travel agent or agency as the source of awareness of TICO which was an increase compared to 21% in the prior year.

TICO also continued to extend its reach to consumers by conducting 8 speaking engagements with consumer groups around the province to increase awareness of TICO, its services and the consumer protection available in Ontario.

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



Registrant Engagement

In 2017/2018, TICO continued its efforts to reach out to registrants and provide opportunities for meaningful engagement and sharing of information. These opportunities not only provided industry with a better insight of TICO but also allowed TICO to gain a better understanding of issues and challenges being faced by registrants in the marketplace as well as provide a better understanding as to the requirements under the Act and the Regulation.

TICO conducted 12 financial compliance webinars for industry stakeholders which provided a focus on trust accounting and other financial requirements to promote a greater understanding of their responsibilities in relation to financial compliance under the Act and the Regulation.

In addition, TICO conducted 9 informative and interactive Travel Agent Workshops for TICO certified travel agents which provided an opportunity to refresh their knowledge on key areas in the Regulation such as advertising, disclosure at the time of booking, invoicing and requirements regarding websites and the use of social media. The workshops were also supported by 5 webinars that provided more of a focus on individual areas of compliance such as advertising, disclosure and invoicing in addition to one webinar which focused on the availability of the various tools and resources TICO has available on its website to assist registrants.

Both attendees and TICO left the sessions with a greater understanding and appreciation of the issues and challenges faced in the industry.

1 CAN YOU AFFORD TO LOSE YOUR VACATION?

2 BEWARE THE RISK
Book With A Registered Travel Website Or Agency

3 LOOK FOR THE LOGO BEFORE YOU BOOK

SEARCH 2400 TRAVEL WEBSITES & AGENCIES

Corporate Social Responsibility (CSR)

Since commencing its CSR initiative, TICO's CSR Committee, a group of enthusiastic and dedicated staff members, have developed a CSR Charter and a Strategy, which incorporates environmental, charitable and financial initiatives.

Environmental Initiatives

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

Local Charitable Initiatives

1. Continued its partnership with the Mississauga Food Bank.
2. TICO staff volunteered at the Mississauga Food Bank and sorted food equating to 4,840 meals to assist families in need..
3. Conducted Thanksgiving, Summer (July) and Christmas Food Drives and collected 280 pounds of food donations.

Global Charitable Initiatives

1. Entered into an agreement with Plan International Canada to support a community in Nga, Laos.
2. TICO successfully raised \$5,080 through various CSR initiatives in support of Plan International Canada.

Financial Initiatives

1. Implemented a revised TICO Investment Policy to integrate environmental, social and governance (ESG) investing and established the first ESG investment with TICO's financial partner.

French Language Services

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

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

- 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.



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, 2018 with comparative figures for March 31, 2017.

Overview

The global economy, global travel market and the Ontario marketplace all performed well in 2017, and in many ways exceeded expectations. Similarly, TICO achieved another solid year of financial performance. Both revenues and operating expenses beat budget expectations generating a healthy net surplus for the full year. Like recent years, this was another year with historically low claims against the Compensation Fund (“Fund”).



As at March 31, 2018, total Net Assets at year-end were \$23,772,246 compared to \$22,282,737 for the year ended March 31, 2017. This increase in Net Assets was the result of total revenues exceeding all expenses net of claims by \$1,489,509 for the year, compared with a small surplus of \$8,143 in the prior year. Total revenues increased by 1,260,532 (26%), while operating expenses, before net claims and amortization, were lower by \$266,365 (6%). Claims before recoveries and related fees remained relatively low at \$4,041 compared to \$105,712 the year prior.

Overall financial performance remained strong for the fiscal year. TICO generated a net surplus of revenue over expenses close of \$1,489,509, a significant increase from the prior year’s net surplus of \$8,143.

TICO is required to maintain all Fund monies in a segregated account. As of March 31, 2018, the assets held for the Fund totaled \$21,744,930.



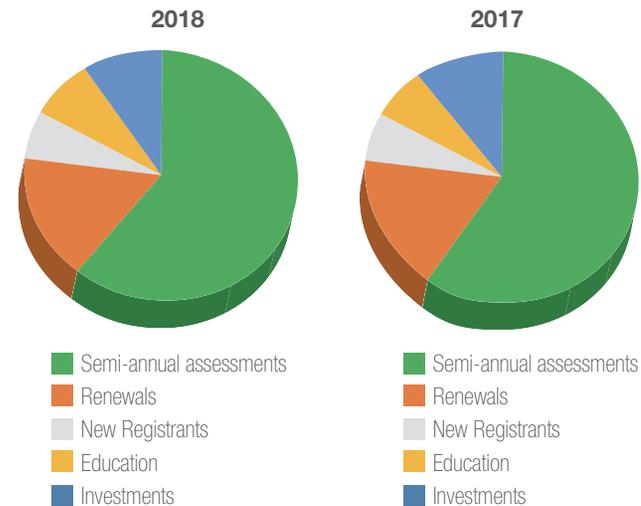
A total of \$1,100,000 was transferred to the Fund for the year-ended March 31, 2018. While claims against the Fund are presently low, the balance available to fund future claims for potential registrant/end-supplier failures is well below the recommended target to reimburse and/or repatriate affected consumers per a recently completed actuary report.

Revenues

Total revenues for the year ended March 31, 2018 was \$6,053,534 derived as follows:

Source	2018	2017	% Change
Semi-annual assessments	\$3,980,009	\$2,710,952	47%
Renewals	1,005,932	1,053,733	(5)%
New Registrants	289,500	306,600	(6)%
Education	254,608	224,820	13%
Investments	523,485	496,897	5%
Total	\$6,053,534	\$4,793,002	26%

The composition and sources of revenues are provided below:



In total, revenues tracked ahead of budget expectations and were higher than the prior year by \$1,260,532 or 26%. Each source of operating revenue was generally in line with budget expectation, with revenue from semi-annual assessments driving the most significant increase. For the fiscal year, total Ontario Gross Sales grew by almost 10% over the prior year for a total of \$17.4 billion. This strong market growth added approximately \$269 thousand to TICO's growth in semi-annual assessments towards the Fund. In addition, effective April 1, 2017, the assessment rate for payments to the compensation fund was increased from \$0.20 per thousand of Ontario Gross Sales to \$0.25 (as per the phased-in fee review announced early 2016). This fee increase, calculated on a trailing six months' revenue was fully realized October 1, 2017 and resulted in an incremental \$1.0 million in additional contributions to the Fund. The combination of these two factors drove \$3,980,009 of revenues from semi-annual assessment, a growth of \$1,269,057 (47%) over the prior year. Semi-annual assessments represent 66% of total revenue (2017 – 57%).

TICO's revenues also correlate to the number of active retail and wholesale registrants in the province, Ontario Gross Sales, education revenues and investment income from the portfolio supporting the Fund. Consistent with past years, the reduction in the number of active registrants continue. Total registrants of 2,359 are lower from prior year by 59 or 2% reflecting new channels of distribution and other business models. A total of 118 new registrants opened business during the year, down from 139 the year prior. This new growth was offset by 181 terminations during the year (2017 – 162). In aggregate, revenues for new registrations and renewals of \$1,295,432 (2017 – \$1,360,333) were marginally lower than budget expectations, and lower than a year earlier by 5%. Registration and renewal fees remained consistent year-over-year.

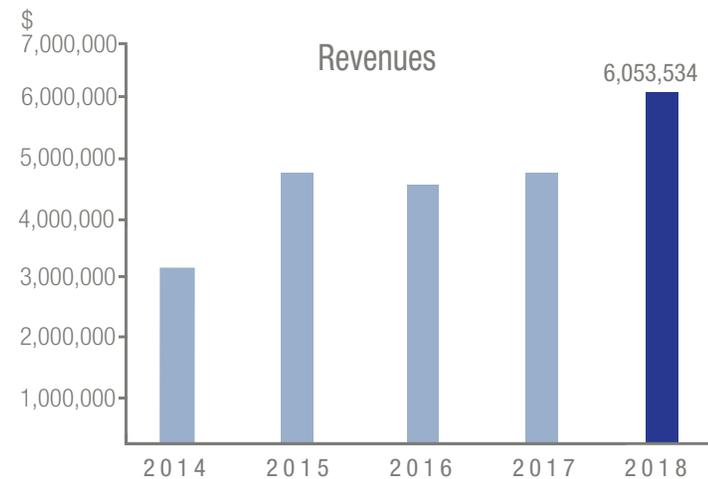
During the year, TICO administered approximately 6,300 exams. This exam activity was relatively strong compared to prior year, up almost 12%. Revenues from education exams were also strong at \$254,608 (2017 – \$224,820), an increase of 13%. A new college program and increased examinations for call center agents drove incremental exam activity. Since 2009, TICO has successfully administered over 66,000 exams, while keeping fees unchanged.

Interest rates, and therefore yields on TICO's investment portfolio, have experienced a gradual upward trend. This trend is in line with the Bank of Canada's recent policy rate increases and the general increase in the yield curve. With the oversight of TICO's Board of Directors, TICO invested a portion of its total investment portfolio into a new long-term, professionally managed fund. This fund, based on ESG principles (Environment, Socially responsible and strong Governance) invests in a risk-based mix of debt and equity instruments based on a pre-approved risk appetite. Yields have

been stronger with this Fund and have contributed positively to overall investment income of \$523,485. In total, investment income was higher than prior year by \$26,587, or 5%, well ahead of budget expectations.

In 2016, TICO announced a two-stage, multi-year, increase of the Fund assessment rate, effectively increasing the rate from \$0.15 to \$0.25 per thousand of Ontario Gross Sales. This increase has been the primary driver of increased revenues over the past several years.

While revenue performance has achieved TICO's goals, it remains well short of the necessary funding to achieve the target Fund levels as recommended in last year's actuary report.



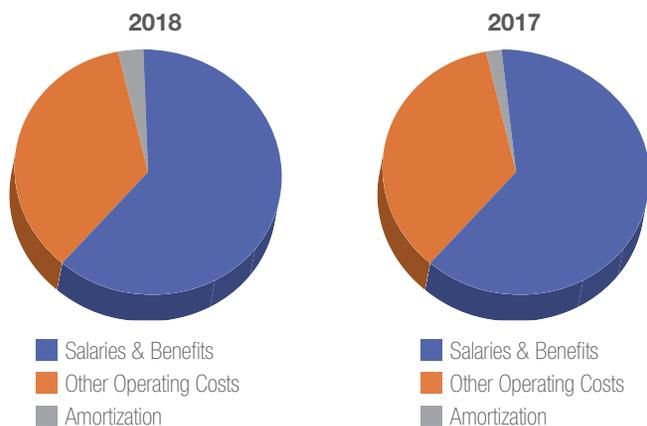
Operating Expenses

Total operating expenses of \$4,499,255 are lower than prior year by \$243,325 or 5%. During the year, management maintained strong cost controls. Except for a new addition to staff associated with stakeholder relations and communications expertise, staffing levels were maintained equal to the prior year. The Stakeholder Relations addition will focus on an enhanced consumer awareness campaign, improvements to registrant engagement and government relations. Turnover and extended timelines for hires for replacement staff contributed to lower salaries & benefits. Other operating costs were lower than prior year by \$242,330 (11%). One-time costs related to government fees (\$195,488) from prior year accounted for \$85,881 savings, while the balance of cost savings was driven by other costs reduction programs and timing. Next to salaries and

benefits, TICO's consumer awareness and registrant engagement expenses represented the next largest spend. At \$686,483 (2017 – \$715,757), TICO maintained a consumer awareness campaign consistent with the prior year's strategy, saving on external production costs and other marketing related expenditures. Other operating costs, including Board of Director related expenses, performed in line with budget expectations and were lower than prior year.

Operating Expenses	2018	2017	%
Salaries & Benefits	2,497,339	2,521,374	-1%
Other Operating Costs	1,933,672	2,176,002	-11%
Amortization	68,244	45,204	51%
Total expenses	4,499,255	4,742,580	-5%

Salaries and benefits continue to represent the largest segment of expenses, accounting for 56% of total expense (2017 – 53%). Salaries and benefits were subject to a third-party review during the year, used by the Board and management to ensure overall market competitiveness and consistency with TICO's compensation policy.



Amortization related to investments in technology and infrastructure/network related equipment was in line with expectations.

There were no material, unusual or non-recurring expenses incurred during the year.

Travel Compensation Fund

The Fund balance at March 31, 2018 was \$21,744,930 (2017 – \$20,644,930), an increase of \$1,100,000 for the fiscal year.

Despite a busy year of administrative and enforcement activity, the number of approved claims represents another very low claims' year for the travel industry, well below budget, and lower than the prior year.

Actual claims against the Fund for this fiscal year were \$27,585 driven by the failure of one registrant and an airline (2017 - \$ 241,925). Recoveries for the year were \$7,550 (2017 – \$63,433). During the year, TICO also successfully defended a past claim against the Fund. The net costs of claims, including professional fees and the change in provision for claims, totaled \$64,770 for the year (2017 - \$42,279).

Last year's actuarial study identified a large unfunded shortfall with the Fund of approximately \$28 million. As recommended by the 2017 Deloitte Actuarial Study, deliberations should continue over future funding sources, including consideration of a new consumer protection fee combined with a reinsurance program.

Capital Expenditures

Fixed capital assets deployed in the business at March 31, 2018 totaled \$197,157, an increase of \$89,307 (2017 – \$61,876). Capital expenditures during the year were primarily directed at technology with the goal of expanding self-serve and e-commerce capabilities and addressing other technology risks. Management's longer-term technology plan leverages cloud-computing, with virtually all TICO's infrastructure and applications now hosted through various software-as-a-service offerings. During the year, enhanced functionality was under development on core operating systems and office collaboration tools. These enhancements will enable TICO to offer many of its future services more efficiently and effectively, using e-commerce capabilities.

Statement of Net Assets

For the year-ended March 31, 2018, total net assets are \$23,772,246, an increase of \$1,489,509 reflecting a healthy net surplus for the fiscal year.

Consistent with best practice and governance principles, and with the approval of the Board of Directors, a new internally restricted operating reserve of \$1,500,000 was re-allocated from capital not reserved for the Compensation Fund. This reserve is intended for additional protection caused by an unforeseen adverse event and is subject to the sole discretion of the Board of Directors. This reserve was established from an allocation from the unrestricted fund accumulated from past fiscal years.

In addition, an incremental \$1,100,000 (2017 – NIL) was directed to the Compensation Fund in support of future claims. The total Fund has a balance of \$21,744,930 as at March 31, 2018. During the year, TICO released the Deloitte Actuarial Study that recommended a significantly higher target balance. TICO has raised this funding gap with the Ministry of Government and Consumer Services who are considering the matter further. More information on the Deloitte Actuarial Study may be found on page 10.

The unrestricted fund of \$330,159 (2017 - \$1,461,713) will be used for future business initiatives as reflected in the annual budget and business plans as approved by the Board of Directors.

Appendix I

Travel Industry Council of Ontario
Audited Financial Statements



FINANCIAL STATEMENTS
For the year ended March 31, 2018

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Independent Auditor's Report

To the Members of the Travel Industry Council of Ontario

We have audited the accompanying financial statements of Travel Industry Council of Ontario ("TICO"), which comprise the statement of financial position as at March 31, 2018 and the statements of changes in operations, the changes in net assets, and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Travel Industry Council of Ontario as at March 31, 2018 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 organization

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants
May 29, 2018
Mississauga, Ontario

TRAVEL INDUSTRY COUNCIL OF ONTARIO

STATEMENT OF FINANCIAL POSITION AS AT MARCH 31

	2018 \$	2017 \$
ASSETS		
Current		
Cash	1,877,539	3,016,889
Short-term investments (Note 2)	9,527,388	11,574,930
Prepaid expenses	<u>95,822</u>	<u>105,312</u>
	11,500,749	14,697,131
Investments (Note 2)	16,488,413	11,476,439
Capital assets (Note 3)	<u>197,157</u>	<u>176,094</u>
	<u>28,186,319</u>	<u>26,349,664</u>
LIABILITIES AND MEMBERS' EQUITY		
Current		
Accounts payable and accrued liabilities	723,235	764,718
Deposits from registrants	<u>3,683,630</u>	<u>3,283,660</u>
	4,406,865	4,048,378
Deferred leasehold inducement	<u>7,208</u>	<u>18,549</u>
	<u>4,414,073</u>	<u>4,066,927</u>
NET ASSETS		
Compensation Fund (Note 4)	21,744,930	20,644,930
Invested in capital assets	197,157	176,094
Internally restricted operating reserve fund (Note 5)	1,500,000	–
Unrestricted fund	<u>330,159</u>	<u>1,461,713</u>
	<u>23,772,246</u>	<u>22,282,737</u>
	<u>28,186,319</u>	<u>26,349,664</u>

The accompanying notes are an integral part of these financial statements

**STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31**

	2018 \$	2017 \$
REVENUE		
Semi-annual payments from registrants	3,980,009	2,710,952
Renewals	1,005,932	1,053,733
New registrants	289,500	306,600
Education standards fees	254,608	224,820
Investment income	<u>523,485</u>	<u>496,897</u>
Total revenue	<u>6,053,534</u>	<u>4,793,002</u>
EXPENSES		
Claims	4,041	105,712
Professional fees	68,279	-
Recoveries	<u>(7,550)</u>	<u>(63,433)</u>
Net claim and related costs	<u>64,770</u>	<u>42,279</u>
Salaries and benefits	2,038,237	1,879,800
Consumer and registrant awareness	686,483	715,757
Inspections, compliance and investigations	459,102	641,574
Computer network and support	217,679	301,923
Rent	204,547	219,924
Board and governance expense	203,375	233,309
General and office	203,344	234,114
Ontario Government oversight fees (Note 6)	195,488	284,588
Professional fees	147,766	99,917
Amortization	68,244	45,204
Insurance	46,046	55,712
Bank charges and merchant fees	22,234	22,079
Credit checks	<u>6,710</u>	<u>8,679</u>
Total operating expenses	<u>4,499,255</u>	<u>4,742,580</u>
Excess of revenue over expenses for the year	<u>1,489,509</u>	<u>8,143</u>

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

TRAVEL INDUSTRY COUNCIL OF ONTARIO

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED MARCH 31

	Invested in Capital Assets \$	Restricted For The Ontario Travel Industry Compensation Fund (Note 4) \$	Internally Restricted Operating Reserve Fund (Note 5) \$	Unrestricted Fund \$	2018 Total \$	2017 Total
Balance, beginning of year	176,094	20,644,930	—	1,461,713	22,282,737	22,274,594
Excess of revenue over expenses for the year	—	—	—	1,489,509	1,489,509	8,143
Purchase of equipment	89,307	—	—	(89,307)	—	—
Amortization of equipment	(68,244)	—	—	68,244	—	—
Inter-fund transfers (Note 4 and 5)	—	1,100,000	1,500,000	(2,600,000)	—	—
Balance, end of year	<u>197,157</u>	<u>21,744,930</u>	<u>1,500,000</u>	<u>330,159</u>	<u>23,772,246</u>	<u>22,282,737</u>

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31**

	2018 \$	2017 \$
Cash was provided by (used in)		
Operating activities		
Excess of revenues over expenses before other items	1,489,509	8,143
Adjustments to reconcile excess of revenue over expenses to net cash provided by operating activities		
Amortization	68,244	45,204
Unrealized change in investments	(173,780)	(406,727)
Changes in non-cash working capital balances		
Prepaid expenses	9,490	17,539
Accounts payable and accrued liabilities	(41,483)	(128,328)
Deposit from registrants	399,970	104,842
Deferred lease inducement	(11,340)	(11,340)
	<u>1,740,609</u>	<u>(370,667)</u>
Investing activities		
Purchase of investments	(23,021,347)	(5,273,332)
Redemption of investments	20,230,695	6,378,235
Purchase of capital assets	(89,307)	(61,876)
	<u>(2,879,959)</u>	<u>1,043,027</u>
(Decrease) increase in cash	(1,139,350)	672,360
Cash, beginning of year	<u>3,016,889</u>	<u>2,344,529</u>
Cash, end of year	<u>1,877,539</u>	<u>3,016,889</u>

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

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2018

1. Significant Accounting Policies

Nature and Purpose of Agency

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

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

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

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

Basis of Accounting

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

Revenue Recognition

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

Education standards fees revenue is recognized as it is earned which is when the education standards exams are completed.

Investment income is recorded as revenue when received or receivable.

Claims

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

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

NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2018

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.

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, which expires November 30, 2018.

Use of Estimates

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

Financial Instruments

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

2. Investments

Investments consist of guaranteed investment certificates, fixed income notes, and mutual funds. Guaranteed investment certificates and fixed income notes bear interest at rates ranging from 1.40% to 3.70% (2017 - 1.60% - 3.70%) and with maturity dates ranging from November 2018 to December 2026 (2017 - April 2017 to December 2023). Investments that mature within the next fiscal year are presented as short-term on the statement of financial position. Included within the investments are restricted deposits from registrants.

3. Capital assets

	Cost	2018 Accumulated Amortization	Cost	2017 Accumulated Amortization
	\$	\$	\$	\$
Furniture and equipment	258,775	\$229,809	258,775	222,566
Computer and hardware	174,315	121,809	125,778	106,429
Computer software	61,379	49,028	61,379	34,468
Database	285,187	248,493	244,416	244,416
Leasehold improvements	243,483	184,801	243,483	161,223
Vehicles	35,475	27,517	35,475	24,110
	<u>1,058,614</u>	<u>861,457</u>	<u>969,306</u>	<u>793,212</u>
Net book value		<u>197,157</u>		<u>176,094</u>

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2018

4. 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, \$1,100,000 (2017 - \$Nil) was transferred from the Unrestricted Fund to the Restricted for The Ontario Travel Industry Compensation Fund.

5. Internally Restricted Operating Reserve and Unrestricted Reserve Funds

During this fiscal year, the Board approved the establishment of an internally restricted operating reserve equal to approximately four months of operating expenses, or \$1,500,000. This amount was drawn from unrestricted surpluses accumulated from past years. This reserve is intended to provide capital to maintain operations following a significant unforeseen adverse event. Additions to, or drawings from this reserve are at the discretion of the Board.

The restricted operating reserve at March 31, 2018 is \$1,500,000. The remaining unrestricted reserve will be left to fund continuing operations consistent with the Board approved business plan.

6. Commitments and Contingencies

(a) Under terms of an Administrative Agreement entered into during January 2013 between TICO and the Ministry of Government and Consumer Services (the "MGCS"), TICO is obligated to pay a maximum annual fee for 2018, based on cost recovery to the Province of Ontario, totaling \$195,488 (2017 - \$198,707). During the prior year, MGCS commenced a review of the ACT and incurred additional expenses of \$85,881 for a total of \$284,588.

The MGCS may increase this annual payment above the maximum amount in any given

year in accordance with the terms of the Administrative Agreement. For 2017 and subsequent fiscal years, MGCS shall determine the payment for each year and will notify TICO at least 18 months in advance of the payment being due.

b) TICO has operating lease commitments for its premises. Future minimum annual lease payments for the next five years are as follows:

2019	\$78,228
2020	117,202
2021	154,287
2022	154,155
2023	154,155
Thereafter	<u>1,498,499</u>
Total	<u>\$2,156,526</u>

Subsequent to year end, TICO signed an offer to lease, subject to normal closing conditions, for its premises which would commence in 2019 for a twelve year term. Its commitments for these premises are included in the future minimum lease payments above.

7. Financial Instruments Risk

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.



Business Plan

April 1, 2018 – March 31, 2021

In assuming the delegation from the Ontario Government for administering the *Travel Industry Act, 2002*, which governs approximately 2,360 travel retailers and wholesalers registered in Ontario, TICO established an initial agenda not just to administer its delegated responsibilities in the public interest, but also to elevate the travel industry to new levels in consumer protection, professional standards and regulatory compliance.

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

The **21st** year Business Plan which follows, outlines:

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

Environment

By most economists' perspective, Canada's economy is firing on all cylinders, or is it? Canada led all G-7 nations in economic output in 2017. Unemployment is at its lowest levels since 1976 as reported by the Conference Board of Canada. Inflation remains slightly below the Bank of Canada target range of 2% and consumer confidence ended 2017 higher than it started. Almost all analysts are upbeat on the global economy after solid gains in 2017, particularly from the economic juggernauts of the United States and China. What possibly could be wrong?

In Canada, the 2017 GDP was strong by historical standards at approximately 3%. Despite good fundamental indicators, many economists project that the country is in the latter stages of its current economic cycle, and that a slow-down – possibly correction – is around the corner. In January 2018, The Bank of Canada (BOC) raised interest rates for the third time in seven months signalling that the brakes are slowly being applied to address a robust marketplace. This trend may drive consumer confidence lower, particularly as it relates to discretionary spending such as travel.

On the flip-side, the USA economy is performing well, so far, in the short-term. The USA administration's recent tax reform is a major stimulus to the economy that will likely propel the United States (and linked economies) to another strong year in 2018. Job gains have also been significant, and the American consumer is spending again. These trends, combined with continued positive economic policy should help bolster the USA economy throughout 2018. This should also bode well for Canada as a whole, the service economy and especially exporters. However, there are risks to this economic momentum.

The two most concerning economic drivers, or risks to Canada's economic performance revolve around the North American Free Trade Agreement (NAFTA) negotiations and future interest rates. While the United States administration's policy direction is concerning on many fronts, the "America First" focus and the resulting impact on NAFTA has left both business and individuals in a difficult predicament, uncertain of the outcome. The other significant variable is how quickly the USA Federal Reserve will increase interest rates – most pundits predict at least three rate increases during the year. Further widening

of the Federal Reserve and BOC interest rate gaps serve to drive the Canadian dollar down. Most economists are projecting a weakening of the dollar closer to the \$0.75 level. There is some predictive modelling evidence that correlates a weakening Canadian dollar with past registrant failures. A weaker dollar will also make many purchases costlier for Canadian travellers.

From a provincial perspective, for the first time in many years all provinces are expected to grow in 2018. Ontario's economy has experienced a solid period of expansion for several years, and 2018 will likely be more of the same, except a little slower. Economic growth is expected to slow from close to 3% in 2017 to a respectable 2% in 2018. The housing market will continue to cool as interest rates rise and an uncertain US trade environment prevails. However, heavy investment in infrastructure in both the private and public sectors should keep employment relatively strong and the unemployment rate on par with the national average.

As previously communicated by the Ontario government and TICO, a comprehensive review of the legislation governing the travel industry led to Royal Assent of the *Strengthening Protection for Ontario Consumers Act, 2017* ("Bill 166"). Work is now underway on the review of the associated Ontario Regulation 26/05. Sweeping changes were included in the Bill and many other important changes are projected with the regulation. It is difficult to predict when the legislation will become operational. For TICO, Bill 166 brings needed changes in its regulatory and operational effectiveness, however there remain opportunities for further enhancements to close some identified gaps in the current legislation in future. The 2017 Deloitte Actuarial and Financial Assessment of Ontario's Travel Compensation Fund study also identified important funding and coverage issues affecting consumers and registrants, including among other things, misconceptions with underlying protections including those protections provided by credit cards. Together, registrants and TICO will also require time to adjust and be ready for these changes. While difficult to project, we believe a more informed and confident consumer is more inclined to purchase from an Ontario registered travel company.



A recent Deloitte study reported that the travel and tourism sector now accounts for more than 10% of global GDP and is one of the world's fastest growing sectors. The strength of the global economy is a harbinger of further growth to come as travellers look for new horizons. As we now live in the new normal environment of low interest rates, low inflation and an incredibly competitive market, the outlook for travellers is bright but not without complexity and other challenges. With innovations in technology and new products and services, opportunities for travellers are likely to drive excess demand for years to come. While advancements in technology will continue to drive costs lower, travel at its heart is still an emotional experience, involving human connections. At TICO, we believe in the agency channel and the importance of the consumer-agency relationship. For these

reasons, it is critical that Ontario's travel legislation continues to evolve, and that TICO remains committed to its vision of being a progressive regulator for a confident consumer.

In closing, it's worth repeating that Ontarians benefit from a strong overall system of consumer protection, but notwithstanding, further enhancements are required. Industry, government, consumers and TICO will need to embrace continued collaboration and dialogue to achieve the goal of a modernized consumer protection model and enhanced legislation for even stronger consumer protections. At TICO, we remain committed to a continued strong relationship with all our stakeholders to ensure these fundamental goals are embedded in the way we do business, now and for many years to come.

Travel Industry Council of Ontario (TICO) 3 Year Business Plan - FY 2018/2019 to FY 2020/2021

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

In particular, with the Ontario Government's comprehensive review of Ontario Regulation 26/05 currently underway, TICO's strategic objectives and revenue and expense forecast may require modification once the future consumer protection and funding model of the Travel Compensation Fund has been determined.

TICO's three-year Business Plan applies a systematic approach to delivering its mandate from the Ministry of Government and Consumer Services ("Ministry"). This approach is illustrated in the model below and forms the basis of this Business Plan. TICO recently introduced new modernized Vision and Mission Statements (see page 6) of the Annual Report

Our Commitment:

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

This Business Plan framework is squarely aimed at addressing the key risks facing TICO in the achievement of its mandate. This framework must benefit all stakeholders, but in particular, it needs to consider the vulnerable, indebted and less informed travellers who may be at greater risk due to fraud and other circumstances beyond their control. Indeed, this focus on consumer protection is a key deliverable of the Ontario Government. Of course, it is also a requirement that a consumer protection

framework be fiscally prudent and delivered in a manner that is supportive of current and emerging business models. TICO is committed to all these goals, and in evolving its own business model to meet both current demands and emerging future challenges. This Business Plan is a fiscally prudent model that delivers a balanced budget through a combination of productivity enhancements, investments in people, process and systems with no increases to existing fees, and other industry burdens, over the next three years. Our Business Plan is best illustrated in the model shown below.

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

TICO's Strategic Planning Model



Strategic Priorities for 2018/2019

Strategy 1:

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.

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

Last fiscal year, an Actuarial Study and Financial Assessment of Ontario's Travel Compensation Fund was completed by Deloitte to assess the overall funding model and the implications of a large and/or catastrophic failure of either a registrant or end-supplier (airline or cruise line). This study concluded that a sizeable funding gap currently existed and a new funding model and/or changes to coverage was recommended. While the exact solution will require further research and analysis of options, this plan anticipates further consultation with the Government of Ontario and other stakeholders.

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

	Initiative	Description	Target
FY 2018/19	Advocate and advance regulatory reform.	In collaboration with the Ministry and in consultation with stakeholders identify and address the opportunities for modernization of Ontario Regulation 26/05 for the purpose of modernizing the consumer protection legislation.	Provide submissions to the Ministry with recommendations to update and modernize the regulation taking into consideration changes to business models and stakeholder feedback.
	Conduct a comprehensive review of the industry financed Travel Compensation Fund.	With consideration of the 2017 Deloitte Actuarial Study and Financial Assessment identifying a shortfall in funding and protection of Ontario's Travel Compensation Fund, develop an action plan that considers alternative methods of financing the Fund and closing the gap in consumer protection.	In collaboration with the Ministry, complete further stakeholder consultation to consider and assess the perception of the Travel Compensation Fund and the acceptance of alternative funding models. This analysis will include consumer consultation and an assessment of consumers' understanding and appetite to contribute to a complete funding model and the underlying protections available, including end-supplier coverage. Provide recommendations to the Ministry for enhancements to the Travel Compensation Fund model, including funding and coverage provisions.
	Establish an action plan for effective implementation and enforcement of legislative and regulatory changes.	Assess the implications of any legislative and regulatory changes and develop an action plan with operational priorities, funding requirements and service commitments to ensure TICO effectively administers and enforces the consumer protection legislation in Ontario.	Produce an action plan document identifying and prioritizing all operational priorities in relation to legislative and regulatory changes to ensure an efficient implementation and enforcement of new consumer protection legislation in Ontario
	Design and development of a streamlined and cost-effective framework for individual registration.*	Design and develop a framework, policy and module for a cost efficient online registration and renewal process for individual salespersons.	Online process including policies and procedures completed and ready for implementation of individual registration and renewal.
	Design and development of a program for administrative monetary penalties.*	Design and develop a framework for the effective administration of monetary penalties using best practices from other public sector organizations.	Framework for administrative monetary penalties complete ready for implementation.
	Initiative	Description	Target
FY 2019/20 – 2020/21	Continue implementation of action plan to effectively administer and enforce the new legislation.*	Initiate execution of operational priorities identified in the action plan to ensure TICO effectively administers and enforces new consumer protection legislation in Ontario.	Successful implementation of operational priorities allowing TICO to efficiently administer and enforce the new consumer protection legislation in Ontario.
	Design a program to establish and administer a discipline process.*	Develop a framework for the effective administration of a discipline process.	Framework for a discipline process completed and ready to be introduced and communicated to registrants.
	Conduct a post implementation review of online registration and renewal process.*	Identify enhancements and key learnings and continue refinement online registration and renewal program.	Registration and renewal process for individual salespersons completed.

* subject to proclamation of the legislation.

Strategy 2:

Awareness & 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.

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

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

TICO's strategic priorities in this area will include:

	Initiative	Description	Target
FY 2018/19	Continue to build and enhance consumer awareness in Ontario	Continue to build and enhance a series of comprehensive activities aimed at increasing consumer awareness of TICO's role and the consumer protection in Ontario.	<p>Improve overall awareness and understanding by continuing to engage consumers by executing a marketing and communications strategy that includes various forms of earned media including traditional and social media and other alternative distribution channels.</p> <p>Seek opportunities to engage consumers and deliver educational presentations to build awareness both in person and by leveraging technology (i.e. webinars).</p> <p>Produce and distribute various editorial and media releases to secure coverage in consumer publications to enhance education and awareness.</p>
	Drive registrant engagement and improve TICO's value proposition to registrants.	Through continuous and meaningful engagement and communications with registrants, identify key drivers of TICO's value proposition and initiatives to improve	<p>Research and development of a set of value drivers/profiles, across diverse registrant business models, that will provide management with information used to enhance TICO's overall value proposition.</p> <p>Provide opportunities for registrants to engage with TICO to encourage dialogue and feedback on timely issues by holding town hall and open forum sessions.</p>
	Establish a communications strategy, including consultation associated with legislative and regulatory changes*	Develop a communications strategy and corresponding consultation process to educate and inform all stakeholders regarding any legislative and regulatory changes.	Completion and planned implementation of a communications strategy to promote education and awareness of all stakeholders regarding enhancements of the Act and the Regulation.
	Establish a renewed partnership with an education service delivery provider.	Modernize TICO's education platform to enhance the service delivery of the Education Standards program.	New Education Standards platform introduced with enhanced service delivery and a foundation for enhanced education capability
	Initiative	Description	Target
FY 2019/20 – 2020/21	Continue to build and enhance consumer awareness in Ontario.	Continue to build and enhance a series of comprehensive activities aimed at increasing consumer awareness of TICO's role and the consumer protection in Ontario.	Improve overall awareness and understanding by executing a marketing and communications strategy that includes traditional, social and digital media as well as other alternative distribution channels.
	Enhance the Education Standards Programme with updated curriculum and testing to include legislative and regulatory changes including continuing education opportunities.* Engage registrants and provide education and familiarization around the new legislation.*	<p>In partnership with TICO's Education service provider, update the education standards curriculum and exam bank of questions to include new legislative and regulatory changes.</p> <p>Provide registrants opportunities for engagement with TICO through innovative communication approaches for the purpose of education and familiarization around the new legislation.</p>	<p>Updated Education Standards Programme completed and ready for roll-out.</p> <p>Various engagement opportunities extended to registrants, both in person and online to familiarize themselves with the new legislation and impacts, if any, to their business.</p>
	Continue to assess and enhance TICO's value proposition.	Through innovative tools including surveys and by providing opportunities for engagement, continue to drive and assess. TICO's value proposition to registrants.	Conduct a value survey to establish a baseline score.

* subject to proclamation of the legislation.

Strategy 3:

Organizational Effectiveness

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

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

TICO's strategic priorities in this area will include:

	Initiative	Description	Target
FY 2018/19	Enhance security protocols and protection across TICO system infrastructure.	Educate and raise awareness across stakeholders of cyber security risks, combined with analysis of existing system vulnerabilities, all aimed at minimizing unauthorized access, data breaches and risk mitigation in the event of a breach.	Complete education sessions and implement advanced threat protection protocols to enhance overall system security. Develop risk response scenario in the event of a breach.
	Enhance data management capabilities.	Develop a data management policy and procedures to ensure data is collected, maintained, retrieved and stored according to defined standards and best practices.	Approval of a data management policy, procedures and process ready for implementation across all departments.
	Enhance resources and competencies of workforce	Conduct a skills competency assessment to ensure alignment of resources for the effective administration and enforcement of the consumer protection legislation	Organizational structure is aligned and reflects the skills and competencies required to ensure TICO's effectiveness as Ontario's Travel Regulator.
	Update and modernize crisis management protocols.	Assess TICO's vulnerabilities to priority risks and develop crisis management protocols and communications to ensure TICO's responses demonstrate its effectiveness as Ontario's Travel Regulator in times of crisis.	Develop, test and implement a crisis management plan including operational and communication protocols to ensure timely and effective response in the event of a crisis.
	Continue to monitor and focus on high risk operators.	Decrease the number of high risk operators through enhanced business tools and process.	Attain a 5% reduction of high risk operators, benchmarked as of the first day of the current fiscal year.
	Modernize resources and tools to identify unregistered sellers of travel.	Introduce tools and resources to identify unregistered sellers of travel.	Enhance resources and tools available to TICO to monitor and identify unregistered sellers of travel services in Ontario.
	Initiative	Description	Target
FY 2019/20 – 2020/21	Enhanced data management capabilities.	Implement a data management policy and procedures to ensure all data is collected, maintained, retrieved and stored according to defined standards and best practices.	Complete implementation of a data management policy, procedures and process to ensure data meets business needs.
	Continue to update and modernize crisis management protocols.	Further assessments of TICO vulnerabilities in relation to priority risks including any emerging trends that impact crisis management protocols and communications.	Crisis management protocols maintained and updated to capture any new or emerging vulnerabilities and trends.
	Continue monitoring high risk operators.	Identify and reduce the impact of high risk operators through enhanced business tools and process.	Attain further reductions of high risk operators compared to the prior year.
	Continue to drive employee engagement across the organization.	Continue to seek innovative solutions aimed at enhancing employee engagement.	Complete employee engagement survey and analysis and identify recommendations to ensure employee engagement remains a core focus for the organization.

BALANCED SCORECARD FOR FISCAL YEAR 2018-2019

TICO's Balanced Scorecard has been developed to monitor and gauge ongoing efforts and achievements of its organizational effectiveness. The Balanced Scorecard will be included in the 2019 Business Plan and will include the performance measure results achieved during the prior year to ensure transparency and accountability consistent with the Business Plan.

OBJECTIVE	MEASURE	FISCAL YEAR 2018/19 TARGET
AWARENESS AND EDUCATION		
Improve Consumer Awareness and Education.	Establish new metrics to accurately gauge Ontarians awareness of the existence of TICO and the consumer protection available when purchasing travel services from Ontario registered travel agencies and websites.	Achieve a baseline metric of awareness that the travel industry in the province is regulated and TICO is Ontario's Travel Regulator.
		Achieve a baseline metric of awareness of the consumer protection available when purchasing travel services from an Ontario registered travel agency or website.
Enhance Consumer Protection in Ontario	Overall pass rate of financial statement bench reviews based on established financial criteria per the Regulation.	Achieve a minimum pass rate of 95%.
	Percentage of compliance achieved for the number of identified unregistered sellers of travel operating in contravention of the <i>Travel Industry Act, 2002</i> .	Achieve a minimum of 80% of compliance of all unregistered sellers of travel identified and processed in 2018/2019.
ORGANIZATIONAL EFFECTIVENESS		
Enhance TICO Value Proposition to Registrants	Determine drivers of value after consideration and analysis of diverse registrant business models.	Complete roundtable engagement sessions with representative groups of registrants and arrive at an overall value driver set.
Enhanced Employee Engagement	Pulse survey on key drivers identified for improvement in the 2017/2018 Employee Engagement Survey.	Demonstrate improvement on identified key drivers by achieving a higher score on pulse survey.
Enhance Organizational and Professional Development	Overall percentage of employee professional development plans completed during the fiscal year.	Achieve 75% completion of all employee professional development plans.
FINANCIAL PERFORMANCE		
Deliver Budget	FY 2017/2018 Net Surplus/(Deficit) before claims.	Achieve equal to or greater than budgeted Net Surplus/(Deficit) after adjusting for the exclusion of the Provision for Gross Claims against the Compensation Fund.
Compensation Fund Claims Ratio	% Provision of Registrant Claims to Operating Revenue	Achieve equal to or less than the percentage of Provision of Gross Registrant Claims relative to Operating Revenues of 16% based on a rolling 5 year average.
Drive Operational Efficiencies	Efficiency Ratio Percentage.	Achieve an Operating Efficiency Ratio, defined as operating expenses relative to operating revenues, of less than 100%.

TICO Future State

Beyond this multi-year Business Plan, TICO is committed to a longer term vision consistent with its Mandate/Vision. Working in collaboration with its stakeholders, TICO's desired state is embodied via the model below where the consumer is the "center-focus" of all influencers.

For Ontario travellers ("consumers"), TICO envisions a marketplace that achieves:

- a regulatory framework where all travel purchases are protected;
- a regulatory framework that enables and supports an efficient travel marketplace;
- a regulatory framework that is easily understood, visible but unobtrusive; and,
- a healthy and growing travel industry providing the consumer an abundance of choice.

For TICO Registrants and the Ontario government, TICO envisions a marketplace that demonstrates:

- a healthy and growing travel industry for registrants regardless of size and geography;
- a collaborative relationship with industry that is a model to other jurisdictions;

- a value proposition which is recognized and valued by both the consumer and registrants; and,
- a regulatory framework that is both efficient and effective.

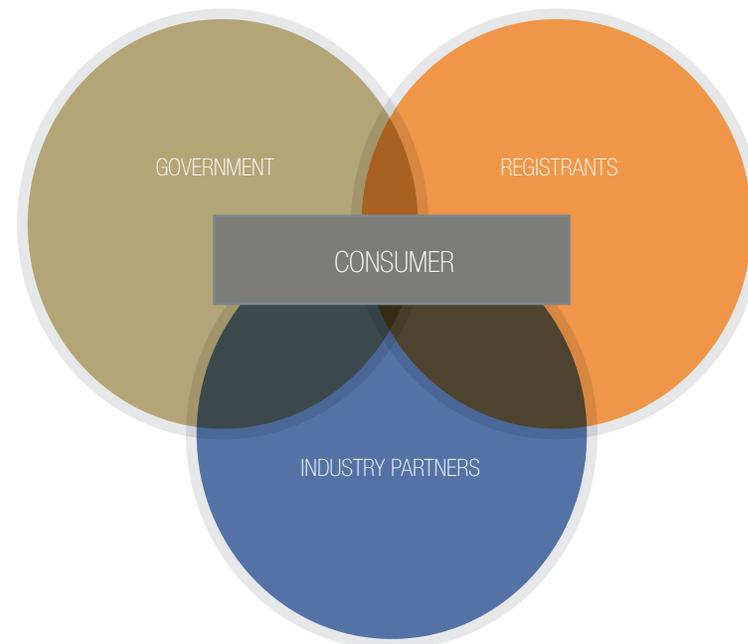
For TICO employees, we envision a marketplace whereby:

- a healthy and growing travel industry with regulations, good business practices and ethics all aligned;
- a modernized work environment, processes and procedures contribute to consumer protection and employee engagement;
- employees can grow professionally and achieve their aspirations;
- TICO is viewed as a recognized authority in consumer travel protection, as evidenced through support for a national program.



TRAVEL INDUSTRY COUNCIL OF ONTARIO represented by it's employees

Travel Industry Act & Regulation



**REVENUE AND EXPENSE
FORECAST (FY 2018-2019
TO FY 2020-2021)**

	Fiscal Year 2018/2019 (Budget)	Fiscal Year 2019/2020 (Projection)	Fiscal Year 2020/2021 (Projection)
3 Year Projections			
Revenues:	6,486,987	6,569,705	6,659,557
<i>Consisting of:</i>			
- Compensation Fund Assessments	4,271,776	4,357,212	4,444,356
- Renewals	1,043,961	1,041,243	1,043,951
- New Registrations	281,250	281,250	281,250
- Education fees	225,000	225,000	225,000
- Investment Income	665,000	665,000	665,000
Claims against Compensation Fund, net	620,000	638,000	656,000
Operating Expenses:	5,138,188	5,531,331	5,462,413
<i>Consisting of:</i>			
- Salaries & Benefits	2,847,141	2,904,084	2,962,165
- Operating Expenses	2,263,048	2,470,670	2,407,171
- Amortization	28,000	156,577	93,077
Net Surplus	728,799	400,373	541,144
Net Surplus before Compensation Fund Claims	1,348,799	816,938	685,704
Compensation Fund, end of year	21,944,930	22,866,366	23,456,370

Key Assumptions:

1. Current legislation assumed throughout the projection period.
2. Semi-annual assessment grow at 2% reflecting market growth.
3. Salaries and benefits grow at 2% reflecting normal market adjustments (no increase to headcount).
4. All fees held at 2018 levels (no fee increases or new fees throughout the projection period.)
5. Net Surplus directed to Compensation Fund consistent with the 2017 Deloitte Actuarial Study recommendations.

Appendix II

TICO BOARD OF DIRECTORS 2017-2018 *(as of March 31, 2018)*

Industry Representatives

Jim Diebel

President
Hanover Holidays Tours
Hanover, ON

Rick Edwards, CPA, CGA

Controller
Travel Corporation Canada
Toronto, ON

Mike Foster

President
Nexion Canada
London, ON

Louise Gardiner

Senior Director, Associate Program Canada
Carlson Wagonlit Travel
Toronto, ON

Denise Heffron

CATO Representative
Mississauga

Marc Patry

Director
CNH Tours
Ottawa, ON

Tisha Saunders

President
Marlin Travel
Orangeville, ON

Scott Stewart

President
G. Stewart Travel Services Ltd.
Peterborough, ON

Richard Vanderlubbe – Vice Chair

President
Travel Superstore Inc.
Hamilton, ON

Brett Walker

General Manager, Canada
Collette Vacations
Mississauga, ON

Ministerial Appointments

Khatera Akbari

Senior Policy Analyst
Treasury Board of Canada Secretariat
Ottawa, ON

Jean Hébert - Chair

Consultant
Ottawa, ON

Vigneswaren (Warren) Kanagaratnam

Director
House of Consulting Inc.
Toronto, ON

Ian McMillan

Executive Director
Tourism Sault Ste. Marie
Sault Ste. Marie, ON

Lorraine Nowina

Toronto, ON

BOARD OF DIRECTOR BIOGRAPHIES

Khatera Akbari, CPA, CA

Khatera Akbari, CPA, CA, has extensive accounting and audit experience in both public practice and the federal public sector. Her career includes diverse perspectives in the areas of internal and external audit; policy development, analysis and implementation; budgeting and financial reporting; corporate accounting; consulting; and internal control evaluation.

Khatera began her career at KPMG LLP and continued at the Senate of Canada where she amassed inimitable experiences working on Parliament Hill. She currently works at the Office of the Comptroller General within the Treasury Board Secretariat.

In addition to her current responsibilities, Khatera focuses on professional training and development, optimal communication strategies, public speaking and change management.

Khatera is active in the community and volunteers with several organizations including the United Way and the Paul Martin Mentorship Program. She currently serves as a member on the Board of Directors of numerous organizations including the Travel Industry Council of Ontario (TICO) and is the President of the Ottawa Chapter of the Junior Chamber International (JCI). Khatera sits on TICO's Business Strategy and the Audit, Technology and Risk Management Committees.

Jim Diebel

Hanover Holiday Tours has been operating escorted Motor Coach Tours across Canada and the United States since 1974. Jim Diebel joined the company in 1986 and in 1993 purchased the company, along with his partner, Diane. The company has grown dramatically, yet remained firmly committed to selling its tour packages through Travel Agents. In addition to being elected to the TICO Board in the fall of 2010, Jim also served as a Board member of Motor Coach Canada and a past board member of the American Bus Association. Jim proudly represents the Ontario Motor Coach Association on the Board and sits on TICO's Governance and Human Resources Committee and the Legislative and Regulatory Modernization Committee.

Rick Edwards, CPA, CGA

Richard is the Controller for The Travel Corporation (Canada) (TTC). He has more than 30 years of progressive accounting experience. Prior to joining TTC, Richard held various roles including 8 years with Pogue & Company as an auditor. He has 19 years of travel industry experience, spending the last eleven years with TTC where he is responsible for financial reporting, audit, budgeting, payroll, general accounting and insurance. Richard is a graduate of Seneca College with an Accounting and Finance Diploma. Richard is Chartered Professional Accountant, having earned his Certified General Accountant designation in 2002. Since 2010 he has been Treasurer for Canadian Association of Tour Operators (CATO) and was appointed to the Board of Directors in 2015 as a representative of CATO currently serving as Chair of TICO's Audit, Technology & Risk Management Committee and also serves on the Business Strategy Committee.

Mike Foster

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

Louise Gardiner, CTM

As Senior Director, Associate Program Canada, Louise Gardiner is responsible for setting and implementing Carlson Wagonlit Travel's leisure strategy for the Associate Franchise Program in Canada. She is responsible for the overall leisure operational execution of 110 leisure travel locations which represent over \$1B in sales within Canada. Louise works closely with CWT's Loyalty, Marketing and Leisure Supplier management teams to assist in developing existing and new associations with strategic loyalty and supplier partners. She sits on the Canadian Executive Team and has executive ownership of the CWT Canada Associate Program Leisure Operations Division.

Louise brings 39 years of experience in the leisure travel industry and has a proven track record in running successful operations and building strong teams. Since joining CWT Canada in 2004, Gardiner managed branch fulfillment for both the leisure and mid-market corporate segments. She also oversaw the Company Owned Canada Leisure Division, Associate Franchise Network, and the North American Product Solutions Technology Team. She was instrumental in ensuring all branches delivered a consistent service and product offering across Canada for all CWT's preferred membership customers. Louise currently sits on the ACTA Canada National Board, the ACTA Ontario Council and is a TICO Board member and currently serves on TICO's Audit, Technology and Risk Management Committee and the Legislative and Regulatory Modernization Committee.

Jean Hébert

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

Denise Heffron

In 2018 Denise Heffron retired from Transat, Canada's largest integrated travel company. Throughout her 25 years of service, she held a number of senior-level general management, marketing and sales roles within the organization. Most recently she occupied the post of Vice-President Commercial and National Sales and is known throughout the industry as an accomplished travel professional. Denise graduated from the University of Western Ontario with a Bachelor of Arts degree and began her career in the travel industry shortly thereafter. For many years Denise has been an active participant in the industry at large and serves on the TICO Board and as a representative of the Canadian Association of Tour Operators. She has been a member of CATO for 14 years and brings with her a thorough knowledge of the commercial activities of outbound tour operation and retail distribution in Canada. In addition, Denise is a member of the TICO Legislative and Regulatory Modernization Committee and the Governance and Human Resources Committee. Currently, Denise is working as a travel writer and will be leaving TICO this year in order to pursue this passion and travel more.

Vigneswaren (Warren) Kanagaratnam

Warren has been a public appointee to the TICO Board of Directors since August 2017. Warren has the experience in accounting and administrative fields; having served in many parts of the world with commercial organizations such as in Srilanka with Indian Airlines, in Dubai with Hepworth Plastics Gulf, in South-Africa with PEP Manufacturing and in Ontario with Conros Corporation for their American Division. Warren is actively involved in community activities and received Volunteer Awards from the Ontario Government as well as from the Federal Government of Canada. Warren sits on TICO's Audit, Technology and Risk Management Committee and the Governance and Human Resources Committee.

Ian McMillan

Ian McMillan has been the Executive Director of Tourism Sault Ste. Marie since 2001, working with industry partners to develop tourism products, and promote the city as a tourist destination. Prior to that, he was Executive Director of the regional Algoma Country tourism office, before moving to the Northern Tourism Marketing Corporation as Brand Manager. He is a graduate of the Humber College Public Relations Program, and holds a Certified Travel Industry Specialist designation from the tourism industry. Ian has served as President of Attractions Ontario, Chaired Cruise Ontario as part of the Great Lakes Cruise Coalition, and currently serves as the Treasurer on the Tourism Industry Association of Ontario Board, as well as on the Sector Committee of Destination Ontario. Additionally he has sat on the Sault College Hospitality Advisory Committee and has taught courses at Algoma University. Ian joined the TICO Board in 2015 and also sits on the Legislative and Regulatory Review Committee and is Chair of the Business Strategy Committee.

Lorraine Nowina

Lorraine Nowina has been involved in the not for profit sector throughout her career. As Chair of the 11th largest school board in Canada, she worked with federal and provincial governments to provide immigrant, mental health and infrastructure supports for children and families and supported a number of community not for profit organizations as a volunteer board member. Following an appointment as a member of the Veterans Review and Appeal Board adjudicating disability claims for Canadian Armed Service personnel, Veterans and RCMP officers, Lorraine returned to the education sector as CEO/Executive Director for the Toronto District School Board's charitable foundation, the Toronto Foundation for Student Success. Volunteering her experience in fundraising and management to NGO's here and in Africa after her retirement, Lorraine accepted a ministerial appointment to TICO in 2014. She currently serves as Chair on the Governance and Human Resources Committee and participates on TICO's Legislative and Regulatory Modernization Committee.

Marc Patry

Marc and his wife moved to the Galapagos in 1998, spending 4 years working on nature conservation projects. While there, they chartered a small cruise ship for friends and before they knew it, they had started Cultural and Natural Heritage Tours – a business focusing exclusively on Galapagos cruises. Marc went on to work for the United Nations in Paris and Nairobi while his wife grew the business. In 2015 he resigned from his UN post joined his wife full time with the business. Based in Ottawa, they now help over 500 people book Galapagos cruises every year. Marc also sits on the board of the Galapagos Tour Operator's Association and is a governing member of the Charles Darwin Foundation general assembly. Marc sits on the Audit, Technology & Risk Management and the Governance / Human Resources Committees.

Patricia (Tisha) Saunders

Tisha Saunders is the Owner of a Marlin Travel franchise (affiliation with Transat Distribution Canada) in Orangeville, Ontario celebrating 20 years in business. Elected to the Board of Directors for TICO in 2015. She serves on the Governance and Human Resources and Business Strategy Committees. Tisha holds a Business Administration Degree and Travel & Tourism Diploma. She has over 30 years' experience in all aspects of the travel industry and currently serves on the ACTA Ontario Council. She has worked with organizations (Transat Distribution Canada-Franchise Advisory Committee) and various community committees. Tisha also serves as a Board member on the Dufferin Board of Trade (formerly Greater Dufferin Chamber of Commerce).

Scott Stewart

Scott Stewart is co-owner and President of G. Stewart Travel Services Ltd. with seven full service retail Carlson Wagonlit Travel offices throughout Ontario, head office located in Peterborough. Their family owned and operated agencies, since 1974, hold both retail and wholesale licenses. For over 30 years Scott has been very involved in the travel industry and is currently serving TICO as a board member. He sits actively on several boards and enjoys contributing to the travel and not for profit sectors. He currently serves on the Audit, Technology and Risk Management and Legislative & Regulatory Modernization Committees for TICO.

Richard Vanderlubbe

Richard Vanderlubbe is the President and co-founder of tripcentral.ca, a hybrid travel agency with 27 locations and a national website. Richard started in the retail travel business in 1989 with a small agency in Hamilton. Richard has held numerous positions with industry associations including Chair of the Association of Canadian Travel Agencies (ACTA) and past Chair of the Board of Directors for the Travel Industry Council of Ontario. He currently serves as Vice Chair of TICO's Board of Directors and is Chair of the Legislative & Regulatory Modernization Committee. He also serves on TICO's Business Strategy Committee.

Brett Walker

Brett began his career with Collette in 1989. He held successive positions as District Sales Manager, Regional Sales Manager, Operations Manager and his current role, General Manager. In this role, Brett is part of a leadership team responsible for Collette's strategic design and execution here in Canada. Brett has been a longstanding member of the Board. First elected as a Member at Large for the maximum term of 9 years. Brett rejoined the Board in 2013 as an appointed member by Canadian Association of Tour Operators (CATO). Brett serves on the TICO's Business Strategy and the Legislative and Regulatory Modernization Committees. He is also Vice-Chair of CATO. He attained a BA from Bishop's University, Strategic Management from Queen's, Masters in Business Administration (MBA) from University of Guelph and this past November graduated from University of Toronto Faculty of Law with his Master of Laws (LLM).

Appendix III

TICO Staff (as of March 31, 2018)

President & Chief Executive Officer

Richard Smart, CPA, CA

Vice President, Operations

Dorian Werda

Legal Counsel & Corporate Secretary

Tracey McKiernan, LL.B.

Legal Counsel & Director, Litigation

Tim Snell, Be.S., LL.B.

Director, Financial Compliance

Sanja Skrbic, CPA, CA

Director, Information Technology

Antoine (Tony) Aramouni

Registration Co-ordinator

Cora Reyes

Registration Officer

Jana Arthur

Paula Oliveira

Claims Co-ordinator / TICO Exam Co-ordinator

Lori Furlan

Financial Inspector, Designated by the Registrar

Maria Descours, CPA, CMA

Rusununguko (Rusu) Mutongo, CPA, CA

Vera Nedbal, CPA, CGA

Financial Compliance Administrator

Annie Tse

Complaints Officer

Sylvia Manuge

Cheryl Slocombe

Compliance Officer

Anabel Andre

Eric Neira

Tina Shewchuk

Investigator/Provincial Offences Officer

Liam O'Neill

Investigator/Provincial Offences Officer & Paralegal

Andrew Mowatt

Legal Counsel

Jennifer Shin, J.D.

Margaret Campbell, J.D.

Stakeholder Relations Manager

Priya Ramsingh

Accountant

Navpreet Ghai

Executive Assistant / TICO Exam Co-ordinator

Heather Wilkins

Reception / Administrative Assistant

Susan Janko

Auditors

BDO Canada LLP

1 City Centre Drive, Suite 1700

Mississauga, ON L2B 1M2

Statutory Appointments

Richard Smart

Statutory Registrar,

Travel Industry Act, 2002

Michael Pepper

Statutory Director,

Travel Industry Act, 2002

Patricia Jensen

Deputy Director,

Travel Industry Act, 2002

BIOGRAPHY OF RICHARD SMART, CPA, CA

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

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

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

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

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

BIOGRAPHY OF DORIAN WERDA

Vice President, Operations

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

In June of 1997, the Ontario government delegated the responsibility of administering Ontario's Travel Industry Act, including the Ontario Travel 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, responsible for managing TICO's Claims, Complaints, Compliance and Investigations Departments.

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

BIOGRAPHY OF TRACEY MCKIERNAN, LL.B.

Legal Counsel & Corporate Secretary

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





Travel Industry Council of Ontario

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