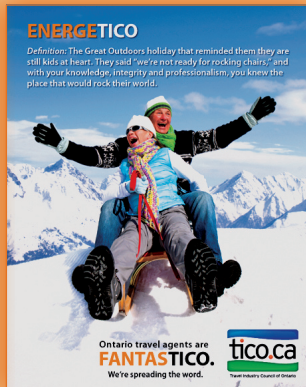
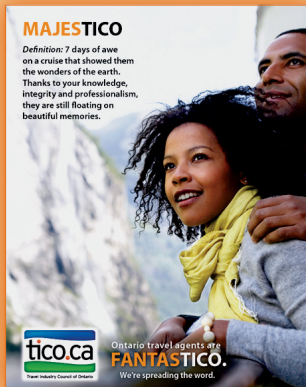


## BUILDING ON SUCCESS:

# THE CONSUMER AWARENESS CAMPAIGN EVOLVES!



Over the last four years, working with advertising agency Larter, TICO has focused on educating Ontario travellers – through advertising and other promotions – about the undisputed benefit of purchasing travel services from Ontario registered travel agencies and the protection afforded by the Compensation Fund.

Building on its previous campaigns, TICO plans to promote its registrants' professionalism, integrity and knowledge. Ontario's travel industry holds itself to education standards that are unique in Canada and which contribute to consumer protection in the province.

Ontario travel agents are  
**FANTASTICO.**

## First Steps

Before targeting the public with this message, TICO will focus on its own registrants. A coordinated campaign will inform the Ontario travel industry how its knowledge, integrity and professionalism will be promoted to the public.

To do this, eye-catching advertisements in all major trade media – both print and online – explain the benefits of being a self-managed industry in a dramatic and positive way. By having fun with a new language called "TICO", five different ads show why consumers should seek out the highly skilled professionals working in Ontario's travel industry.

For example, appealing to adrenalin-seekers, an ad featuring a man ascending a vertical rock face says: **DRAMATICO** Definition: the trip that was unforgettable because of your knowledge, integrity and professionalism. Another, with a photo of a couple riding a motor scooter down a cobbled street appeals to those looking for romance, saying: **ROMANTICO** Definition: freedom on two wheels, just the two of them. In one of the most romantic cities on earth, they found places and treasures they will keep forever thanks to your knowledge, integrity and professionalism.

*Continued on page 7...*

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## TICO BOARD OF DIRECTORS 2012/2013

### INDUSTRY REPRESENTATIVES

#### Jim Diebel – Vice Chair

President  
Hanover Holiday Tours Limited  
Hanover

Jeff Element  
President  
The Travel Corporation (Canada)  
Toronto

Louise Gardiner  
Senior Director, Leisure Travel - Canada  
Carlson Wagonlit Travel  
Toronto

Daryl McWilliams  
Vice President Sales & Marketing  
Sunwing Travel Group  
Toronto

Thanushka Nanayakkara, CTM  
President  
NARAT Incorporated  
Toronto

Paul Samuel  
President  
Overseas Travel Ltd.  
Toronto

Scott Stewart  
President  
G. Stewart Travel Services Ltd.  
Peterborough

Richard Vanderlubbe  
President  
Travel Superstore Inc.  
Hamilton

Kathleen Warren, CTM  
Senior Travel Consultant  
Allison's Travel Agency Ltd.  
Windsor

Linda Wright  
Director, Customer Service & Legal  
Thomas Cook Canada Inc.  
Toronto

### MINISTERIAL APPOINTMENTS

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

Special Counsel,  
Consumer and Regulatory Affairs  
Public Interest Advocacy Centre  
Ottawa

Jean Hébert,  
Senior Consultant  
Raymond Chabot Grant Thornton & Co  
Ottawa

Patricia Jensen  
Member  
Consumers Council of Canada  
Toronto

Shaher Bano Noor, C.A.  
Managing Partner  
Rosenthal Pervez & Noor LLP Chartered  
Accountants  
Mississauga

Dr. James Savary  
Department of Economics  
Glendon College, York University  
Toronto

## LETTER FROM THE CEO



This issue of *TICO Talk* features the launch of TICO's new Registrant and Consumer Awareness initiative. TICO's next Consumer Awareness Campaign will be promoting the knowledge, integrity and professionalism of TICO registered travel agencies and their travel counsellors. We think that you are **FANTASTICO!** Our new campaign will be spreading the word in mainstream media.

Before we begin the consumer campaign, we want to connect with you - our registrants - to let you know what we intend to do and how you can participate. Over the next few months, I will be setting up meetings with industry associations, consortia and media to inform the industry about our plans, to introduce you to the collateral materials available for your use and to get your feedback on the initiative through dialogue and a roundtable session. If you see us at industry events, come over and get more information. We are really excited about the campaign and the potential to make consumers aware of the consumer protection that exists in Ontario. With your help, we are confident the initiative will be a great success and will be a win-win for consumers and the industry.

The TICO Board of Directors will also be consulting with stakeholders during the month of November on a proposed Compensation Fund Contribution Rate Increase. We have prepared a detailed Consultation Paper explaining the rationale for the proposed increase. We have also provided statistics on the performance of the Compensation Fund before and after delegation for your consideration. A copy of the Consultation Paper is available on our website. If you want to provide feedback during the consultation period, you can contact us by regular mail, fax or email. The deadline for submissions is November 30, 2012.

Wishing you a holiday season that's **ECSTATIC!**

Michael Pepper,  
President and CEO

# Report on the 15th ANNUAL GENERAL MEETING

TICO'S 15TH ANNUAL GENERAL MEETING TOOK PLACE ON SEPTEMBER 18TH AT THE TORONTO CONGRESS CENTRE, AT WHICH THE 2012 ANNUAL REPORT & BUSINESS PLAN WERE TABLED (COMPLETE DETAILS MAY BE REVIEWED AND DOWNLOADED FROM [www.tico.ca](http://www.tico.ca)). THE MEETING WAS CHAIRED BY MICHAEL JANIGAN, CHAIR OF TICO'S BOARD OF DIRECTORS. ONCE AGAIN, THE AGM WAS WEBCAST.

## Highlights from the Chair's Report

Michael Janigan addressed the reasons behind the Board's proposal to **increase TICO's Compensation Fund contribution rates** in the upcoming year (*see Page 6*) in order to maintain the Compensation Fund at the desired level between \$20 million and \$25 million. A consultation paper on the proposed increase was released on November 1, 2012, that gives registrants a 30-day opportunity to provide feedback.

TICO continues its exploration of alternative ways to finance the Compensation Fund. In 2011, **Ipsos Reid** was hired to research whether or how much Ontario travellers might be willing to pay for expanded consumer protection. Four focus groups were held in London and Mississauga, followed by an online survey in which 826 Ontario residents who had travelled in the past 12 months participated.

Overall, there was strong support for the Compensation Fund and a willingness to pay provided the cost was not too high. These travellers perceived the main benefits of buying travel from a travel agent being a) the ease of the booking process, b) the travel agent's knowledge, c) consumer protection, and d) being informed of other travel insurance plans. Value and experience trumped the price, and awareness of TICO was fairly high. There was some support for paying no more than \$2 per \$1,000.

TICO also conducted an online Corporate Travel Survey in February 2012, to which 99 registrants responded. They were asked if they believed their corporate clients would be willing to pay for expanded coverage, from \$1 to \$3 or higher per \$1,000 spent. The lower payment was seen as the most likely to be accepted. Administering this levy was viewed with concern.

In addition, an online survey was conducted with decision makers at large corporations, to which 16 corporate travel managers responded. Approximately 69 percent of respondents indicated they would not pay \$1 per \$1,000 spent, and as the cost increased, the willingness to pay declined further. Some indicated that they would consider switching their business to travel agencies outside

*Continued on page 8...*

## A Strong Endorsement

As a Delegated Administrative Authority (DAA), TICO was pleased that this model of delivering regulatory services was firmly recommended in the report by the Commission on the Reform of Ontario's Public Services (commonly referred to as the Drummond Report, after Don Drummond, the Commission's Chair).

According to the Report, DAAs work effectively and efficiently as regulators of public safety and consumer protection. The benefits of this model include:

- **Reduced costs to government**, because regulatory services are funded through fees collected from the industry;
- **Reduced size of government**, with service delivery transferred to an external, not-for-profit service provider;
- **Improved regulatory outcomes**, including increases in enforcement activities and decreases in incidents, injuries and fatalities;
- **Improved efficiencies**;
- **The retaining of government oversight** due to a number of accountability mechanisms used by the overseeing ministry; and
- **Increased industry engagement** through participation on boards and advisory committees, which allows regulated industries – such as Ontario's travel industry – to directly voice their views.

With reduced costs to tax payers, improved outcomes and an increase in industry engagement, the Report advocated the expansion of the DAA (or similar) model.

## Changes to the Board

**C**ONGRATULATIONS to **Jim Diebel**, President, Hanover Holiday Tours Limited, who ran unopposed for the wholesale position open on the Board of Directors. Immediately following the AGM, he was appointed Vice Chair of the Board for a one-year term. **Michael Janigan**, Special Counsel, Consumer and Regulatory Affairs for the Public Interest Advocacy Centre, remains the appointed Chair – his final year in a three-year-term.

**IN ADDITION**, a warm welcome is extended to **Louise Gardiner**, Senior Director, Leisure Travel – Canada, Carlson Wagonlit Travel, who has joined the Board as ACTA's third representative. With her extensive background in the retail travel sector, TICO is likely to benefit greatly from her presence on the Board.

### TICO TALK Feedback

**A**s always, we urge you to contact us if you have questions, comments or concerns on anything that you read in **TICO TALK** – including the new direction of the Consumer Awareness Campaign and the recent Annual General Meeting.

We can be reached at  
**(905) 624-6241, or at  
1-888-451-TICO,**



or by e-mail to  
[tico@tico.ca](mailto:tico@tico.ca).

## Louise Gardiner

*Director,  
TICO Board of Directors*



### *What is your background in the travel business?*

I've been involved in travel and tourism most of my life. I was born and raised in Montreal, Québec, and then moved to Kitchener – where I still live – when I was 10. I loved to ski, and while working as a ski instructor at Chicopee Ski Club, I met my husband Graham, who was a ski patroller. We married young, and opened a ski shop, Select Sports Limited, in 1973, which my husband still owns and manages.

My first job was with the Meissner Travel Group, which I joined as Director of Accounting in 1979. I became Vice President in 1989, and then we joined Carlson Wagonlit Travel (CWT) in 1995. This led to my serving on the CWT Canadian Leisure Advisory Council for eight years.

In 2003, we sold the agency to Tripcentral.ca and I became their Vice President, before rejoining CWT in October 2004 as Director, Associate Program Canada. I went on to become Director, Leisure Programs Canada in 2006, and in 2011, I was promoted to Senior Director, Leisure Travel Canada, and a member of CWT's Senior Executive Team. I'm responsible for setting and implementing CWT's leisure strategy for Canada, and for the overall operations of 150 leisure associate and company-owned travel locations, representing over \$1 billion in sales within Canada.

### *What involvement have you had with other associations besides TICO?*

I became a Rotarian in 1994, and was elected to the Rotary Club of Kitchener's Board of Directors the following year. I became President in 2002 and was also nominated as Kitchener Waterloo Woman of the Year that year for my philanthropic Rotary service. I'm still involved with Rotary today and am currently Chair of the Rotary Club's Public Relations Committee.

This year I was appointed to the ACTA Ontario Council, and as ACTA's delegate to TICO's Board of Directors in August 2012. Other than Skål, this is my first foray into the business side of a travel industry association.

### *What are you hoping to contribute to TICO, going forward?*

I'm very open and have no pre-conceived ideas. I wish to focus on the big picture. It's important to be forward thinking, to have integrity, and to believe in the importance of the collective thought process. Being President of the Rotary Club entailed managing a board of directors, more than 20 committees, and weekly meetings. I was very comfortable working in that sphere and think it will be valuable experience for working with TICO.

### *Why is TICO important to you?*

I am impressed with TICO's professionalism. One of my concerns about the travel industry is that the average age of most employees working in our business is quite high. We must retain and attract more young people and TICO is playing a key role in developing a level of professionalism that's more likely to do so.

### *Which of TICO's issues are of particular importance to you, and why?*

I'm too new to the Board to address that, but I will be sitting on the Business Strategy Committee, working on TICO's strategic priorities. That's an area I have plenty of experience with, and I feel that I'll have a lot to contribute.

I do think that the Consumer Awareness Campaign must continue to stress TICO members' value and expertise. There will always be a place for travel agencies but we need to heighten awareness on how our expertise helps our customers. We must show them that Ontario's travel counsellors truly are "**FANTASTICO**".

### *Where would you like to see TICO and Ontario's travel industry in, say, five years' time?*

TICO is one of Canada's role models when it comes to consumer protection, and it would be great to see a Canada-wide system. In my role overseeing CWT's Canadian division in leisure travel, I can bring value from my knowledge of how the other provinces work in this area.

### *Is there anything else you would like to share with TICO Talk readers?*

I can see already that the Board of Directors is a very dedicated and caring group, and I'm looking forward to working with them, as I want to make a difference and continue TICO's quest to help sustain and build a better travel industry. ▲

## *Dates to Note*

January 26 – 27, 2013



### Toronto Ultimate Travel Show

Direct Energy Centre  
Exhibition Place  
100 Princes' Boulevard  
Toronto



February 22 – 24, 2013



### Outdoor Adventure Show

The International Centre Hall 5  
6900 Airport Road  
Mississauga



March 9 – 10, 2013



### Ottawa Travel and Vacation Show

Ottawa Convention Centre  
55 Colonel By Drive,  
Ottawa



**TICO will be distributing informational material at the above shows.**

## Shedding Light on the Proposed Rate Increase

When TICO was launched in 1997, the Compensation Fund was \$4.4 million, with contributions set at 40 cents per \$1,000 from retailers and \$1.60 per \$1,000 from wholesalers. By 2000, the Fund stood at a healthy \$20 million, and TICO reduced the contributions to 25 cents and 50 cents per \$1,000 from retailers and wholesalers respectively.

In 2006, when the Fund reached \$30 million, TICO commissioned an actuarial report. This recommended maintaining the Fund at between \$20 million and \$25 million, and equalizing the rates for retailers and wholesalers.

**Based on this advice, TICO reduced the rates to 5 cents per \$1,000 for both retailers and wholesalers. As of March 31, 2012, the Compensation Fund was \$24,697,695.**

Now that the Fund is at an acceptable level, TICO has to adjust the rates to keep it in the range deemed appropriate by the actuarial report. The proposed increases to registrants' contributions are as follows:

- .15 cents per \$1,000 on April 1, 2013
- .25 cents per \$1,000 on April 1, 2014
- .30 cents per \$1,000 on April 1, 2015

It should be noted that provided the Fund's balance is higher than forecast in 2014 and 2015, TICO may not implement the increases in those years. A Consultation Paper on this proposal was released on November 1, 2012 and the deadline for registrants to provide feedback is November 30, 2012.

## Court Matters

### CHARGES

**Jinling Wei** has been charged with two counts of operating as a travel agent without registration, contrary to **Section 4(1)(a)** of the *Travel Industry Act, 2002*. **Respon Travel & Tours Corp.** and **Herui Travel and Tours Corp.** have been charged with one count each of operating as a travel agent without registration, contrary to **Section 4(1)(a)** of the *Act*. Ms. Wei is a director of Respon Travel & Tours Corp., which continued to operate in Toronto after its registration under the *Act* was revoked on August 16, 2011.

Ms. Wei is a director of Herui Travel and Tours Corp., which operated in Toronto and elsewhere in Ontario

**Anas Araznajani** has been charged with one count of operating as a travel agent without registration, contrary to **Section 4(1)(a)** of the *Travel Industry Act, 2002*. Mr.

Araznajani is a partner of a travel registrant, **Business Travel Management**, whose registration was terminated on March 31, 2012. Mr. Araznajani continued to operate in Mississauga and Milton after his registration under the *Act* was terminated.

**Dragica Belchevski**, operating as **Win Travel Tours and Cruise Agency**, has been charged with two counts of operating as a travel agent without registration, contrary to **Section 4(1)(a)** of the *Travel Industry Act, 2002*. Ms. Belchevski and Win Travel Tours & Cruise Agency's registration under the *Act* was terminated on August 10, 2010. Ms. Belchevski, also known as **Dragica Lapajokoska**, continued to operate in Toronto after her registration under the *Act* was terminated.



### CONVICTIONS

**Shelley D'Angelo** o/a **Contessa Vacations** has been convicted on one count of operating as a travel agent without registration, contrary to **Section 4(1)(a)** of the *Travel Industry Act, 2002*.

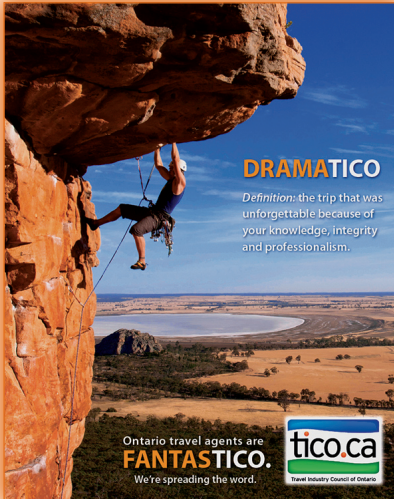
Shelley D'Angelo o/a Contessa Vacations operated in the City of Toronto and elsewhere in Ontario. Ms. D'Angelo was fined \$1,500 and paid \$1,100 in restitution to a consumer.

### REVOCATIONS

Between August 8 and October 12, 2012, three companies had their registrations revoked: **Byron Swayze/Globe Travellers Inc.** o/a **Pathway Tours**; **Eco-Librium Sustainable Adventures Inc.**, and **Vietnam Travel Centre Inc.** ▲

continued from page 1

Other ads similarly highlight vacationing families, fun-seeking seniors, and those who love to cruise. The tag line for each of the ads is: Ontario travel agents are **FANTASTICO**. The tagline is: **You + TICO = FANTASTICO.**



The intent of this component of the Campaign is to celebrate the value of travel agents identifying themselves as being part of TICO.

To heighten the campaign's effectiveness, **Argyle Communications** – who is partnering with TICO and Larter on the campaign – will be seeking registrants' input on how best to build public support for the travel industry, and their ideas on what tools registrants would like to help make the most of being part of the Ontario travel industry. TICO will also meet industry representatives and attend

industry events, to reinforce the value of promoting the benefits of TICO, and to provide direction on how to best leverage the Consumer Awareness Campaign.

A marketing tool kit for registrants can be accessed at [www.tico.ca](http://www.tico.ca), which will include a glossary of terms for the **FANTASTICO** language, newspaper templates, email attachments and signatures, and banner ads for your website.

A similar tack will be used when taking this advertising campaign to the consumer. Ads featuring **AQUATICO, THERAPEUTICO, RUSTICO, ECSTATICO**, etc. will appear in mainstream media throughout the province. The tagline in the consumer ads will be: *Ontario travel agents make holidays **FANTASTICO**.*

In taking this new and exciting approach, TICO hopes that its close partnership with registrants will ensure the most successful Consumer Awareness Campaign to date. ▲



## Reflections on the Compensation Fund

**P**rior to TICO's Delegation, from 1990 to 1997, average annual contributions to the Compensation Fund were \$3.2 million. Average yearly claims were \$2.5 million, while total claims against the Fund amounted to \$20.3 million in eight years.

Since TICO's Delegation, from 1998 to 2012, average annual contributions to the Compensation Fund were \$2.6 million. Average yearly claims were \$750,000. Since April 1, 2006, annual contributions have been \$800,000, with total claims against the fund for the last 14 years amounting to \$11.2 million.

It can certainly be argued that these figures underline the Drummond Report's assessment on the efficacy of the Delegated Administration Authority when it comes to managing Ontario's travel industry.



# Upcoming Issues

In future issues of *TICO TALK* we plan to include:

- Outcome of Consultation on Proposed Rate Increase
- Progress Report on the Consumer Awareness Campaign
- Trade Shows and upcoming events

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*Report on the 15th Annual General Meeting continued from page 3*

Ontario's jurisdiction. With so many diverse opinions to be considered, the TICO Board still has much work to do on this issue, including having an actuarial analysis completed.

## Highlights from the President and CEO's Report

Michael Pepper presented the 2012 Annual Report, summarizing key areas of TICO's operations, including that the total number of wholesale and retail registrants is 2,507, up slightly from 2,501 the previous year. He also reported that since the Education Standards program commenced three years ago, 32,371 individuals have taken the exams – considerably more than had been anticipated.

Mr. Pepper focused particularly on TICO's financial outlook. Some key points included:

As of March 31, the **Compensation Fund** stood at \$24,697,605. It has taken six years of lower rates to get within the \$20 million to \$25 million range, since the contribution rates were reduced by approximately 80% in 2006.

In 2011/12, TICO paid \$360,003 for registrant failure claims, \$33,686 for repatriation costs, and \$75,603 for end supplier claims (due to the collapse of three cruise lines and one airline). Total claims paid were \$469,292 and the total recoveries were \$65,549. Therefore, the total net claims paid were \$403,743.

Financial inspections are one of the most important aspects of Ontario's travel legislation. During the past year, 61% of the 501 site inspections were for working capital and trust accounting issues. TICO's goal is to bring registrants into compliance. Revoking a licence or prosecuting a registrant is a last resort.

TICO's **Business Plan** outlines strategic priorities for the period April 1, 2012 to March 31, 2015. More detailed information on TICO's strategic priorities may be found on TICO's website, at [www.tico.ca](http://www.tico.ca). ▲

<http://www.tico.on.ca>

The screenshot shows the footer of the TICO website. It includes the TICO.ca logo and the text "Travel Industry Council of Ontario". There is a search bar with the text "FIND A TICO REGISTERED TRAVEL AGENCY" and a magnifying glass icon. Below the search bar are social media icons for RSS, YouTube, Facebook, and Twitter, with the text "Adjust font size AAA". A navigation menu contains the following items: Home, About TICO, Consumer Info, Industry Info, Legislation & Regulation, Publications & Resources, News, and Contact. At the bottom, there is a large banner that reads "Ontario travel agents are FANTASTICO." with the TICO.ca logo and "Registered by TICO" text.