

April – June 2018

The Need to Amend TICO's *By-Law No.1*

With the travel industry – locally and globally – changing so rapidly, TICO's Board of Directors decided to review the board's operations and retained a consultant to undertake an in-depth Governance Review. The Governance Review was conducted in the fall of 2016, and the Governance Review Report was received in January 2017. Based upon the findings, the Board has proposed several significant amendments to TICO By-law No. 1 ([click here](#)), for consideration at the upcoming Annual General Meeting on June 26, 2018.

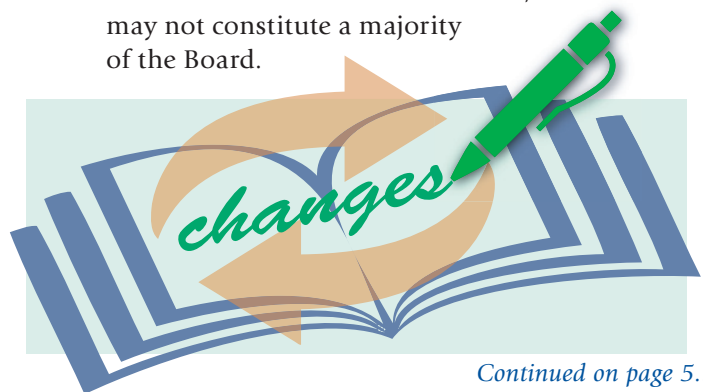
The Elimination of the Executive Committee

TICO's Executive Committee is comprised of the Board Chair, Vice Chair, Chair of the Compensation Fund Committee and Past Vice Chair. The Chief Executive Officer serves as an advisor but has no voting rights. It used to be that a small group could respond more quickly than the larger Board to the issues and events within its jurisdiction. Now, however, a two-tier board structure – with a subset of the Board making decisions in place of the full Board – is no longer necessary. Changes in technology make it possible for the Board to convene, whenever required, to make those decisions.

Reducing the size of the Board

At present the Board of Directors consists of 15 individuals, appointed as follows:

- Three named by the Association of Canadian Travel Agencies (ACTA);
- Three named by the Canadian Association of Tour Operators (CATO);
- One named by the Ontario Motor Coach Association (OMCA).
- Three elected pursuant to the provisions of Article Seven by the registrant members; and
- Up to five appointed at the pleasure of the Minister of Government and Consumer Services (MGCS), who may include representatives of consumer groups, business, government organizations, or such other interest as the Minister determines, and who may not constitute a majority of the Board.



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TICO BOARD OF DIRECTORS 2018/2019

INDUSTRY REPRESENTATIVES

Jim Diebel
President
Hanover Holiday Tours
Hanover

Richard Edwards
Controller
Travel Corporation Canada
Toronto

Mike Foster
President
Nexion Canada
London

Louise Gardiner
Senior Director,
Associate Program Canada
Carlson Wagonlit Travel
Toronto

Denise Heffron
CATO Representative
Toronto

Marc Patry
Director
CNH Tours
Ottawa

Patricia Saunders
President
Marlin Travel
Orangeville

Scott Stewart
President
G. Stewart Travel Services Ltd.
Peterborough

Richard Vanderlubbe – Vice Chair
President
Travel Superstore Inc.
Hamilton

Brett Walker
General Manager, Canada
Collette Vacations
Mississauga

MINISTERIAL APPOINTMENTS

Khatera Akbari
Senior Policy Analyst
Government of Canada
Ottawa

Jean Hébert - Chair
Consultant
Ottawa

Vigneswaren (Warren) Kanagaratnam
Director
House of Consulting Inc.
Toronto

Ian McMillan
Executive Director
Tourism Sault Ste. Marie

Lorraine Nowina
Toronto

MESSAGE FROM THE REGISTRAR

As of March 31, 2018, TICO completed its 20th year of operations with much to look forward in the months and year ahead. This edition of *TICO Talk* brings fiscal year 2018 to an end and introduces several exciting activities.

As reported previously, the passing of the *Strengthening Consumer Protection for Ontario Consumers Act, 2017* last December provided an excellent opportunity for consumers and industry to contribute to the modernization of Ontario's travel legislation. Over the past few months, the government of Ontario has conducted further consultation with stakeholders in addressing the next stage of the process, namely the crafting of Ontario Regulation 26/05. Various stakeholders including individuals, registrants and the broader industry, met with the government to provide valuable feedback into specific areas of opportunity including key definitions, exemptions, individual registration criteria, disclosures and much more. These inputs will be considered accordingly in drafting the Regulation, which will be shared with registrants (and others) for input later this year. Please watch for updates from TICO in the months ahead, following the results of the Ontario election.

Fiscal 2017/2018 was a successful year for TICO. Whether measured by another record low year in claims against the Compensation Fund, exceeding budget commitments – top and bottom-line - or the record high Ontario gross sales generated by Registrants, this was a year to remember. In addition to progress being made on our three-year business plan, TICO continues to be a strong advocate with the government, driving necessary change to the current travel legislation. While many changes were achieved within the new Act, and some are underway within the Regulation, there is still much more to accomplish. TICO, and its Board of Directors, are committed to enhancing consumer protection and will continue to pursue fundamental changes to the industry-financed Compensation Fund and coverages provided to travellers. However, there are many other important initiatives that continue to make progress.

Early in June, a provincial election will take place. In addition, our long-standing Minister, the Honourable Tracey MacCharles will retire from her role. Minister MacCharles has been a staunch supporter of TICO over the years, leading several key changes to Ontario's consumer protection framework. We all wish Minister MacCharles the very best in the years ahead. While the outcome of the June election remains to be seen, TICO's mandate is secure. We are fortunate to live and work in a province that embraces strong consumer protection and



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SECOND NOTICE ANNUAL GENERAL MEETING

TAKE NOTICE THAT the Annual General Meeting of the members of the Travel Industry Council of Ontario ("TICO") will be held at 5:00 p.m. on Tuesday, June 26, 2018 at the Corporate Event Centre, 5110 Creekbank Road, Mississauga, Ontario, for the purpose of:

- (a) receiving the financial statements for the previous financial year, together with the Auditor's Report;
- (b) receiving and considering the Annual Report;
- (c) appointing the auditors for the Corporation and authorizing the Board of Directors to fix the auditor's remuneration;
- (d) considering and ratifying amendments to Articles 3, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18 and 19 of TICO By-law No. 1, which were approved by the Board of Directors of the Corporation. The amendments would eliminate the Executive and Compensation Fund Committees; reduce the size of the Board from fifteen Directors to eleven Directors by reducing by one the number of Directors appointed by the Minister, appointed by the Association of Canadian Travel Agencies, appointed by the Canadian Association of Tour Operators and elected by Registrant Members; reference a Competency Matrix as part of the criteria for board members; increase the term of appointed directors; decrease the term of elected directors; clarify some of the financial provisions; clarify the definition of "associated with" and eliminate the definition of "Trustees"; remove transition provisions and update section numbers as a result of the above changes;
- (e) announcing the successful candidate for the position on the TICO Board of Directors; and
- (f) transacting such other business as may properly come before the meeting.

Only members in good standing are entitled to participate in and vote at the meeting. Members of the public are invited to attend.

The deadline for providing written notice of any motions to be made at the meeting has now passed.

Members who will not be attending the meeting are invited to submit written requests for proxies. Copies of the audited financial statements as at and for the fiscal period ended March 31, 2018 will be available at the Annual General Meeting and may be requested in writing prior to the meeting. Further information about the proposed By-law changes is available on TICO's website ([click here](#)), or may be obtained by calling (905) 624-6241 or 1-800-451-TICO.

DATED at Mississauga this this 14th day of May 2018.

On behalf of the Board of Directors

Tracey McKiernan
Secretary

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E-mail: tico@tico.ca Website: www.tico.ca

Financials and Strategies

TICO's 21st Annual General Meeting takes place on June 26, 2018, and the 2018 Annual Report and Business Plan will be released at that time. There will be a limited number of hard copies available for those who attend. Following the AGM, you may also download a copy from TICO's website at www.tico.ca, call us at **1-888-451-TICO**, or write us at tico@tico.ca to request a copy.

Positive Feedback

TICO recently surveyed registrants on their experience with TICO's Registration Department. We are happy to report that registrants rated 8 and higher, on a scale of 1 – 10 when responding to the following questions:

Overall interaction with TICO's Registration Department:

- Helpful:** 87% of respondents
- Courteous:** 90% of respondents
- Knowledgeable:** 92% of respondents
- Timely:** 79% of respondents

Ease of understanding and completing registration application and renewals:
85% of respondents

Overall satisfaction with application and renewal process: 87% of respondents.



Court Matters

REVOCATIONS

Between December 8, 2017 and May 10, 2018, three companies had their registrations revoked: **Marissa Travel and Cruises, Toronto; Shiferaw Enterprises Inc. o/a Aster Travel & Tours, Etobicoke; and Travel Mix Inc. Toronto.**

For information on Charges and Convictions, [click here](#). ▲

Participation Is Key

TICO, working closely with the Ontario government, strives to ensure both enhanced consumer protection and the future health of the travel industry. A steady flow of two-way communications between TICO and its registrants is critical to the success of developing and nurturing a fiscally sound travel industry. We encourage you to take advantage of the various avenues for participation, from attending the Annual General Meeting to voting, or participating in round-table discussions when the opportunity arises. These are all excellent ways to contribute ideas on the many issues that TICO registrants are facing.

In addition, we would like to remind you that you may contact us with comments or questions on anything that you read in **TICO Talk**. Your feedback is of the utmost importance to us. We can be reached at (905) 624-6241, or at 1-888-451-TICO, or by email at tico@tico.ca.

Spotlight on the Board Competency Matrix

A Governance Review conducted by TICO in the fall of 2016 led to the development of a Competency Matrix, to assist the TICO Board in effectively achieving its mandate. Based on the Competency Matrix, the Board seeks out directors with a mix of skills and experience to provide leadership, governance and strategic direction to the organization. The Competency Matrix comprises fifteen competencies identified as critical, and summarized as follows:



Industry Knowledge and Experience – including an understanding of trends, challenges and opportunities, or unique dynamics within the travel industry that are relevant to TICO.



Consumer Knowledge – understanding consumer protection frameworks and dedicated to promoting and protecting consumer interests; insight about consumer behaviours and underlying drivers enables directors to contribute to the enhancement of consumer protection initiatives.



Board Experience - experience in board matters, with a clear understanding of the distinction between the role of the board versus the role of management.



Financial Literacy – understanding TICO's internal and external financial statements, including familiarity with financial reporting requirements for registrants; knowledge of generally accepted accounting principles and experience with financial planning, budgets and analysis; and an understanding of internal controls and general controls within an IT environment.



Legal – experience in law and compliance, including providing legal/regulatory advice and guidance within a regulatory organization.



Strategy – able to generate and apply strategic thinking to the unique business insights and opportunities of relevance to TICO; an understanding of how an organization must evolve considering internal and external trends and influences.



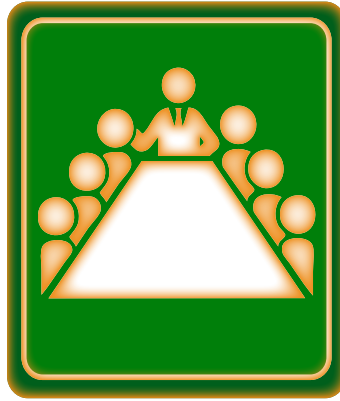
Risk Management – knowledge and experience in enterprise risk management, with a practical understanding of operational, environmental and reputational risks.

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It is proposed that following the AGM in June 2019, the Board of Directors shall consist of eleven individuals:

- Two named by ACTA;
- Two named by CATO;
- One named by the OMCA;
- Two elected by the registrant members; and
- Up to four appointed at the pleasure of the Minister of MGCS.

The most efficient size of a Board is typically considered to be from 7 to 12 directors. Reducing the size of TICO's Board would enhance its transition to a policy/strategy focus, which the Board decided to pursue as a result of the Governance Review. Balancing travel industry experience with a new focus on board competencies will help to ensure that a smaller board is effective (see page 4 for a more detailed explanation).



Reducing the size of the Board would also be consistent with other delegated administrative authorities in Ontario and would help drive efficiency and cost savings.

TICO proposes to phase in the above changes, to allow the government and industry associations time to consider the changes in their appointments going forward. It will also allow the current Board to complete its work on the review of the Regulation, and to see that project to completion, or near-completion.

Lengths of term

It is proposed that the term served by Directors appointed by trade associations be increased from one year to two years. The terms should be staggered to ensure that only one appointment comes up each year. TICO believes that two years is necessary for a board member to make a meaningful contribution.

Each new Elected Director should also serve for a term of two years, calculated from the date of the AGM at which they assume office.

TICO believes that the term of elected directors should be decreased to two years in keeping with the reduction in the number of elected directors. The elected positions would be staggered so that only one position is open each year, to ensure an appropriate balance between continuity on the Board while allowing an opportunity for new members and fresh ideas.

The Elimination of the Compensation Fund Committee

Since claims decisions are the responsibility of the full Board, it is felt that these matters can now be dealt with directly and efficiently by the Board. This would eliminate the cost of an additional committee. ▲

cooperation with industry. TICO is committed to its Vision and Mission to be a progressive regulator supporting consumer protections and a vibrant travel marketplace.

As noted in this edition of *TICO Talk*, June also marks the time for TICO's Annual General Meeting which will be held at a new location at a more convenient time. We will be joined by representatives from the Ministry, including the Deputy Minister, Government and Consumer Services. Our Annual Report addressing operational accomplishments and our audited financial statements will be presented to stakeholders. We plan to share an update on other important business plan initiatives. On behalf of the Board of Directors, we hope to see as many of you as possible at this important gathering.

So, in closing, I'm pleased to share with you the pride I have in serving another year as your Registrar and witnessing how our industry continues to perform through immense innovation, remaining resilient in the face of intense global competition and other market disruptors. I am excited over our new fiscal year and the challenges and opportunities ahead. I hope everyone enjoys a safe and happy summer.

A handwritten signature in blue ink, appearing to read 'Richard Smart'.

Richard Smart,
President and CEO

TICO Future State

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;

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Re-Imaging the Consumer Awareness Campaign

After a six-year run with its previous marketing firm, TICO decided that it was time to refresh the direction and look of our consumer outreach efforts. In response to a Request for Proposals for marketing and public relations services to assist with the creation of TICO's 2018 Consumer Awareness Campaign, seven marketing firms submitted proposals. After a thorough evaluation process, two finalists were presented to the Business Strategy Committee, and the chosen firm was presented to the Board of Directors. tag, a Thornhill-based, full-service firm was selected. tag is an award-winning advertising and communications agency that has been helping brands realize their full potential since 1995.

Matt Orlando, tag's COO, said "We are proud and thrilled to be partnering with TICO for the next three years in the role of Agency of Record. Our goal is nothing short than to exceed expectations in an effort to not only increase awareness of the TICO brand but to motivate consumers to fully acknowledge, understand and appreciate the value and suite of benefits TICO provides."

"TICO-registered travel agencies and websites will also be our core focus over the next three years. Led by our strategic approach to uncovering compelling consumer insights, our fully integrated communications plan will include emotional, meaningful creative supported by "always on" digital, social media, and PR. There is a ton of effort in front of us all, but everyone at tag is excited and eager to work closely with the TICO team to build a strong, sustainable and memorable brand."

TICO is confident that tag's fresh new approach will generate greater consumer interest, and therefore results. TICO will work closely with tag to develop a new strategic approach that is aligned to TICO's needs and that takes into account any potential legislative and regulatory changes over the next few years.

"We were impressed with the research and effort that tag put into their proposal," said Richard Smart, President and CEO of TICO. "Consumer protection is at the heart of what we do and we're confident that tag will help us create a Consumer Awareness Campaign to inform travellers about TICO's role in the travel industry." ▲

"TICO-registered travel agencies and websites will also be our core focus over the next three years.... There is a ton of effort in front of us all, but everyone at tag is excited and eager to work closely with the TICO team to build a strong, sustainable and memorable brand."

The logo for tag, consisting of the lowercase letters 'tag' in a bold, red, sans-serif font.

The Lowdown on Group Bookings

When a travel agency is handling bookings for a large group, processing every aspect of the sale is crucial, since the chance of making a potentially serious error is multiplied many times over.

The role of the customer

Generally, one person is the main contact with the travel agency when arranging a group booking. This person must **never** be involved with anything perceived as counselling for the purposes of selling travel services, since they are not an Ontario registrant. As importantly, this customer must not get involved with facilitating payment from the customers to the travel service provider. Customers should be making payment to the travel agency directly.

● Disclosure

It is the travel agent's legal responsibility to provide disclosure with respect to travel documents required for each person travelling within a group, as well as the availability of travel insurance. While this can be time-consuming, it is not a task that **any customer** is permitted, by law, to take on and should be disclosed by the travel agent. Before finalizing the sale of travel services, the travel agent is obliged to provide each person travelling with all relevant travel information pertaining to their trip.

● Invoicing

Every paying customer in a group booking must receive an invoice. **This cannot be emphasized strongly enough.** The invoice should be regarded as a detailed contract between you and the consumer that states exactly what was purchased, the price, any type of restriction, whether insurance was accepted or declined, and the terms and conditions. Some travel agencies require the consumer to read and sign the invoice, which is the best way to ensure the consumer is fully aware of what they have purchased.

If you have any questions concerning the requirements around group travel, including special interest travel and school trips, please refer to TICO's resources and guidelines [here](#) for comprehensive explanations, or contact TICO directly at (905) 624-6241, toll-free: 1-888-451-TICO, or tico@tico.ca. ▲



TICO Future State... continued from page 6

- a collaborative based 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.

Upcoming Issues

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

- Update on Legislative & Regulatory Review
- Trade Shows and upcoming events
- Update on Consumer Awareness Campaign
- Report on the AGM

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Spotlight on the Board Competency Matrix... continued from page 4



Change Management – a sound knowledge of change management principles and frameworks; has either led major change within a business environment or has provided strategic insight to management to facilitate significant transition.



Organizational Behaviour – able to understand a business's internal culture and how that culture may facilitate or hinder productivity in the achievement of organizational goals.



Technology – has IT experience, with knowledge of current and emerging technologies, and of current risk and regulatory requirements as they specifically apply to TICO's strategic, regulatory and operating environment.



Communications – able to both listen effectively and articulate ideas, opinions, rationales and comments clearly and concisely; this includes engaging in frank, open and honest discussions, valuing a diversity of opinions and perspectives, with a view to making well-informed decisions and seeking to achieve in-group consensus in the best interest of TICO.



Human Resources – experience in human resource issues in a corporate environment, with relevant knowledge of regulatory requirements, performance management, leadership, development/talent management, succession planning and compensation decision-making.



Operations – experience in sound management and operational business processes and practices.



Marketing/Public Relations – experience in communications, public relations or interacting with the media.



Government Knowledge – an understanding of government structure, mechanics and decision-making processes, and of the delegated administrative authority model.

Board members periodically complete Competency Self-Assessments, the results are compiled, and an analysis is completed to determine any gaps. This will support and direct the recruitment process and inform the Board's development efforts. The Competency Matrix is reviewed regularly to ensure that the skills continue to reflect the needs of the organization. ▲