

Consumer Awareness Campaign

IS PAYING OFF!

Building awareness among consumers buying travel services in Ontario has been one of TICO's key priorities for several years. Working with Larter Advertising, TICO has developed a wide-ranging media strategy that encompasses television, radio, magazine, newspaper and billboard advertising, sponsorship of television shows, web banner advertising and pay-per-click advertising. This year, three new elements were introduced to the campaign: a focus on GO stations and bus stations throughout Ontario; a one-day blitz at Union Station, prior to the busy March Break season; and a Win Your Dream Trip Sweepstakes.

Since the Consumer Awareness Campaign was first launched, TICO has conducted an omnibus survey annually, to measure the success of the campaign. The 2011 TICO Awareness Tracking Study was recently completed, and TICO is pleased to announce that there has been a noticeable increase in consumer awareness in Ontario, over previous years' figures, as well as significant gains in the level of understanding. The main findings are as follows:



Congratulations to the winner of the Go TICO Go Contest! Michael Pepper, President and CEO of TICO, presented Mr. Kenneth Weir of Bobcaygeon with a cheque in the amount of \$5,000 towards his Dream Trip.

Increase in travel

There has been an increase in the number of trips taken annually, with 73% of respondents having taken at least one trip in the past two years, a significant increase from 66% in 2010. There has also been an upswing in those who claim to have taken five or more trips in the past two years, surging from 16% in 2010 to 22% in 2011.

The internet continues to gain momentum as an important method for booking travel, as well as for gaining information about TICO. The proportion of

respondents booking with a service provider online or a travel agency online increased from 54% in 2010 to 67% in 2011. In fact, the Internet has jumped up to third position behind TV and travel agents as a stated source for becoming aware of TICO.

Awareness of TICO

Overall, TICO awareness is up to 30% from 25% a year ago. Much of this increase comes from the Rest of Ontario, as it begins to catch up with a higher awareness level in the GTA. The Rest of Ontario awareness grew from 21% in 2010 to 27%

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TICO BOARD OF DIRECTORS 2011

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Hanover, ON

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London

Jeff Element – Vice Chair
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Executive Director and General Counsel
Public Interest Advocacy Centre
Ottawa

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Patricia Jensen
Board Member
Consumers Council of Canada
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Department of Economics
Glendon College, York University
Toronto

EX OFFICIO

Michael Pepper
President and Chief Executive Officer
Travel Industry Council of Ontario

LETTER FROM THE CEO

My first order of business for this issue is to sincerely thank two retiring Board members for their service to TICO and the Ontario travel industry. Jill Wykes retired from the TICO Board of Directors on May 31, 2011. Jill has been a constant on the TICO Board for 12 of the 14 years of TICO's existence. Jill played a key role in the negotiations with the government that led to industry self management in 1997. Jill will be missed by her many friends here at TICO and by the industry. Earlier in May, Maria Mendes retired from the TICO Board after serving a two year term. Maria was a Minister's appointee. On behalf of TICO staff and the Board of Director's, I wish to thank Maria and Jill for their dedication to TICO and wish them both the best of luck in their future endeavors.



While we will miss our retiring members, it is with great pleasure that we welcome Jean Hébert to the TICO Board. Jean will be replacing Maria Mendes as a new Minister's appointee on the Board. He is from Orléans, Ontario and has been appointed for a three-year term. Welcome Jean! We look forward to working with you.

The Board of Directors recently announced a registration fee increase, which comes into effect on July 1, 2011. There is a detailed Industry Advisory on the website explaining the adjustment to the fees. If any registrants have questions with respect to the increase, please contact our office for assistance.

This issue of **TICO TALK** provides an update on the results of the Consumer Awareness Campaign. Overall, both consumer awareness and knowledge of TICO have increased. We are very pleased with the results of the campaign and look forward to maintaining and building upon those awareness levels as we embark on this year's campaign.

Please take note that TICO's Annual General Meeting will be held on September 27, 2011 at the Toronto Congress Centre. Mark your calendars and plan to be in attendance. This year the election will be for one retail position on the TICO Board of Directors. Consider running for election – the industry needs you!

Summer is now upon us. I wish you all a pleasant and successful season.

Michael Pepper
CEO

Reviewing the Proposal To Revoke

It is TICO's responsibility to ensure that registered travel agents and wholesalers comply with the *Travel Industry Act, 2002* (Act) and Ontario Regulation 26/05 (Regulation). According to **Section 10** of the Act, whenever TICO considers that a registrant is non-compliant with respect to specific sections of the Act or Regulation, the Registrar may suspend or revoke a registration, or refuse to renew a registration, subject to **Section 11** of the Act.

Section 11 of the Act states that the Registrar must notify an applicant or registrant in writing if TICO proposes to refuse to grant or renew a registration, or to suspend or revoke a registration. The specific issues and circumstances will be detailed in the proposal.

The Regulation sets out various requirements for registrants regarding financial records, minimum working capital, trust accounting, and payments to the Ontario Travel Industry Compensation Fund. Failure to comply with these requirements is the most common reason for Proposals to Revoke being issued.



A registrant wishing to appeal a Notice of Proposal to revoke registration must apply formally to the Licence Appeal Tribunal (LAT) within 15 days of receiving the decision, and simultaneously notify the Travel Registrar. At that time, an appeal fee of \$100 must also be paid to LAT. A copy of the Proposal, along with a registrant's name, address, telephone number and facsimile number must be included with the appeal.

When a Proposal is appealed, LAT arranges a pre-hearing and a hearing date. Both TICO and the registrant/applicant are notified by LAT of the time and date of the hearing. The pre-hearing is held in order to determine if the matter can be settled or if the issues can be narrowed. LAT may issue an order based on the outcome of the pre-hearing.

At least 10 days before the hearing date, all parties must deliver a disclosure package to all other parties. As the onus is on the Registrar to provide reasons for issuing a Notice of Proposal, TICO's disclosure package must include copies of every document that TICO intends to use as evidence at the hearing.

Based on the evidence presented by the parties at the hearing, LAT issues a written decision. LAT has the ability to confirm, ratify or modify the Travel Registrar's decision. If LAT rules in favour of TICO, the registration will be revoked or denied and a final notice will be sent to the registrant. LAT may allow the registration to continue and impose certain Terms and Conditions

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Travel Services Redefined

The definition of "travel services" in the *Travel Industry Act, 2002* (Act) has been amended by the Good Government Act, 2010, which was approved by the Ontario government and received Royal Assent on March 30, 2011.

"Travel Services" now mean "transportation or sleeping accommodation for the use of a traveller, tourist or sightseer or other services combined with transportation or sleeping accommodation". The change was made to clarify who needs to be registered under the Act.

The previous definition ("transportation, sleeping accommodation or other services for the use of a traveller, tourist or sightseer") was broad and ambiguous. For example, did someone only selling concert tickets need to be registered? This was not the intention of the Act, and it was not interpreted that way by TICO. The revised definition expresses the intent of the legislation more clearly.

"Other services" sold by registrants, that are NOT combined with transportation or accommodation, will not be covered by the Compensation Fund in the event of a failure. It is the registrant's responsibility to advise consumers that these services are not covered by the Fund, and to clearly invoice what the consumer has purchased – for example, a theatre ticket vs. a theatre package – as it will impact fund coverage.

Registration and Renewal Fee Increases

As TICO's annual registration and renewal fees have not changed since September 2006, the Board of Directors has decided to increase these fees, effective July 1, 2011. There were 82 responses to TICO's Fee Review Consultation, and the Board fully understands why the majority of respondents were opposed to the increase. However, there has been a decline in TICO's registrant base. TICO's fees are designed to cover all costs, including those which cannot be directly attributable to the payors. These costs include the handling of complaints, financial inspections, investigations, prosecution, maintaining the website, government oversight and reporting, and general administration.

Please visit the Advisory section of www.tico.ca to read TICO's detailed response to the main concerns raised through the Fee Review Consultation. If you have further questions, please contact TICO at **1-888-451-8426** or **(905) 624-6241**, or at tico@tico.ca. The new registration and renewal fees are as follows:

Renewal Fees as of July 1, 2011

Sales Volume

\$2,000,000 or less	\$300
More than \$2,000,000 but less than \$5,000,000	\$600
More than \$5,000,000 but less than \$10,000,000	\$900
More than \$10,000,000 but less than \$50,000,000	\$1,200
Over \$50,000,000	\$1,800
Renewal fee for a Branch.....	\$300

Registration fees for a new head office and a new branch are as follows:

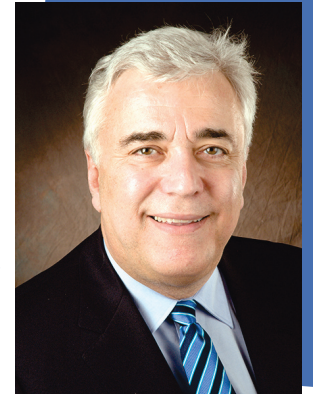
Entity

Head Office	\$3,000
Branch Office.....	\$800

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

Chair

TICO Board of Directors



As Executive Director and General Counsel of the Ottawa-based Public Interest Advocacy Centre (PIAC) since 1992, Michael Janigan has worked closely with the Canadian travel industry on a wide range of issues concerning transportation, including the airline business. PIAC is a non-profit organization that provides legal and research services on behalf of consumer interests – particularly vulnerable consumer interests – concerning the provision of important public services.

How long have you been on TICO's Board of Directors, and what committees have you been involved with?

This is my sixth year, with an interruption after my last term came to an end in December 2008. I rejoined the board last summer, in June 2010. During those six years, I have at various times sat on the Compensation Fund Committee, the Governance Committee, the Legislative and Regulatory Review Committee, and the E-Commerce Committee.

When last interviewed by TICO Talk in the fall of 2006, you spoke about the importance of the relationship between PIAC and the travel industry. Have there been developments in that area, since that time?

To address that, I'll take off my TICO "hat", and speak as the Executive Director of PIAC. Our interest has always been the protection of consumers, and that is a significant issue when it comes to an important industry such as travel – particularly in relation to airline travel. For the most part, the travel industry is a stakeholder that shares much of the same interests in consumer relations as PIAC does, since much of the travel industry's ability to remain successful depends upon it being able to provide the consumer with the best possible deal. As this is our aim as well, PIAC continues to be interested in ensuring that the travel industry remains healthy, and is governed in a way that makes it responsive to consumer needs.

Given the way that the travel industry is evolving, what areas of TICO interest you the most?

It has been particularly interesting to observe how the travel industry has responded positively to TICO's consumer protection measures, as well as seeing how effectively it has been able to fend off some of the threats that seemed to be looming at the beginning of the decade.

A significant area of concern, from PIAC's perspective, is that because Ontario's travel industry abides by the legislated provisions pertaining to travel advertising, it places the industry in a precarious position with respect to airline advertising, since that is not covered by similar legislation and is constantly misleading.

The second area of concern is the threat of on-line operations, from outside Ontario, attempting to entice consumers to book travel services in circumstances where those consumers are not protected by Ontario's travel legislation as they have not dealt with an Ontario registrant.

From a positive perspective, a third area of interest is that TICO has adopted a professionalization process wherein qualifying exams have to be written by everyone selling travel services on behalf of a TICO registrant. This took place against a backdrop of considerable change in the travel industry as a whole. Nonetheless, recent surveys have shown that travellers continue to rely upon travel agents, and specifically TICO registrants, for their travel advice and booking services. This goes to show that it is possible to accommodate consumer protection measures in difficult economic times. This has been largely thanks to the responsible attitude of TICO registrants and their representatives.

Five years ago, one of your goals was to ensure strong links between PIAC and the travel industry as a whole. How do you view that now?

TICO has taken steps to coordinate efforts with other stakeholders – for example, the Travellers' Protection Initiative that was launched in 2007, and the formation of a Consumer Advisory Committee to find out more about how aware the travelling public is of TICO initiatives. In effect, there have been some very beneficial developments over that period of time that have provided both TICO and the consumer stakeholders with opportunities for cooperation and an exchange of information.

What do you consider to be TICO's main challenge?

One of the key areas that we're looking at is expanding TICO's services in order to offer greater protection for travellers. The challenge is figuring out the model on which that can be based, and to ensure that it will be something welcomed by travellers and registrants.

Another challenge is the continuing problems associated with the way in which airlines advertise their services. We're hoping that, in the short term, that might be resolved either by Transportation Canada deciding to implement the amendments made to the *Canada*

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Changes on the Board

First, TICO would like to congratulate **Jill Wykes**, who recently announced her upcoming retirement as Senior Vice President, Human Resources, Thomas Cook Canada. Jill played a key role in the formation and evolution of TICO. As a CATO board member, she helped form the Ontario Travel Industry Self-Management coalition, OTISM, which led to the creation of TICO in 1997. With the exception of two years, she has sat on TICO's board of directors ever since, and recently completed her third term as chair. Jill's insight and wisdom will be hugely missed – by TICO and by the travel industry at large – but we wish her every happiness as she pursues a different path.



We also wish to offer our appreciation to **Maria Mendes**, LL.B, who has played an active role on the Board as one of TICO's Ministerial Appointments. Her term has come to an end and we thank her for the commitment she brought to TICO.

And finally, we would like to extend a warm welcome to **Jean Hébert**, of Orleans, Ontario, who has joined the Board of Directors as the most recent Ministerial Appointment.

Reviewing the Proposal to Revoke
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on the registrant. Decisions of LAT may be further appealed to Ontario's Divisional Court.

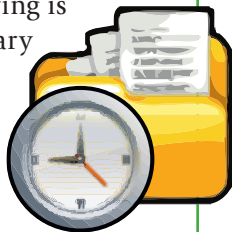
The Lowdown on Reinstatement

A person whose registration has been refused, revoked or refused renewal must wait 30 days before reapplying for registration, according to **Section 14** of the *Act*. So, registrants must be aware that they will be out of business for at least 30 days if they lose their registration. Further, a person may only reapply if it is clear that the circumstances have changed and that the reasons for the termination of the former registration have been corrected.

A Suspension vs. a Proposal to Revoke

In cases where the Registrar considers it to be in the public interest and where the Registrar proposes to revoke a registrant's registration, the Registrar may, by order, temporarily suspend registration. This only takes place when the Registrar has strong concerns and evidence that the public is at immediate risk. The Temporary Suspension Order takes effect immediately. Where a registration is suspended, the registrant is not permitted to sell travel services.

The registrant has 15 days to appeal the proposal to revoke the registration, pursuant to **Section 11**. If a hearing is requested, the Temporary Suspension Order expires 15 days after the written request for a hearing is received by LAT. If a hearing has been commenced within the 15-day period, LAT may extend the time of expiration of the Temporary Suspension Order until the hearing is concluded. ▲



FIRST 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 4:00 p.m. on Tuesday, September 27, 2011 at the Toronto Congress Centre, 650 Dixon Road, Toronto, Ontario for the purpose of:

- receiving the financial statements for the previous financial year, together with the Auditor's Report;
- receiving and considering the Annual Report;
- appointing the auditors for the next year and authorizing the Board of Directors to fix the auditor's remuneration; and
- 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.

Written notice must be received by the Secretary on or before August 12, 2011, of any motions to be made at the Annual Meeting.

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, 2011 will be available at the Annual General Meeting and may be requested in writing prior to the meeting.

DATED at Mississauga this 31st day of May, 2011.
On behalf of the Board of Directors
Tracey McKiernan, Secretary

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The Annual General Meeting:
Plan To Participate!

TICO's Annual General Meeting is scheduled to take place on Tuesday, September 27th, 2011, at the Toronto Congress Centre.

This year there will be one retail position available on the Board of Directors. Once again, we urge all registrants to think about how you can contribute to TICO. One of its greatest strengths is the Board of Directors and its committees. Each year, a group of incredibly dedicated people work hard at overseeing the longevity and sustainability of Ontario's travel industry. The more input TICO has from its registrant members, the better it bodes for the future of the industry.

Due to the potential mail strike, TICO will be sending to all registrants a letter inviting Nominations, the Nomination Form

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Court Matters

➤ CHARGES

Talha Choudhry and **Super Asia Travel Inc.** have been charged with one count each of operating as a travel agent without registration, contrary to **Section 4(1)(a)** of the *Travel Industry Act, 2002*. Choudhry and Super Asia operated in the Toronto area and elsewhere in Ontario.

Nazimuddin Kazi 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. Kazi operated in the region of Toronto.

Jason Konstantos has been charged with two counts of failing to comply with a probation order, contrary to **Section 75** of the *Provincial Offences Act*. Jason Konstantos was previously convicted of one count of Breach of Probation, contrary to **Section 75** of the *Provincial Offences Act* on November 5, 2008. On that date, Mr. Konstantos was sentenced to a 12-month period of probation during which he was required to make restitution to consumers in the amount of \$45,000.

Serwat Naz Ahmed was charged with one count of acting as a travel agent without registration, contrary to **Section 4(1)(a)** of the *Travel Industry Act, 2002*. Ms. Ahmed operated in Pickering and elsewhere in Ontario.

Ramnarine Tiwari and **Sunrise International Inc.** have been charged with two counts each of failing to maintain trust accounts, contrary to **Section 27** of Ontario Regulation 26/05 made under the *Travel Industry Act, 2002*.

Antreas Vassiliou 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. Vassiliou operated in Toronto and elsewhere in Ontario.

➤ CONVICTIONS

Gary David Clegg 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*. Gary Clegg operated under the name of Safari Junction in Meaford, Ontario. Mr. Clegg was fined \$2,000 payable within six months, and he has been given probation for two years. As part of the probation order, Mr. Clegg cannot be employed in the travel industry without written permission from the Registrar, *Travel Industry Act, 2002*.

➤ REVOCATIONS

Between November 17, 2010 and May 3, 2011, six companies had their registrations revoked: **Nobleton Travel Ltd o/a New Tecumseth Travel**; **1301869 Ontario Inc. o/a Barbaras Travel Agency**; **H.A.A. Travel Inc.**; **Best Link Travel Inc.**; **Cross Canada Travel Inc.**; **1815792 Ontario Inc. o/a Canada Travel UH**.

The Annual General Meeting: Plan to Participate! continued from page 6

and Consent electronically. Candidates will also be able to access these forms on TICO's website. The deadline to submit nominations to TICO is August 5th, 2011 at 5pm EST.

Very important to know

Anyone nominated for the Board of Directors must provide TICO with a criminal record check as part of the nomination process. This can be obtained from some OPP detachments and most municipal police services. As this can take some time, you are encouraged to start the process to get your criminal record checks as soon as possible, if you are interested in running for election, in order to meet the nomination deadline. The nomination application must also include the signed Nomination Form and Biographical Information.

It cannot be emphasized too strongly: having active industry representation on the Board of Directors is key... to the healthy growth of Ontario's travel industry. Please think very carefully about how you can influence and guide TICO's future – and your own! ▲

Closing Doors

The following three companies have ceased operations: **Minfare Travel Inc.** Mississauga; **Panorama Travel & Tours Ltd.** o/a flycentraleurope.com, St. Catharines; and **Polar Star Expeditions**, Halifax, Nova Scotia. Any consumers who purchased from any of these companies through an Ontario travel agency may obtain information on how to claim on the Compensation Fund from TICO, at www.tico.ca.

Upcoming Issues

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

- Update on the Consumer Awareness Campaign
- Trade Shows and upcoming events
- Annual General Meeting

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Consumer Awareness Campaign continued from page 1

in 2011, while in the GTA, awareness increased slightly, from 32% last year to 34% in 2011.

Part of the increased awareness seems to be a result of Internet promotion, which increased from 14% to 23% over the last year, and radio advertising, which increased from 6% to 13% this year.

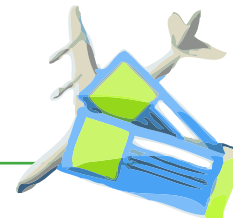
Billboards accounted for 3%, but as this was TICO's first year of billboard advertising, there are no comparison figures for the previous year.

Understanding of TICO's role

Encouragingly, there has been solid growth in the level of understanding of TICO's roles. Specifically, a larger proportion of respondents understood that TICO assists consumers in dealing with travel services complaints (57% vs. 48% in 2010), and that TICO refunds consumers who do not receive the travel services for which they paid (an increase from 25% in 2009, to 32% in 2010, to 37% in 2011).

In the GTA, the depth of respondents' understanding increased significantly, with 58% knowing that TICO assists consumers in dealing with travel services complaints compared to 45% in 2010.

Overall, these excellent results reinforce the aim to make TICO a household name, and to educate consumers about the benefits of purchasing their travel services from a TICO registered travel agency. While there is no denying the important role that external advertising and promotions play, the Consumer Awareness Campaign can only be fully effective when every registrant is committed to promoting the value of TICO to their clients. ▲



Presenting Michael Janigan continued from page 5

Transportation Act, when Bill C-11 was passed a couple of years ago, or by provincial governments simply passing legislation on advertising that would be applicable to airlines.

This ties in with the problem of ongoing efforts (by travel service providers) to offer products and services without the benefits that TICO registrants offer. Ultimately, all of these kinds of arrangements are short-sighted, from the perspective of the consumer, and this is potentially worrisome from the whole travel industry's standpoint. This is why TICO is making such efforts to ensure there are some comprehensive TICO-like arrangements across Canada, with standards and an ability to ensure consumer protection. This is a major objective of TICO.

Where do you hope to see TICO and the Ontario travel industry in the next five years?

Considering its importance, I'd like to see TICO administering a travel industry that is both healthy and confident, and that continues to provide travellers with consumer protection and valuable advice.