

TICO-TALK

KEEPING YOU INFORMED ABOUT ONTARIO'S TRAVEL INDUSTRY

Travel Industry Council of Ontario

Starting

January - March 2013

The Consumer Awareness Campaign: We're Ready.... Are You?

Ontario will be seeing a lot of TICO over the next few months. Its comprehensive media strategy includes a 30-second

television ad on how Ontario's travel agents are **FANTASTICO**, airing on **Global TV**, **CTV** and **CBC** in Ontario. The ad is also reaching out to the province's multi-lingual, multi-ethnic population via **OMNI Television**. In addition, prints ads geared towards seniors will appear in six issues of **Zoomer Magazine**, and a 30-second radio ad will run on **CFTR 680** News.

An internet strategy will include **Pay-Per-Click** with updated **FANTASTICO** messaging on customized landing pages. As well, a social media strategy is being created.

Following several months of concentrated advertising in the travel trade press, registrants should be fully aware of the thrust of TICO's upcoming awareness campaign. Now is the moment to step on board and partner fully with TICO, to make the **2013 Consumer Awareness Campaign** the most influential and far-reaching one to date.

Registrant **PARTICIPATION**

The success of the *Consumer Awareness Campaign* depends on your participation.

To build upon the **FANTASTICO** theme (outlined in the last issue of **TICO** *TALK*), registrants and their staff have to promote TICO and what it stands for to every customer. Your clients need to be told that by purchasing travel services from a TICO registrant, their travel investment is protected.

It is essential to have the TICO logo prominent at every point of contact with clients – from your office to your brochures, emails, advertising, and invoices. This will serve as a constant reminder that they are dealing with a TICO-registered travel business, which means that they are also buying peace of mind.

All of the TICO-related collateral that you will need for your own marketing effort is easily accessible. Just visit TICO's website – www.tico.ca. Beneath Industry Info you will find everything from downloadable logos to e-ticket stuffers, as well as five YouTube videos that promote the benefits of Ontario's travel industry.

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TICO BOARD OF DIRECTORS 2012/2013

INDUSTRY REPRESENTATIVES

Coralie Belman, CTM Certified Travel Manager Coralium Consulting Toronto

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

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 spring, TICO is excited to be launching its new Consumer Awareness Campaign. We will be letting people know that Ontario travel agents are **FANTASTICO** and that there are consumer protection benefits when you deal with a TICO registered travel agency. We invite registrants to use the campaign collateral materials and join us in spreading the consumer protection message across the province. Working together, we can build a stronger industry, which is good for TICO and for your business.



In keeping with the theme of working together, there are many different ways that registrants can get involved with TICO and provide input on what TICO is doing. Did you know that TICO has done registrant surveys and held roundtable sessions to get feedback from the industry? We value your input and encourage you to get involved. If you are interested in participating in future roundtable sessions, let us know. Take time to complete our surveys. Tell us what you think. TICO is currently seeking nominations for one retail position on the TICO Board of Directors. Consider running for election. Attend our Annual General Meeting on June 18, 2013. If you are interested in getting regular e-mail communications from TICO, ensure that you are added to our distribution list by contacting us at tico@tico.ca. We want to hear from you!

As you know, TICO recently announced a Compensation Fund rate increase, effective May 1, 2013. TICO appreciates that no one likes rate increases. When TICO reduced contribution rates in 2006, the industry was advised that the decrease would be temporary in order to reduce the Fund from \$30 million to within a range of \$20 - \$25 million. At that time, TICO estimated that it would take about 5 years to reduce the Fund balance and then, an adjustment would have to be made. In fact, it has taken 7 years.

I would like to point out that the fees to maintain the Compensation Fund are less than they were 16 years ago when TICO received delegation from the government. In 1997, the Compensation Fund contribution rate was \$1.60 per \$1,000 for wholesale sales and 40 cents per \$1,000 for retail sales. At that time, registration renewal fees were \$375 for two years. In 1997, a retail agency with average sales of \$1.5 million was paying annual fees of \$787.50. Today, the combined costs are \$525 per annum. That is an average of 33% less than 16 years ago and that does not take into account inflation.

As we move forward, TICO is committed to continue self-managing the travel industry without losing sight of the interests of all stakeholders. Although the *Travel Industry Act*, 2002 is a consumer protection statue, TICO's mandate is also to maintain a level playing field for all registrants as it ensures compliance with the financial, advertising and disclosure standards required under the *Act* and regulations.



Wishing you a spring season that's **VIBRANTICO**, **JUBILANTICO**, **FANTASTICO**!

Michael Pepper, President and CEO

Continuation of Consumer Awareness Campaign: We're Ready.... Are You? continued from page 1

Two-way **COMMUNICATIONS**

Recently TICO organized a round-table with registrants, and the feedback from the discussion was invaluable. Those who attended left with a much better understanding of TICO, and other round-table discussions are planned. Much of the dialogue was about how TICO could communicate most effectively with Ontario's travel industry.

Ultimately, registrants want to see shorter communications, sent on a timely, as-needed basis. TICO completely understands this view, and wants to make it happen. An initial step is to collect the email addresses of both registrants and their frontline staff. Many times, it is as important for frontline staff to be aware of situations as it is for the registrant. By building a comprehensive email list, TICO will be able to communicate immediately on issues as they arise.

This will also provide an easy way for frontline staff to contact TICO directly, with any questions or concerns. It cannot be emphasised enough that TICO wants to hear from you. Since we are well aware that most people are bombarded with industry information on a daily basis, we must have a two-way dialogue with the travel industry on how to provide the information that you need.

Being the regulator of Ontario's travel industry, it is frequently necessary to impart important information to you. Once this year's *Consumer Awareness Campaign* has ended, TICO will survey all registrants, to assess overall communications. We are looking for constructive input on how best to reach you. Please take the time to complete the survey. The more



All-Inclusive Air Price Advertising... Finally!

The Government of Canada announced in December 2011 that the Canadian Transportation Agency (CTA) would develop regulations requiring all-inclusive air price advertising. This was welcome news to Ontario's travel industry, which is legally obliged under Ontario Regulation 26/05, to include the complete cost of flying in all advertising.

The new CTA air price advertising regulations were published in December 2012. The two-fold goal was to enable consumers to easily determine the total advertised air price, and to promote fair competition between all advertisers in the air travel industry. The regulations apply to the advertising – through any media – of air travel within or originating in Canada that is offered to the general public.

Air price advertising directed at the public must include:

- The total price, inclusive of all taxes, fees and charges that a consumer must pay;
- A minimum level of description, including the points of origin and destination, whether the service is one-way or round-trip, and any limitations with respect to booking or travel availability periods; and
- Access to a breakdown of the taxes, fees and charges, and any optional services offered for a fee.

For further information, visit www.otc-cta.gc.ca/eng/airservicesadvertising.

Clarifying TICO'S Funding

Registrants finance TICO's operations through two revenue streams: registration fees and contributions to the Compensation Fund. The operational costs are expensed against and attributed to both the Fund and the TICO Asset. Until recently, the breakdown of expenses allocated against the Fund and TICO Asset was not disclosed in the Financial Statements, because it was thought that the current financial presentation was sufficient. In future, however, this information will be provided in the Financial Statements. There is already an addendum to the March 2012 Financial Report providing this information. To review the Schedule of Expenses, March 31, 2012, visit **www.tico.ca** and look under the News/Advisory tabs for the Industry Advisory on the Compensation Fund Rate



PRESENTING

Coralie Belman, CTM Director, TICO Board of Directors



Have you always worked in the travel business?

No, in my early 20s, I ran a wholesale picture frame manufacturing business for five years. As I eventually managed about 25 people, I learnt a great deal about relating well to staff and clients, and about providing good customer service.

What is your background in the travel business?

Before going into picture-framing I trained in hotel operations and management, and worked at the Prince Hotel in Toronto. I loved the business because it was very social and all about customer service. Later, I joined the Canadian Institute of Travel Counsellors. For the next 20 years or so I held various positions including that of National Executive Director. Working at the CITC was a great experience, as it offered a tremendous opportunity for my personal growth and development. One of the biggest projects I undertook there was working with Air Canada to implement e-ticketing. I travelled extensively across the country, attending trade shows, and conducting training seminars.

In 2010 I started my own consulting business, Coralium Consulting, and since then I've been involved in many tourism-related projects, from developing training products to test question development for assessment strategy companies, HR projects, writing a column on social media and a study guide/textbook for travel counsellors based on occupational standards, training performance evaluators for the Canadian Tourism Human Resource Council, and conducting performance evaluations for the hotel industry.

I also taught at Seneca College for a year, and assessed tourism courses for the Ontario Ministry of Education. Currently I'm also looking after the corporate travel needs, and meetings and events management, for three clients in Alberta; in order to look after the total fulfilment of their travel requirements, I joined TPI as a home-based travel counsellor. I have also done some destination representation, including one year as the Canadian contact for the city of Tokyo.

Have you been involved in other travel industry associations, besides CITC?

I have sat on some ACTA committees over the years, mostly related to industry education and trade shows, and I was also on the Board of Directors for the Canadian Tourism Human Resource Council for about 10 years.

What are you hoping to contribute to TICO?

I think my 25 years' of experience – working in training, front-line travel sales, teaching and assessments, as well as a good understanding of business management – give me a unique perspective. Being at CITC when TICO's education standards' test was phased in gave me a good understanding of the challenges many exam writers face.

From your standpoint, which of TICO's issues are of particular importance?

Communications to registrants are key. Because TICO is a regulatory body, the language it uses is not always easily understood by some workers in the industry. When people don't fully understand the terminology, this can influence their understanding of and reaction to decisions. While upholding the legislation and ensuring consumer protection through compliance with the Act is fundamental, I feel that clear communications play a pivotal role in achieving this.

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

I'd like to see a responsibly managed industry that demonstrates a caring attitude. Given that TICO's primary role is consumer protection, I would like consumers to be more aware that our industry does care about the well-being of its clients. I would also like to see front-line workers making greater effort to qualify clients properly from the beginning, and selling realistically. If you sell something that does not work for the client, it can result in complaints and loss of future business. That said, I believe strongly in the need for travel counsellors. I like that term because it indicates a shared trust and respect between client and counsellor.

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Changes to the Board

TICO would like to offer sincere thanks to Kathleen Warren, who recently retired after completing ten years – the maximum term permissible on the Board of Directors, as set out by TICO's bylaws – representing the Canadian Institute of Travel Counsellors (CITC). Throughout her term on the Board, Kathleen brought a constructive perspective that was much appreciated.

TICO extends a warm welcome to **Coralie Belman**, who has taken over as the CITC's representative on the Board. TICO looks forward to benefitting from Coralie's extensive experience working in various segments of Canada's tourism and travel industry.

Get in Touch

Whether you are a registrant, or someone who is employed by a registrant, *TICO wants to hear from you* if you would like to:

- Receive regular e-mailed communications from TICO
- Provide feedback on any TICO-related issue, or
- Participate in future roundtable discussions

Please contact us directly at **tico@tico.ca** so that we may build a database of individuals who wish to be kept informed of all relevant developments pertaining to Ontario's travel industry and TICO.

The Importance Of Full Disclosure

One of the main complaints from consumers concerns a lack of information provided, particularly for group bookings. When each member of the group is paying the registrant (travel agency) individually, the travel agent is required to provide specific information on the travel documentation required by each person travelling. Informing the group's leader on the documentation required for the destination and presuming that the information will be passed on to the rest of the group is not sufficient.

According to **Section 38 (1)** of the Regulation, a statement, invoice or receipt must be promptly provided to a customer after selling travel services. This must include advice regarding the typical information and travel documents needed by each person for whom travel services are purchased. For example, often groups include people travelling with passports from a variety of countries, and the visa requirements of the destination(s) being visited by the group may vary, depending on the passport/citizenship of each traveller.

Not only are you contravening the legislation if you neglect to check and provide the required information; you are also likely to lose future customers, considering the power of word-of-mouth.

Court Matters

Robert Ewaniuk and The Executive Needs Inc. o/a Sportality have been charged with three counts each of operating as a travel agent without registration, contrary to Section 4(1)(a) of the *Travel Industry Act*, 2002. Mr. Ewaniuk and The Executive Needs Inc. operated in the City of Toronto and elsewhere in Ontario.

Following an ex-parte trial, **Antreas Vassilioy** 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*. Mr. Vassilioy operated in the City of Toronto and elsewhere in Ontario. Financial losses for victims amounted to approximately \$18,000. Mr. Vassilioy was sentenced to 30 days in jail and a warrant was issued for his arrest.

Following an ex-parte trial, **Sritharan Sellathamby** and **1821284 Ontario Inc.**o/a **Atlas Air Travel** have been convicted on one count each of failing to maintain trust accounts, contrary to **Section 27** of Ontario Regulation 26/05 made under the *Travel Industry Act*, 2002. Sritharan Sellathamby and 1821284 Ontario Inc. o/a Atlas Air Travel operated in the City of Toronto and

elsewhere in Ontario. To date, approximately \$139,000 in claims have been paid to consumers from the Ontario Travel Industry Compensation Fund. Mr. Sellathamby was sentenced to 90 days in jail and 1821284 Ontario Inc. o/a Atlas Air Travel was fined \$20,000.

Jinling Wei has been convicted on 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 convicted on 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 operates in Toronto and elsewhere in Ontario. Ms. Wei was fined \$1,000 while Respon Travel & Tours Corp and Herui Travel and Tours Corp. each received suspended sentences.

Michael Harry Brunet and Toronto Leisure Society, Inc. have been convicted on one count each of operating as a travel agent

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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, June 18, 2013 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 May 3, 2013, 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, 2013 will be available at the Annual General Meeting and may be requested in writing prior to the meeting.

DATED at Mississauga this 28th day of January, 2013. On behalf of the Board of Directors Tracey McKiernan, Secretary

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without registration, contrary to **Section 4(1)** (a) of the *Travel Industry Act*, 2002. Mr. Brunet was fined \$1,500 and Toronto Leisure Society, Inc. received a suspended sentence.

Alistair Hamilton and Greater Hamilton Tours Inc. have been convicted on one count each of operating as a travel agent without registration, contrary to Section 4(1) (a) of the *Travel Industry Act*, 2002. Mr. Hamilton and Greater Hamilton Tours Inc. were fined \$5,000 each.

Between October 12, 2012 and February 5, 2013, one company, **Somcanada Travel Inc.**, had its registration revoked. ▲

The Board Needs You!

Prior to the Annual General Meeting on June 18, 2013, TICO is holding an election for one position, open to a retail registrant, on the Board of Directors. A Nominations package has been sent to all registrants, and nominations must be received at TICO no later than 5 pm, EST, on Friday, April 26, 2013.

If you are considering running for election, remember to allow sufficient time to obtain the required Criminal Record Check, which has to be submitted along with the Nomination Form by the deadline. Ballots will then be sent out to registrants and the results of the election will be announced at the AGM.

"Industry representation is very important on the Board of Directors,"

said Michael Pepper, TICO President and CEO.

"I would like to encourage registrants who wish to participate on the Board to submit nomination forms. This is your industry, so please take this opportunity to get involved. I also want to encourage people to mark their calendars and plan to attend the AGM in June. I look forward to seeing you there!"

Upcoming Issues

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

- Update on the TICO Election
- Progress Report on the Consumer Awareness Campaign
- Trade Shows and upcoming events

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Travel Industry Council of Ontario

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Rate Increase Confirmed

To ensure the Compensation Fund remains at the approved level, TICO proposed increasing contributions to: 15 cents per \$1,000 on April 1, 2013; 25 cents per \$1,000 on April 1, 2014; and 30 cents per \$1,000 on April 1, 2015.

It is important to bear in mind, as explained in the last issue of TICO *TALK*, that in 2006, the rates were reduced to 5 cents per \$1,000 in order to reduce the Fund. At the time, the Board advised that the reduction was temporary.

A Rate Review consultation process was launched on November 1, 2012. Of the 32 (out of approximately 1,639) registrants who replied, most were opposed to the increase. The three main reasons were: agencies cannot afford it due to tight operating margins; the increase was too high; and TICO should be cutting costs and/or charging consumers rather than imposing an increased fee on registrants.

After thorough review of their feedback, the Board of Directors decided the rates must be increased from 5 cents to 15 cents per



\$1,000 of sales, effective May 1, 2013. The current increase is occurring two years later than projected in 2006, due to TICO's oversight of the industry and higher returns on money invested in the Fund.

TICO recognizes the need to continue keeping operating costs as low as possible, while maintaining the integrity of its operations. The Board has proposed a laddered approach to setting rates, which allows the Board flexibility to set rates based on the actual Fund

balance, to avoid a significant one-time increase. The Board will therefore review any future increases to determine if they are required, bearing in mind the impact on registrants.

PRESENTING Coralie Belman, continued from page 5

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

I bring a wide-ranging perspective to TICO's Board, especially from the perspective of training, teaching, testing written materials and assessments. I am hoping to put my expertise to good use on TICO's Education Committee.

A good board of directors brings a broad perspective to all issues and then comes to a carefully considered decision. I offer the perspective of both working on the frontlines, and training and education. I'm excited about joining TICO's Board, and learning more about the decision-making process.