

**Report on the**

## 16th ANNUAL GENERAL MEETING

TICO's 16th Annual General Meeting took place on June 18th at the Toronto Congress Centre, at which the 2013 Annual Report & Business Plan was tabled (the report can 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.

### Highlights from the CHAIR'S REPORT

Michael Janigan reported that the **increased contribution rate** for TICO's Compensation Fund agreed to by the Board of Directors was introduced on May 1, 2013. He reminded registrants the new rate, of 15 cents per \$1,000, is still lower than when TICO was launched in 1997. (At that time, the contribution rates were set at \$1.60 per \$1,000 for wholesale sales and 40 cents per \$1,000 for retail sales.) As previously reported, the Board will decide on whether to implement additional increases in 2014 and 2015, depending upon the financial picture of Ontario's travel industry. He reminded registrants that TICO's duty is to monitor the stability of the travel industry and to ensure that the Compensation Fund is adjusted sufficiently to meet all claims on the Fund, while at the same time ensuring that the contribution rate is not too onerous for the industry.



TICO continues to **explore alternative ways to finance the Compensation Fund**. Since the last AGM, the Board has commissioned an actuarial analysis on the Fund and is currently studying

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Ontario travel agents are  
**FANTASTICO.**

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## TICO BOARD OF DIRECTORS 2013/2014

### INDUSTRY REPRESENTATIVES

Coralie Belman, CTM  
Certified Travel Manager  
Coralium Consulting  
Toronto

Ray DeNure  
President  
DeNure Tours  
Lindsay

Jim Diebel  
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 of Business Development  
Sunwing Travel Group  
Toronto

Thanushka Nanayakkara, CTM  
President  
NARAT Incorporated  
Toronto

Paul Samuel  
Manager, Overseas Travel Division  
Vision 2000 Travel Group  
Toronto

**Richard Vanderlubbe – Vice Chair**  
President  
Travel Superstore Inc.  
Hamilton

Brett Walker  
General Manager, Canada  
Collette Vacations  
Mississauga

### 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, CA  
Managing Partner  
Rosenthal Pervez & Noor LLP  
Chartered Accountants  
Mississauga

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

## LETTER FROM THE CEO



Since our last newsletter, there have been some significant events to report. On June 18, 2013, the Travel Industry Council of Ontario (TICO) held its AGM at the Toronto Congress Centre. We welcomed some new board members and thanked some departing individuals. We provided an update on TICO operations and our work to ensure that travel agents and travel wholesalers are complying with the Act and Regulation. TICO also provided a financial update and an update on our registrant engagement and consumer awareness initiatives. This issue of TICO Talk summarizes the highlights of the meeting. We encourage all stakeholders to have a look at the 2013 Annual Report and Business Plan, which is available on our website.

On July 19, 2013, TICO took over administration of its Education Standards Program. The program, which came into effect in July 2009, was previously administered by the Canadian Institute of Travel Counsellors (CITC). Individuals and groups wishing to write any of the TICO exams should contact TICO to register. Information about the program is available on TICO's website. If candidates have any questions, they should not hesitate to contact our office. TICO will be making some enhancements to the information and registration process over the next few months. Every effort will be made to ensure a smooth transition for exam candidates.

In July, TICO's Board of Directors approved payment of \$2,036,933.04 for a claim related to the closure of MKI Travel and Conference Management Inc. in Ottawa. The circumstances surrounding the closure are under investigation.

TICO has made some changes to its registration renewal process. Registrants are now being asked to sign a Trust Declaration as part of their annual registration renewal. The Trust Declaration does not change the current obligation to maintain a trust account for consumer funds. It is a further acknowledgement of the requirements. TICO staff started including the Trust Declaration with Renewal Notices in June. If you have any questions, do not hesitate to contact one of TICO's Registration Officers.

Enjoy the remaining days of summer,

A handwritten signature in blue ink, appearing to read 'Michael Pepper'.

Michael Pepper,  
President and CEO

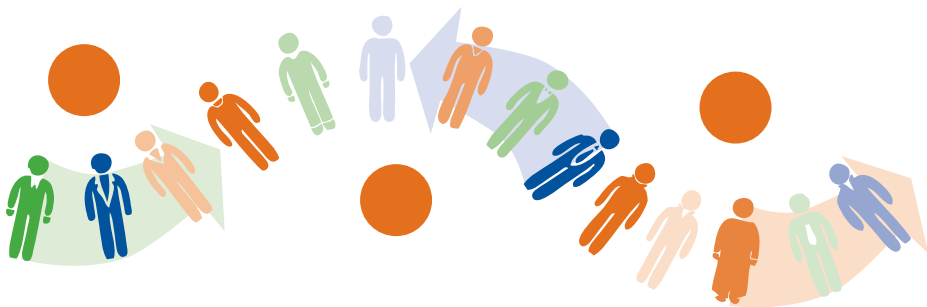
# Latest Developments on the Consumer Awareness Campaign

A nifty tool has been sent to all retail registrants that will help travel agents tell the TICO story. The brightly coloured tent card, embellished with a seaside vista, has a pocket that holds up to 12 folders entitled **How TICO helps make your trip FANTASTICO**. The folder explains the four main ways that the consumer's travel investment is automatically protected when booking with a TICO registered travel agency – through regulation, monitoring, refunds and the complaints process. One tent card with folders is being sent to each agency. If you would like more, feel free to request them from TICO.

To make the travel agent's job as easy as possible, a "cheat sheet" has been printed on the back of the tent card, facing the agent, that provides a brief summary of the way each of these benefits work to their clients' advantage.

Don't forget that this is also a good opportunity to remind customers that you've met an education standard that ensures you know exactly what your responsibilities are to your clients, as defined by the *Travel Industry Act, 2002*. These include informing your client of the total price of the travel services they have requested, the terms and conditions of their booking, the availability of travel insurance, and providing correct travel documentation for each person travelling.

Although the 2012/2013 Campaign's main focus was on industry and registrant engagement, TICO conducted an online omnibus survey to measure consumer awareness of TICO and the benefits of purchasing travel services from a TICO registered travel agency. 32% of consumers surveyed indicated a travel agent as the source of awareness of TICO, compared to 25% in the previous year. With the increased focus on registrant engagement, this demonstrates the importance of TICO and the industry continuing to work together to boost consumer awareness in the upcoming years. ▲



## Industry Buy-In a Must

The re-design of the Consumer Awareness Campaign, with its change of focus to encourage registrant participation, came together with the help of thoughtful insight from the industry at large. Two roundtable sessions were conducted with frontline travel agents, in order to assess their understanding of TICO, its role in the industry, and their thoughts on the upcoming Campaign.

As well, TICO attended two industry events and held five meetings and web conferences with various chains and consortia to discuss communications, obtain their feedback, and present the upcoming Campaign with its emphasis on industry participation. For comments from registrants at large, TICO organized a webinar during which travel agents were encouraged to provide feedback as they learnt about the Campaign and the importance of registrant participation.

## Great Results!

To ensure the continued relevancy of TICO's Education Standards Program, the content of the Study Manual and the exams were both updated during 2012/13. During that fiscal year, a total of 4,856 exams were written, as follows:

- 4,135 Travel Counsellor Exams
- 298 Supervisor/Manager Exams
- 423 Combined Travel Counsellor and Supervisor/Manager Exams

## Changes to The Board



Congratulations to **Paul Samuel**, Manager, Overseas Travel Division, Vision 2000 Travel Group, who was elected by the industry at large to serve a two-year term on the Board of Directors. The position was open to a retail registrant.

Immediately following the AGM, **Michael Janigan**, Special Counsel, Consumer and Regulatory Affairs for the Public Interest Advocacy Centre was re-appointed Chair, for the first year of his second three-year term. **Richard Vanderlubbe**, President, Travel Superstore Inc., was appointed Vice Chair of the Board for a one-year term.

TICO extends a warm welcome to **Ray DeNure**, President of DeNure Tours in Lindsay, who is the OMCA's new appointee. Ray has replaced **Scott Stewart** of G. Stewart Travel Services in Peterborough who retired from the Board after completing a ten-year term. **Linda Wright**, a CATO representative on the Board, also retired during the last year. "TICO's Board of Directors extends its sincere appreciation to retiring board members Scott Stewart and Linda Wright for their contributions to TICO," said Michael Pepper, TICO President and CEO.

## PRESENTING

**Eric Neira**  
*Compliance Officer,*  
**TICO**



*Eric Neira was first featured in TICO Talk in 2009. He joined TICO in 2007 as a Client Services Representative in the Complaints Department. Eric officially became a Complaints Officer a year later. In 2011, an opportunity came up for Eric to take on another role, as a TICO Compliance Officer.*

### “How would you summarize your career with TICO since you first joined the organization?”

2007 seems so long ago! To sum up the last six years, I'd say they have been pretty interesting! One of the most challenging aspects of working as a Complaints Officer was that I was constantly dealing with people who felt that they had been wronged by a TICO registrant. However, when you look at the three areas that I've worked in at TICO, there has been a common theme in that I've always worked with agencies to help them improve their compliance with the travel legislation. In a way, it has led to what I'm doing now. It's an area that I enjoy, and my current position allows me to pursue it. Working in Client Services and – even more so – as a Complaints Officer, I acquired a sound understanding of the legislation, and had a great deal of experience making others – both consumers and registrants – understand the ramifications of the legislation. That was an excellent preparation for my current position in Compliance.

### “How do you describe your responsibilities as a Compliance Officer?”

There are two main aspects to my job. First, I work with registrants who are not compliant with the travel legislation. Second, I work with people who are selling travel services but they are not registered. I try to educate both groups on their legal responsibilities, with an emphasis on the necessity to become

*Continued on page 5...*

registered when I'm dealing with people in the latter situation. I would say that it's pretty much 50-50 when it comes to which group takes up the most time.

There are a lot of people trying to sell travel who are not registered. Some tell me that "they didn't realize that the travel industry in Ontario was regulated". In my experience, most of them initially say that they will either apply to become a TICO registrant or work with an existing registrant. However, many of them give up altogether once they realize what is entailed in working in compliance with the travel legislation. There are others, unfortunately, who wilfully ignore their legal responsibilities and face the consequences.

### “What are the most challenging aspects of your work?”

TICO is responsible for ensuring that registrants comply with the legislation, but there are some areas that are not black and white. These grey areas make my work challenging, because these days many people who start selling travel structure their business model in unique ways. Some try to avoid handling money while others believe they are not acting like a travel agency. Although people and businesses try to structure themselves differently, the legislation is the same.

We're seeing many people selling travel who are not registered because they do not believe that what they are doing is covered by the legislation. Then there are registrants who find complying with the legislation to be rather a burden. In the first situation, my responsibility is to advise them that they do have to comply, and in the second, my goal is to show registrants that ultimately it will be less time-consuming for them to conduct their business in accordance with the legislation. If they take the time to ensure they are complying with the legislation, they will likely find they have fewer complaints to deal with.

### “What do you think are the most important requirements for someone to do the work that you do?”

That's easy – patience and perseverance! Many issues take time to resolve but seeing it through is worth the effort.

### “What do you like best about your job?”

Without any doubt, it's getting rewarding results. Seeing registrants that I've worked with now applying the legislation correctly to their business reinforces for me that TICO's message has been received and that to me is "FANTASTICO"! ▲

## Important Changes to TICO Guidelines

Improvements have been made to the Guidelines on Trust Accounting and to the Code of Practice for E-Commerce, to better reflect the way that the travel industry operates today. Please review the recently updated revisions carefully.

The **Trust Accounting Guidelines** have been clarified around the transfer of monies from the trust account to the general account. Before transferring the money, a reconciliation of the trust account must be done, in order to show that there is a surplus. The Guideline also states that the surplus can only be transferred once a supplier has been paid in full. (The old Guidelines indicated that the surplus could be transferred once the consumer had commenced travel. This was misleading as it should only be transferred once the supplier has been paid.) As well, some additional definitions and FAQs have been added, in order to provide more guidance to registrants.

The main difference to the **Code of Practice for E-Commerce** is the addition of more guidance on what is required on registrants' websites, along with best practices. Previously, TICO's guidelines pertaining to advertising and disclosure were simply incorporated into the Code of Practice. Now there is a new guideline specific to websites.

For full details on both of the above, please refer to TICO's website.

# TICO Takes Over Administration of Education Standards Program

The Canadian Institute of Travel Counsellors (CITC) advised TICO and the travel industry that effective July 19, 2013, CITC would surrender its charter, and the administration of the Education Standards Program would be turned over to TICO. TICO planned to finalize the arrangements to administer the program, and to have it up and running by that date. Individuals and groups wishing to write any of the TICO exams must now contact TICO to register. Every effort has been made to ensure a smooth transition for exam candidates as TICO assumed the administrative function.

Since the introduction of TICO's Education Standards, which came into effect in July 2009, CITC administered the program on behalf of TICO.

*"I would like to thank the staff of CITC for their work in administering TICO's **Education Standards Program**,"*

said Michael Pepper, TICO President and CEO.

*"CITC was extremely helpful in getting TICO's program up and running, leading up to July 2009, and played an important role in the success of the program.."*

For further information regarding the TICO exams and how to register for them, please refer to TICO's website at [tico@tico.ca](http://tico@tico.ca). ▲

## Court Matters continued from page 6

TICO in the amount of \$5,784 on or before May 31, 2013. As well, Ms. Orahá was given a two-year period of probation that includes additional restitution payable to TICO in the amount of \$6,000. The probation order also requires Ms. Orahá to inform the Registrar, *Travel Industry Act, 2002* in writing, of any employment in the travel industry, and to advise any potential employer of her conviction under the *Act*.

## REVOCATIONS

There have been no revocations between April 26 and July 11, 2013. ▲

## Get in Touch

**H**earing from registrants on any issue that is important to you is very important to us at TICO. Whether you are a registrant, or someone who is employed by a registrant, we want to know if you are interested in:

- Receiving regular e-mailed communications from TICO
- Providing feedback on any TICO-related issue, or
- Participating in future round-table discussions

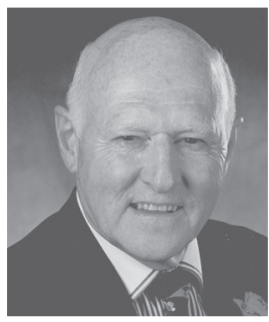
Please email us at [www.tico.ca](http://www.tico.ca) and let us know if you wish to be kept informed of all relevant developments pertaining to Ontario's travel industry and TICO.

## Booking Patterns

**O**ne of the findings from the 2012/13 Omnibus survey showed a significant decline in booking online, from 59% in the previous year to 48% in 2013. However, **the percentage of online travellers checking for the TICO logo when booking almost doubled from 12% in 2012 to 21% in 2013.** The results also revealed that frequent travellers (5+ trips annually) seemed to have an increased preference for more personalized service when booking trips.



## In Memory of Bruce Fraser



Ontario's travel industry, together with the travelling public, lost a committed supporter, when **W.H. Bruce Fraser, CA**, passed away on June 3, 2013. A retired partner of KPMG LLP, Bruce was a stalwart presence in the management of Ontario's Compensation Fund. In 1996 he was appointed Chair of the Ontario Travel Industry Compensation Fund Corporation's Board of Directors. With the formation of TICO, he became a government appointee on the Board of Directors, and also served as the Statutory Director. During his ten-year term on the Board, he dedicated hundreds of hours and had a near-perfect attendance at Board and committee meetings. Bruce could be counted upon for his ready availability and always sage advice to TICO staff. During that period, he chaired TICO's Compensation Fund Committee, the Audit Committee and the Alternate Finance Committee. He also sat on the Legislative & Regulatory Review Committee and the Governance Committee. In addition, he was a member of TICO's Executive Committee from its inception to his retirement from TICO in 2007.

## Court Matters

### CHARGES

**Bruce Wylie** has been charged with six counts of operating as a travel agent without registration, contrary to **Section 4(1)(a)** of the *Travel Industry Act, 2002*. Mr. Wylie operated as **Bruce Wylie Tours** and **Wylie's Excellent Adventure** in Brockville and elsewhere in Ontario.

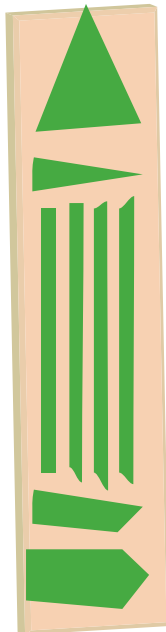
### CONVICTIONS

**Panorama Travel & Tours Ltd., Beata Kucharski** and **Zbigniew Kucharski** have been convicted on 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*. On the first count, Panorama Travel & Tours Ltd., Beata and Zbigniew Kucharski received a suspended sentence. On the second count, Beata and Zbigniew Kucharski must pay restitution to TICO of \$25,000 each. There is no deadline by which the restitution must be paid. In addition, Beata and Zbigniew Kucharski and Panorama Travel & Tours Ltd. are subject to a one-year probation order, during which they must write a letter about the court proceedings and the failure of their company – including how the failure affected the travel industry. Beata and Zbigniew Kucharski were the principles of Panorama Travel & Tours Ltd., which tried

to run a risk air program, "*Fly Central Europe*". Panorama's registration under the *Act* was terminated in May 2011, and TICO paid claims from the Ontario Travel Compensation Fund in the amount of \$85,115.00. TICO has appealed the sentence to the Ontario Court of Justice.

**Hilan Orah**a, o/a **Dolphin Travel**, has been convicted on three counts of failing to maintain trust accounts, contrary to **Section 27** of **Ontario Regulation 26/05**, made under the *Travel Industry Act, 2002*. Hilan Orah, o/a Dolphin Travel, has also been convicted on three counts of operating as a travel agent without registration, contrary to **Section 4(1)(a)** of the *Act*. Hilan Orah, o/a Dolphin Travel's registration under the *Act* was terminated on February 15, 2012. Ms. Orah

continued to operate as Dolphin Travel after her registration was terminated. The Ontario Travel Industry Compensation Fund paid claims to consumers in the amount of \$18,804. Ms. Orah was fined \$5,000 and ordered to pay restitution to consumers and



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# Upcoming Issues

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

- Update on the Consumer Awareness Campaign 2013-2014
- Trade Shows and upcoming events

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the report. He emphasized that this was being undertaken solely by TICO, with no commitment from the government on changing the current legislation.

Mr. Janigan also reported that in December 2012 Transport Canada had implemented new forcing airlines to **all-in price of airfares**, including all taxes and fees on flights originating in and flying between points in Canada. These new federal rules, which TICO and other travel industry and consumer stakeholders had urged the federal government to adopt for more than a decade, will help create a more level playing field within the industry and allow consumers to access information they need when making travel purchases.

## **Highlights from the PRESIDENT AND CEO'S REPORT**

Michael Pepper presented the 2013 Annual Report, summarizing key areas of TICO's operations, including that the total number of wholesale and retail registrants is 2,550, up slightly from 2,507 the previous year.

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

- Over the 2013 fiscal year, **contributions into the Compensation Fund** were \$516,825 from retail registrants and \$184,205 from wholesale registrants, totalling \$701,030. Echoing Mr. Janigan's comments, he added that these contributions were considerably lower than what registrants were paying seven years ago.
- As of March 31, the **Compensation Fund** stood at \$24,038,718. There had been a smaller decrease in the Fund than anticipated as fewer claims were paid than the previous year (93 in 2012/13 compared to 151 in 2011/12). The total net paid is actually a recovery of \$29,881 due to recoveries of \$195,214. These recoveries included payments related to claims from previous years.
- **443 financial site inspections** were completed. 54% of these inspections were for issues around working capital and trust accounting.
- There was a reduction in **consumer complaints**, from 290 in the previous year to 222 in this fiscal year. 219 written consumer complaints were resolved, many related to files opened in the previous year. TICO successfully assisted consumers in obtaining \$69,512 in restitution. Mr. Pepper noted that receiving only 222 complaints against a \$10 billion sales industry is commendable.
- TICO's **Business Plan** outlines strategic priorities for the period April 1, 2013 to March 31, 2016. More detailed information on TICO's strategic priorities may be found on TICO's website, at [tico@tico.ca](mailto:tico@tico.ca) ▲