

Raising the Bar: INTRODUCING THE TICO EDUCATION STANDARDS

With the November 15 on-line launch of the *Education Standards Study Manual*, the implementation of education standards in Ontario, in accordance with the *Travel Industry Act, 2002* and *Ontario Regulation 26/05*, took a major step forward. To comply with the standards, every person who is working for a retail travel agency in Ontario, and is selling travel services or providing travel advice to the public, must pass the required on-line multiple choice exam by July 1, 2009.

Where this all began...

Since TICO was established, hundreds of complaints and situations have arisen due to the lack of knowledge or misinformation about the rules governing the sale of travel services in Ontario. As the role of the agency and wholesaler, including their 'obligation to the client' and 'due diligence' are spelt out in the *Act* and the *Regulation*, the introduction of a basic course to ensure that all registrants are familiar with the rules will ultimately save consumers, agencies and wholesalers a great deal of stress, time and money. As well, the professional image of the industry will improve enormously.

Working closely with the Canadian Institute of Travel Counsellors (CITC), TICO's Education Standards Committee has dedicated the past few years to determining and developing the curriculum. Much analysis and thought has gone into developing a fair and reasonable system that allows individuals to take and pass the exam within the required time frame.

The Study Manual

By the time you read this, the nine-module Study Manual will be available as a PDF file that can be downloaded from TICO's website

(www.tico.ca), or

from CITC's website (www.citc.ca/en/tico).

Alternatively, it is available for purchase in a 120-page coil-bound edition for \$15.00 plus GST, from CITC.

The entire focus of the Study Manual is the requirements of the *Act* and *Regulation*. There are two levels of the program within the Manual - the Travel Counsellor Section and the Supervisor/Manager Section.

The Travel Counsellor Section

The first five modules are for travel counsellors and the on-line exam will be based entirely upon the contents of these modules:

- Module 1 focuses on TICO's role in the travel industry, as mandated by the Ontario government - including its relationship with the government.
- Module 2 provides an overview of the *Travel Industry Act, 2002*.
- Module 3 reviews advertising and registrant obligations before a sale.

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LETTER FROM THE CEO



There have been many changes in the industry over the last ten years and there is no doubt that there will be many more changes to come. One change that TICO is pleased to announce is the release of its Education Standards Study Manual. A great deal of time has been spent developing the Study Manual, which we hope will help registrants better understand their responsibilities under the *Travel Industry Act, 2002* and Ontario Regulation 26/05. The Study Manual is divided into two sections that relate to Travel Counsellors and Supervisor/Managers. The TICO Education Standards Exams will be available in March of 2008. This issue of **TICO TALK** contains more information about the Study Manual and who needs to meet the Education Standards, which come into effect on July 1, 2009. While I know that having to take an exam can be stressful, it is my belief that having education standards will strengthen this industry.

We encourage travel agents to let their customers know that travel counsellors in Ontario will be required to meet educational requirements. Consumers benefit from your knowledge and professionalism. Also, remember to take advantage of the collateral materials that TICO has available, free of charge, such as posters, window decals and ticket stuffers to educate consumers about the consumer protection that exists in this province. This year, the TICO Board approved a significant increase to its Consumer Awareness Campaign budget and we will be looking at enhancing our campaign to educate consumers on the benefits of dealing with Ontario registered travel agencies. Help us get the message out there and increase your business!

In closing, I would like to pay tribute to Bruce Fraser for his contribution to TICO over the past ten years. Bruce has been the Chair of the Compensation Fund Committee, the Chair of the Audit Committee and the Chair of the Alternate Finance Committee. In addition, he has served on the Legislative & Regulatory Review Committee and the Governance Committee. Bruce has also been the Statutory Director under the *Act*. On behalf of the Board of Directors, TICO staff and the industry, I would like to extend my sincere appreciation to Bruce Fraser for his incredible contributions. It has been a pleasure working with him and we wish him all the best in his future endeavours.

Wishing you all a safe and happy holiday season,

Michael Pepper CEO

- Module 4 addresses a registrant's obligations after the sale but before the client travels.
- Module 5 looks at the Ontario Travel Compensation Fund.

The Supervisor/Manager Section

Modules 6 to 9 pertain specifically to the Supervisor/Manager Exam. Individuals who are on record with TICO as being a supervisor/manager on June 30, 2009 will be grandfathered as long as their responsibilities do not change after July 1, 2009. Those who are not on record as being a supervisor/manager with TICO on July 1, 2009, but who will act as the supervisor/manager of record on or after that date must take and pass the Supervisor/Manager Exam.

- Module 6 covers registration requirements.
- Module 7 focuses on financial and record-keeping requirements.
- Module 8 looks at the complaint process.
- Module 9 addresses investigations and offences.

A combination exam will be available for those wishing to write both the Travel Counsellor and Supervisor/Manager exams at the same time.

The Manual also includes a glossary of terms used, self-testing questions, and samples of both the Travel Counsellor Exam and the Supervisor/Manager Exam, to help prepare for the actual exam. Answers to the exam questions are provided on the CITC website.

From a travel agent perspective...

As a travel agent who deals with the public, as of July 1, 2009 you are required to pass the Travel Counsellor Exam. Upon passing the exam, you will be sent a "Pass" letter by CITC. You must take the original and a copy to your employer, who will keep the copy as proof that you have complied with the Education Standards.

From a call centre travel agent's perspective...

Provided individuals are selling travel services or providing travel advice to the public on behalf of an Ontario travel agency - even if they are working at an out-of-province call centre or after-hours emergency centre - they must, by law, meet the TICO Education Standards by July 1, 2009.

From an agency owner perspective...

As of July 1, 2009, you will have a copy of a letter from each employee attesting that as a staff member who deals with the public, he or she has satisfied the requirements of the TICO Education Standard by passing the Travel Counsellor Exam. If, as an agency owner, you deal with the public, you will have passed the same Travel Counsellor Exam as your staff.

When you renew your TICO registration after June 30, 2009, you will be required to confirm that all staff selling travel services or



Ordering a Study Manual

For those who choose not to print out a copy of the Study Manual, you can order a hard copy from CITC-ONTARIO, 55 Eglinton Avenue East, Suite 209, Toronto, ON, M4P 1G8. Tel: **416-484-4450**, or toll-free at **1-800-589-5776**.

The cost will be \$15 plus GST, and it will be mailed to the person who submitted the order.

The Exam Fees

There will be a registration fee of \$35 + GST to take the Travel Counsellor Exam and a fee of \$35 + GST to take the Supervisor/Manager Exam. If an individual chooses to take the combined Travel Counsellor and Supervisor/Manager Exams at the same time, the fee is likely to be around \$50 plus GST.



The Exam Format

The Travel Counsellor Exam will consist of 50 multiple-choice questions and the Supervisor/Manager Exam will consist of 30 multiple-choice questions. The reasoning for making it available in an on-line format only is to ensure



that all Ontario registrants are able to write the exam, wherever they work, and at a time of their choosing.

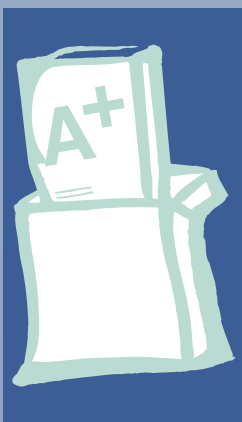
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The Role of CITC

As the Canadian travel industry's educational trade association, CITC has garnered 40 years of expertise in training programs, training manuals and testing. Its extensive experience includes the provision of tele-seminars, educational conferences, distance learning courses and the National Certification Programs (CTC and CTM). An independent non-profit organization, CITC also manages the BC Travel Insurance program.

As a result, CITC is eminently qualified to administer the TICO Education Standards program. Besides administering the exams, CITC will also be providing information to TICO, on request, regarding registration information, verification of an individual passing the exam, on trends and percentages of people passing or failing the exam.

It should be noted that CITC's databases are secure, and the organization is bound by the *Privacy Act* to use records only for the purpose for which they were intended.



PRESENTING

Mike Foster Director TICO Board of Directors



In 1982, Mike Foster opened what was then a little known franchise in London, Ontario. Today, Uniglobe Instant Travel Inc. is one of the area's largest travel agency companies. With so many years of solid operational experience in the travel retail business, Mike has been a key contributor to the creation of TICO's Education Standards program.

Q & A

What was your background in the travel industry?

After completing a tourism and hospitality program at London's Fanshawe College, I joined a travel agency that was apparently one of the most successful agencies in London and I loved the work. Although the agency went into bankruptcy two years later, it didn't put me off the business. I was lucky enough to meet two business partners wanting to invest in Uniglobe and they decided to take a chance on having me - a young 22-year-old - run the business! Eventually I bought one of them out so I now have controlling interest. My remaining business partner is a chartered accountant who provides the financial perspective, while I run the day-to-day operations. It's been a great partnership for 26 years.

Q & A

Are you involved with other travel industry associations, in addition to TICO?

I am Chair of the ACTA Ontario Council and have a seat on the ACTA National Board of Directors. In addition, I chair an Advisory Committee for Fanshawe's Tourism and Hospitality Division.

Q & A

How long have you been on the Board, and which TICO committees are you mainly involved with?

I joined the Board five years ago. As my own business was in the hands of an excellent management team, I decided it was time to give back to an industry that I love, and that has been very good to me. I sit on the Business Strategy Committee and am Chair of the Education Standards Committee.

Q & A

Could you summarize your experience as chair of the Education Standards Committee?

One reason it has been so interesting is that education standards have been on the table since before TICO's inception. Originally the idea was to test travel counsellors on their destination and product knowledge. This is clearly way beyond TICO's mandate of consumer protection. Eventually, it properly evolved into focusing on an agent's knowledge of the legislation.

Q & A

What were some of the challenges?

One was finding a format that would test everyone meaningfully and equitably. As our constituents range from small, family-run agencies in rural Ontario to home-based agents to some of Canada's largest agency chains, they have different needs and ways of operating.

Another challenge was developing an exam that sufficiently tested people but did not drive them from the industry. We tried to look at it from every perspective - from new entrants to the industry, to those for whom English is a second language, to college students about to enter the industry.

And changes at the Board level meant changes at the committee level, which slowed the process as new members came up to speed. However, ultimately we benefited enormously from their fresh perspective and insight.

Q & A

How will the Education Standards impact Ontario's travel industry?

We will have a better-educated, confident, more professional workforce that understands its obligations to the consumer.

Q & A

What are TICO's main challenges?

One is that the travel industry itself does not entirely understand TICO's role and obligations. There is still a belief that TICO is here to serve the industry, rather than to serve the mandate established by the government. However, there is no question on TICO's belief in travel agencies - just look at its advertising campaign. Besides promoting consumer protection, the other message is the value of using a travel agent.

Another challenge is managing the various perspectives. There are representatives of travel agencies, tour operators, motor coach companies, consumers and the provincial government on the Board. That is a lot of constituencies and what serves one segment may not serve another, and TICO has to juggle all of that.

However, under Michael Pepper's expert leadership and his team, TICO is in exceptional hands. Before any decision is taken, TICO carefully considers the impact on every part of the travel industry.

Q & A

Where do you hope to see TICO, in the next few years?

I hope that TICO expands what it does across Canada, and even to other parts of the world. It has built a consumer protection template that can be taken anywhere, domestically and internationally.

I would also like to add that TICO's staff does a terrific job supporting the Board, making our lives easier, and our work more efficient. I am proud to be part of TICO, and would like to encourage everyone in the industry to consider becoming involved.



Farewell to Bruce Fraser

For the past eleven years, W.H. Bruce Fraser, CA, has been 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. Since the formation of TICO, he has been a government appointee on the Board of Directors. Bruce Fraser has also served as the Statutory Director. He has chaired TICO's Compensation Fund Committee, the Audit Committee and the Alternate Finance Committee, and has sat on the Legislative & Regulatory Review Committee and the Governance Committee. In addition, he has been a member of TICO's Executive Committee since its inception. At the end of December, Bruce's ten-year stint on the Board of Directors comes to an end. With his near-perfect attendance at Board and committee meetings, his ready availability and sage advice to TICO staff, and the countless hours he has dedicated to TICO over the years - he will be sorely missed. On behalf of every member of the TICO Board, past and present, and the entire TICO team, we extend our most sincere thanks to Bruce and warmest wishes for a relaxing retirement!

Cruise Lines Surcharge: A Problematic Issue

The recent announcements that various cruise lines will be imposing a new fee on passengers to cover rising fuel costs has many registrants concerned. Travel agents with clients who have already paid in full are very unhappy about the retroactive charge.

How you handle it depends on the terms and conditions detailed on your customer's statement, invoice or receipt, as set out in **Section 38 (1)** of Ontario Regulation 26/05. It should include:

- * Whether the contract permits price increases or not.
- * If they are permitted, it must be stated that no price increases are permitted after the customer has paid in full.
- * If the total price of the travel services is increased and the cumulative increase - with the exception of retail sales taxes and the GST - is more than 7%, the customer has the right to cancel the contract and obtain a full refund.

Section 40 of the Regulation details events that require prompt notification and offer of a full and immediate refund or comparable alternate travel services acceptable to the customer. These include:

- * When the contract permits price increases, the total price of the travel services is increased and the cumulative increase - except any increase resulting from a rise in retail sales tax or GST - is more than 7% of the price of the travel services purchased.
- * When the contract does not permit price increases but the total price of the travel services is increased, whatever the amount or the reason for it.

The legal requirement to include the terms and conditions on the invoice, receipt or statement clarifies the rights of your clients and your responsibilities.

Changing Ownership? What You Need to Know!

Just imagine that you have sold your travel agency and are settling happily into new ventures, or even retirement... when out of the blue, you are notified by TICO that your former business is having problems and that you are still on the hook to provide financial security! A horrifying situation indeed - and unfortunately, it is one that has happened more than once. First and foremost, **Section 8 (3)** of the *Travel Industry Act*, 2002 makes it clear that a registration is NOT transferable, under any circumstances.

In addition, there are several other important requirements under the *Act* that you must abide by, should you decide to sell your business to a new owner.

ALL REGISTRANTS

- **Section 24 (1)** of the *Act* requires registrants to notify the Registrar in writing within five days after the event of any change in the officers or directors of a corporation or partnership.

CORPORATIONS

- Please remember that **Section 5 (1)** of the *Act* states that a change in the officers or directors of a corporation registered as a travel agent or travel wholesaler may only be made with the consent of the Registrar. Therefore, registrants must ensure that any changes being considered must be approved by the Registrar.
- **Section 15** of the *Act* states that the Registrar must be notified, in writing, within 30 days after the issue or transfer of any equity shares of the corporation in certain circumstances, which are detailed in that section of the *Act*.

PARTNERSHIPS

- **Section 5 (2)** of the *Act* provides that a change in the membership of a partnership shall be deemed to create a new partnership for the purpose of registration.

BOTTOM LINE

Should you decide to sell your business, TICO strongly recommends that you get comprehensive legal advice, so that every eventuality is considered before you complete the sale.

In fact, this advice applies beyond the realm of the travel industry legislation. There are other requirements - at both a provincial and federal level - that you are obliged to adhere to when you are selling a business, whether it's a sole proprietorship, a partnership or a corporation.

By fully understanding all of your responsibilities before contracts are signed, you will avoid unpleasant surprises later! ▲

Court Matters

► CHARGES

Sendas Tours Inc. and Mariana Peralta have each been charged with 19 counts of failing to maintain trust accounting, contrary to **Section 27** of Ontario Regulation 26/05, made under the Ontario *Travel Industry Act*, 2002.

1482228 Ontario Inc. o/a Nile Travel and Milad Daoud have each been each charged with one count of acting or holding themselves out as being available to act as a travel agent without being registered, contrary to **Subsection 4(1)(a)** of the *Travel Industry Act*, 2002. The defendants were previously charged with three counts each of operating without registration, contrary to **Subsection 4(1)(a)**.

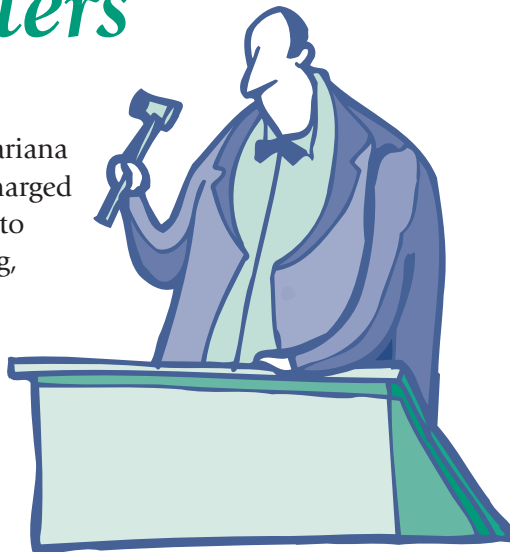
► CONVICTIONS

Elorine Johnson was convicted of two counts of failing to maintain trust accounting, contrary to **Section 36** of Ontario Regulation 806/93 made under the *Travel Industry Act*. Ms. Johnson was also convicted for making a false statement, contrary to **Section 25(1) (a)** of the *Act*. She was fined \$1,500 and sentenced to a two-year period of probation, which includes making restitution to TICO in the amount of \$20,456.88 and 150 hours of community service, to be completed within the probationary period.

Gail Ellen Tilbrook and National Direct Response Marketing Canada Inc. were convicted of one count each of operating without registration as a travel agent, contrary to **Section 3(1)** of the Ontario *Travel Industry Act* and of one count each for unfair business practices including making false, misleading and deceptive consumer representations, contrary to **Section 2(1)(viii)** of the *Business Practices Act*. Ms. Tilbrook was sentenced to 30 days in jail and a warrant was issued for her arrest.

► REVOCATIONS

Between August 13 and November 9, 2007, two companies had their registrations revoked: TDC Holidays Inc. and 1521103 Ontario Limited o/a Citywide Tours. ▲



Closing doors

Alves Travel Inc. voluntarily terminated its retail registration under the *Travel Industry Act*, 2002 on August 9, 2007. The company was located at 499 Main Street South, Suite 209, Brampton and mainly sold air-only to Portugal.

Any consumers who have purchased travel services from Alves Travel Inc. and did not receive these services due to the closure are being advised to make a claim to the Compensation Fund. Travel agents and/or consumers with concerns are encouraged to contact TICO at **1-888-451-8426** or **(905) 624-6241** to request a claim form and/or to speak to TICO's Claim Co-ordinator. To date, the Compensation Fund has paid approximately \$37,000 to assist 36 consumers. Total exposure to the Compensation Fund is unknown at this time.



Upcoming Issues

In future issues of TICO TALK we plan to include:

- A detailed look at TICO's new Education Standards' examination process
- Update on the Consumer Awareness Campaign
- Progress of the Travellers' Protection Initiative

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providing travel advice to the public are compliant with the Standards. You will also be obliged to ensure that the Supervisor/Manager of the agency has complied by passing the Travel Counsellor Exam and, if necessary, the Supervisor/Manager Exam.

From an agency manager perspective...

You will have passed the Travel Counsellor Exam by June 30, 2009. If you have already been approved as a Supervisor/Manager by TICO prior to June 30, 2009 and you are remaining in your current position with the same basic responsibilities after that date, you will be granted a temporary exemption from having to pass the Supervisor/Manager Exam. If you have not been approved by TICO and wish to act as the Supervisor/Manager of record with TICO on or after July 1, 2009, then you must pass the exam.

As an agency manager, you are also responsible for ensuring that all travel counsellors are compliant with the Standard.

By July 1, 2009, everyone in Ontario's retail travel industry must have passed the relevant exam, with the exception of the temporary exemption of Supervisor/Managers already on record with TICO. Failure to comply with the Education Standards could result in some form of administrative or disciplinary action being taken by the Registrar against the travel agent.

The Exam

CITC has been contracted by TICO to administer the Education Standards Exams process, and the exams will be available to be taken, on-line, in March 2008. Everyone taking either of the exams must register beforehand. CITC will require a minimum of 14 business days between a candidate registering to write the exam on a specific date and the actual exam sitting.

Detailed information on the exam-writing process - including on the role of proctors, individual and group registration, study tips and more - will be available early in 2008, and will be covered in detail in the next issue of TICOTALK.

Looking forward...

One of the key benefits to conducting the study and certification on-line is that it will be easy to update sections of the Study Manual and individual exam questions, as circumstances - or the legislation - evolves. And once the Study Manual and exam questions have been finalized, TICO is looking into having them translated into French.

The end result will be one of which we all should be proud: a more educated, knowledgeable and professional workforce. We urge you to tell your customers about the new requirements - because, as Ontario's travel consumers, they will be the ultimate beneficiaries.