

TIME TO PARTICIPATE!

With the upcoming **Annual General Meeting** fast approaching (see page 6 for the Notice of the AGM, which is to be held on September 18, 2012), TICO strongly encourages all registrants to attend. The AGM provides an excellent opportunity for you to meet TICO's Board of Directors and TICO's staff. By attending, you will acquire a deeper understanding of how TICO operates and what its mandate is.

Besides hearing, first-hand, about TICO's initiatives and other timely issues, the AGM is your chance to ask questions and make suggestions to TICO's Board of Directors – either during the AGM or at the reception afterwards. It also offers an occasion for you to network with other members of Ontario's travel industry, and to discuss some of the crucial issues that will impact your future livelihood. TICO would be delighted to welcome as many of you as are able to attend.



Keeping Informed

Since TICO was launched, many industry leaders have urged registrants to work at becoming fully informed about the industry they have chosen to work in. One of the best ways is by committing your time and attention to TICO's ongoing activities – from participating in town hall meetings to expressing concerns on issues that arise, and attending the AGM. As registrants, you should be aware that one of TICO's key roles – through working closely with the Ontario government – is to develop and nurture a fiscally sound travel industry. For this to be achieved, the solid involvement of all stakeholders is required. It cannot be emphasized strongly enough: having active industry representation is key to the healthy growth of Ontario's travel industry.

For the most up-to-date information on developments that impact registrants, TICO's website, www.tico.ca is your very best source, while TICO Talk provides a quarterly perspective, including in-depth interviews with leaders in Ontario's travel industry.

As initiated last year, TICO will continue to combine the Business Plan and the Annual Report. The Business Plan for 2012-2015 and the Annual Report for 2011-2012 will be available online at www.tico.ca. There will also be hard copies available for those who attend the Annual General Meeting. Registrants unable to attend may watch a live webcast of the event, an option that we have offered for the last few years. ▲

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TICO BOARD OF DIRECTORS 2012

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Hanover Holiday Tours Limited
Hanover, ON

Jeff Element
President
The Travel Corporation (Canada)
Toronto

Daryl McWilliams
Vice President Sales & Marketing
Sunwing Travel Group
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President
NARAT Incorporated
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Hamilton

Kathleen Warren, CTM
Senior Travel Consultant
Allison's Travel Agency Ltd.
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Thomas Cook Canada Inc.
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Executive Director and General Counsel
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.
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Rosenthal Pervez & Noor LLP Chartered
Accountants
Mississauga

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

LETTER FROM THE CEO

This issue of *TICO Talk* encourages registrants to keep informed and get involved with TICO and its initiatives. Our AGM is less than a month away and is a perfect opportunity for you to get caught up on what TICO has been doing over the last year and to find out what we are planning going forward. I invite all registrants to attend. If you are not able to attend in person, the event will be webcast so you can view the presentations online from your home or office.



One of the initiatives that TICO wants to get registrants more engaged in is TICO's Consumer Awareness Campaign. Over the next few months, TICO will be reaching out to registrants to let you know how you can participate. Ultimately, we want to ensure that the travelling public understands the benefits of using registered travel agencies in Ontario and the pitfalls they could face if they make travel arrangements with unlicensed agencies or directly with travel suppliers outside the jurisdiction.

TICO has been working to raise the bar for the travel industry in Ontario and to promote the professionalism of you - TICO registered travel agencies and the travel counsellors that you employ. We want to capitalize on the standards that agencies have to maintain in order to be registered with TICO. Promote yourselves by displaying the fact that you are registered with TICO. Display the "Code of Ethics" in your office and on your website. Make reference to the fact that you have met financial criteria and you abide by strict rules regarding advertising, disclosure and how you handle customer monies. Boast about the fact that there are education standards. These are all positive messages that will foster peace of mind and lead to lasting relationships with your customers.

TICO staff will be at industry events in the fall to provide you with more information on the new campaign and the key role that you can play in making it a success. Working together, we can ensure that there is a safe and informed marketplace where consumers can be confident in their travel purchases.

Enjoy these final days of summer and I wish you all a happy and prosperous fall season,

A handwritten signature in blue ink, appearing to read "Michael Pepper". The signature is stylized and fluid.

Michael Pepper,
President and CEO

A Primer on TICO's Reach – Legally and Financially

TICO is sometimes viewed as an enforcement agency, as an advocacy group, or as a government entity. While there are elements of truth in each of these views, as TICO wears many hats, none captures what TICO is, as an organization. Michael Janigan, Chair of TICO's Board of Directors, provided a helpful overview on the extent of TICO's authority at last year's AGM. As his comments clarified what TICO's role is, and the constraints under which it operates, they are included here, for all registrants to peruse.

The Delegated Administrative Authority model in Ontario is unique, and TICO has a number of obligations that it must meet, and interests that it must balance. TICO is not government. It is a non-profit corporation, and its main purpose is to administer the *Travel Industry Act, 2002* and the Regulation in order to maintain a fair and informed marketplace and to enhance consumer protection. TICO is also responsible for administering the industry-financed Compensation Fund. As a corporation, TICO has obligations under corporate law.

An Administrative Agreement between TICO and the government sets out the terms of the delegation, as a result of which there are many obligations with which TICO must comply.

However, TICO is also a membership-based organization, with bylaws that set out additional rules regarding its operation. As such, members (registrants) have both rights and obligations under those bylaws.

Ensuring Compliance

As a Regulator, TICO has to ensure that registrants comply with the *Act* and the Regulation. However, the relationship between TICO and registrants need not be adversarial. TICO's goal is to see that registrants comply with the rules for the betterment of the whole industry, and works hard to bring them into compliance with the legislation.

TICO's Limits

TICO has a role to play in managing the industry, but does not have the authority to make laws. That authority remains with the provincial government. As a Delegated Administrative Authority, TICO is subject to the *Safety and Consumer Statutes Administration Act, 1996*, which confers certain powers and imposes certain duties upon TICO.

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The Consumer Awareness Campaign – a New Approach!

The results of the 2012 TICO Awareness Tracking Study (which was directed at purchasers of travel services in Ontario) and the on-line survey that sought the opinions of TICO registrants about the Consumer Awareness Campaign have been very helpful, providing useful insights on the effectiveness of the campaign.

Building on these, TICO has decided to pursue a different course of action. Rather than gearing the campaign directly at consumers, as has been the practice until now, TICO plans a more industry-focused approach. We believe that by working closely with registrants on effective ways to promote TICO to your clients, it can reasonably be expected that there will be an elevation of consumer awareness on the reasons for always purchasing travel services through a TICO registrant.

The specifics of the messaging for this new campaign will be announced at the Annual General Meeting and we are looking forward to sharing the details with you.



Election Update

As announced in the last issue of **TICO Talk**, a wholesaler position was open on the Board of Directors, and a letter was sent to all registrants inviting nominations. One eligible nomination was received for the position. The name of the person will be announced at the Annual General Meeting on September 18, 2012.

TICO TALK Feedback

Once again, the value of being involved with TICO (as well as with other travel industry associations) has been pointed out. Read the comments of Daryl McWilliams, Vice President Sales & Marketing, Sunwing Travel Group, who is profiled on page 4. At the risk of sounding repetitive, every TICO registrant should be aware of and understand the actions and direction of an organization that impacts and influences your industry and your future.

By reading **TICO Talk**, registrants will have a better grasp of the complex issues faced by Ontario's travel industry. We hope that you will contact us if you have questions, comments or concerns on anything that you read in the newsletter. Your opinions matter. We can be reached at (905) 624-6241, or at 1-888-451-TICO, or by e-mail to tico@tico.ca.



Daryl McWilliams

Director,
TICO Board of Directors



What is your background in the travel business?

I started in the travel industry following my graduation from McMaster University in 1970 and worked in several management and executive positions with both Sunflight and Skylark before starting my own company, Paramount Holidays, in 1981. Following the sale of Paramount Holidays, I launched Encore Cruises in 1991, in partnership with U.K.-based International Travel Holdings, the owner of several Canadian tour operations including Adventure Tours. In 1995 I sold my interest in Encore to First Choice, the British travel conglomerate that had emerged from International Travel Holdings (Adventure Tours et al) following a rebranding of both the Canadian and U.K. companies. I had a brief stint in retail travel between 2001 and 2004 before joining Sunwing Vacations, where I currently hold the position of Vice President Sales and Marketing.

What involvement have you had with other travel industry associations besides TICO, and in what capacity?

I was one of the founding members of CATO and have served in the capacity of Chairman as well as two stints as Vice Chairman, an office I currently hold. Over the years, my involvement with CATO has allowed me to work closely with other trade organizations such as ACTA, together with TICO. It is that involvement that has led me to my current position on the TICO Board.

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

I think the most important work being done by TICO involves four of our committees. This is not to say that the work of the other committees is not valuable and necessary, but in my opinion

the Alternate Finance Committee, the Education Standards Committee, the Compensation Fund Committee and the Legislative and Regulatory Review Committee are all involved in work that is essential to shaping the future of Ontario's travel industry.

I believe the Alternate Finance Committee's work with respect to the Compensation Fund is critical to ensuring the continued financial well being of the Fund and to providing protection to Ontario's travelling public.

Working closely with CITC, the Education Standards Committee has brought minimum standards to the industry, ensuring that employees in the travel industry understand the rules governing their conduct when selling travel services to the public. This is essential to maintaining the professionalism that is required by those working in the industry, to ensure the confidence of Ontario travellers.

The Compensation Fund Committee provides Ontario travellers with what I am sure is, in their opinion, the single most important element to the Regulation: namely, protection from registrants whose business has failed. This committee ensures that the intent of the Regulation regarding refunds is enforced and provides the consumer with confidence and a degree of security in dealing with TICO registrants. The value of this interaction between TICO and the consumer cannot be overemphasized, since the Compensation Fund Committee provides the consumer with a means to seek reimbursement when travel services are not provided.

The Legislative and Regulatory Review Committee provides significant input to the government about government-proposed changes to the current legislation. As such, this committee represents an extremely important link between the travel industry and the provincial government.

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

First, I personally would like to see a user pay fund replace the current mechanism sometime in the next five years, hopefully sooner rather than later. Second, I'd like to see more participation by those employed in Ontario's travel industry in their various associations, so that they develop a more comprehensive understanding of the issues affecting both the industry and the consumer who buys our products. Third, I would like to see a gradual but constant raising of the qualifications bar for those working in the industry.

Continued on page 6...

Dates to Note

October 11-14, 2012

Ski and Travel Show

Better Living Centre
Exhibition Place
195 Princes Boulevard
Toronto

October 19 – 21, 2012

The National Woman's Show

Metro Convention Centre
South Building
222 Bremner Boulevard
Toronto

October 27 – 28, 2012

Zoomer Show

Direct Energy Centre
100 Princes' Boulevard
Toronto

November 3 – 4, 2012

National Women's Show - Ottawa

CE Centre
4899 Uplands Drive
Ottawa

November 6, 2012

CITC Annual Student-In-Travel Conference & Trade Show

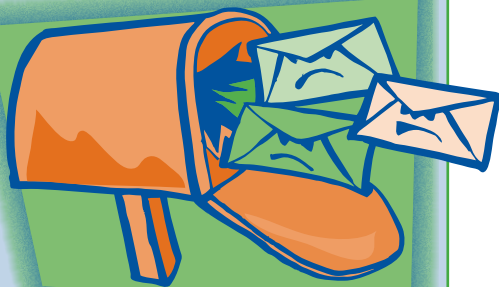
South Building
222 Bremner Boulevard
Toronto



Reasons to Complain

Last year TICO received 232 written consumer complaints. In processing them, TICO successfully assisted consumers in obtaining \$57,205 in restitution. In addition to the written complaints, TICO handled 1,686 telephone complaint inquiries and 459 email complaint inquiries. The following list encompasses the most frequent types of written complaints received from consumers during 2010/2011:

- Incomplete or incorrect information provided to the consumer by the registrant
- Invoicing issues (e.g. not complete with required information or not provided to the consumer)
- Cancellation/Flight Delay
- Outstanding refunds
- Price disputes
- Disclosure of terms and conditions of reservation
- Incorrect ticketing/ticketing errors
- Information/documentation (issues related to travelling with passports and other travel documents)
- Accommodation purchased by the consumer changed or not provided in the destination
- Customer service issues.



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 18, 2012 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. Notice was received by the Corporate Secretary from Darren Swidler of TruExperiences Tours in Toronto of his intention to bring a motion requesting that the Board of Directors consider retaining the services of an independent consultant on a temporary basis to conduct a comprehensive review of registrant compliance costs and TICO's operations. The goal of the independent consultant would be to provide recommendations on ways to reduce the compliance costs for registrants while maintaining consumer protection and to provide recommendations on ways to improve TICO's efficiency, accountability and transparency including identifying potential cost savings. A copy of Mr. Swidler's proposed motion is available on TICO's website.

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

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

Members who will not be attending the meeting are invited to submit written requests for proxies. Copies of the audited financial statements as at and for the fiscal period ended March 31, 2012 will be available at the Annual General Meeting and may be requested in writing prior to the meeting.

DATED at Mississauga this 13th day of August, 2012.

On behalf of the Board of Directors
Tracey McKiernan, Secretary

2700 Matheson Blvd. East, Suite 402, West Tower, Mississauga, Ontario L4W 4V9
Tel: (905) 624-6241 Fax: (905) 624-8631 Toll-free: 1-888-451-TICO
E-mail: tico@tico.ca Website: www.tico.ca

Presenting Daryl McWilliams continued from page 5

What do you think has been the single biggest change in the travel industry, from a positive perspective, over the last few decades?

The advent of the Internet, as it provides both consumers and travel agents with an immense resource at a relatively inexpensive cost. Now consumers can do more research themselves, leading to more probing questions put to travel agents, which in turn requires better trained agents to handle them. Similarly, the travel agent is now able, through the Internet, to enhance their own knowledge, on top of all their professional training – and it has become imperative that the travel agent does this.

The Internet has changed the way we work on a daily basis, beyond recognition. Without a doubt, it has been the most positive force for change, and the most far-reaching. ▲

Court Matters

CHARGES

Shelley D'Angelo, o/a **Contessa Vacations**, has been charged with one count of operating as a travel agent without registration, in the City of Toronto and elsewhere in Ontario, contrary to **Section 4(1)(a)** of the *Travel Industry Act, 2002*.

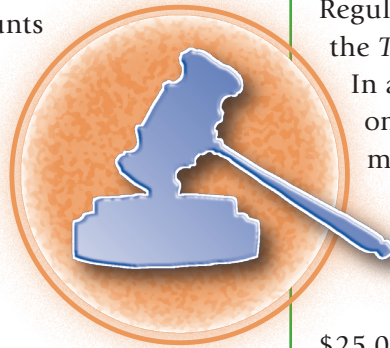
Aamir Rashid has been charged with two counts of operating as a travel agent without registration, contrary to **Section 4(1)(a)** of the *Travel Industry Act, 2002*. Mr. Rashid previously worked for **Minfare Travel Inc.** in Mississauga, Ontario. Minfare Travel Inc.'s registration under the *Act* was revoked on May 25, 2011.

Shireen Akhtar and **Minfare Travel Inc.** have been charged with 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*. Minfare Travel Inc.'s registration under the *Act* was revoked on May 25, 2011. Ms. Akhtar is the president of Minfare Travel Inc.

Hilan Oraha, o/a **Dolphin Travel**, has been charged with one count of failing to maintain trust accounts, contrary to **Section 27** of Ontario Regulation 26/05 made under the *Travel Industry Act, 2002*. Hilan Oraha, o/a **Dolphin Travel**, has also been charged with two counts of operating as a travel agent without registration, contrary to **Section 4(1)(a)** of the *Act*. Hilan Oraha o/a **Dolphin Travel's** registration under the *Act* was terminated on February 15, 2012. Ms. Oraha continued to operate as **Dolphin Travel**, in Toronto and elsewhere in Ontario, after her registration was terminated.

Ragubayan Logasundaram has been charged with one count of failing to comply with a probation order, contrary to **Section 75** of the *Provincial Offences Act*. Mr. Logasundaram was previously convicted under the *Travel Industry Act, 2002* for failing to maintain trust accounts and failing to advise the Travel Registrar of a change in location and bank accounts. As part of the probation order, Mr. Logasundaram was to pay restitution to TICO in the amount of \$8,750 and he failed to pay the restitution in its entirety.

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 Toronto Region. He was previously charged in March 2011 and March 2012 for operating without registration, and those charges are still before the courts.



CONVICTIONS

Simon Shiva Bala has been convicted on one count of failing to maintain trust accounts, contrary to **Section 27** of Ontario Regulation 25/05 made under the *Travel Industry Act, 2002*.

In addition, he was convicted on one count of failing to maintain the minimum working capital required, contrary to **Section 24** of the Regulation.

Mr. Bala was fined \$25,000 for each count, for a total fine of \$50,000. As well, Mr. Bala is to pay \$100,000 in restitution to TICO, \$50,000 of which was paid at the time of sentencing. He is subject to a two-year probation order, which includes paying the balance of the \$50,000 restitution to TICO within 30 days. Mr. Bala must inform TICO within 15 days of employment in the travel industry, and notify potential employers in the travel industry of his conviction under the *Act*. Mr. Bala was the Vice President of **Conquest Vacations Inc.** and approximately \$1.9 million in claims were paid out of the Ontario Travel Industry Compensation Fund to assist consumers, as a result of the company's bankruptcy.

REVOCATIONS

Between May 9 and August 8, 2012, three companies had their registrations revoked: 4150793 756443 **Ontario Ltd.** o/a **Inter Travels**; 50018814 **Rah Travel and Tour Inc.**; and 50018902 **HYI Corporation** o/a **Sun & Day Vacation**. ▲

Upcoming Issues

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

- Report on the Annual General Meeting
- Consumer Awareness Campaign 2012-2013
- Trade Shows and upcoming events

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Travel Industry Council of Ontario

2700 Matheson Boulevard East,
Ste 402, West Tower,
Mississauga, Ontario L4W 4V9.

Tel: (905) 624-6241

Fax: (905) 624-8631

Toll-free: 1-888-451-TICO

e-mail: tico@tico.ca

web site: www.tico.ca

A Primer on TICO's Reach – Legally And Financially continued from page 3

It's important to understand that while a board of a Delegated Administrative Authority can make recommendations to the Minister on amendments to acts and regulations, it is also obliged to suggest amendments that it considers would contribute to the purpose of the *Act*: primarily, consumer protection.

A Fine Balance

Consequently, TICO is not always able to advocate for the changes that the industry might want. The TICO Board has to balance competing interests, and ultimately be satisfied that anything it puts forward to the Minister will not diminish consumer protection.

That said, TICO is always willing to look at issues of concern to the industry. One of the reasons that TICO consults extensively is because it wants to have fair, practical, workable rules that the industry can reasonably comply with. TICO has no desire to unnecessarily burden business.

The Compensation Fund

From TICO's inception in 1997 to 2006, the Compensation Fund grew steadily, from \$4 million to almost \$30 million. In 2006, Ontario's government passed the *Good Government Act, 2006* that – among many other things – enabled TICO to set the Compensation Fund payments. Shortly thereafter, the Board of Directors approved a new Payment Schedule that dramatically reduced assessment rates to registrants. As of the 2011 Annual Report, the Compensation Fund stood at \$25.3 million. Although it appears that TICO has experienced continued losses over the last few years, these losses are the result of an intentional decrease in the assessment rates, which was designed to reduce the Fund to a desired level of between \$20 million and \$25 million. This level was recommended in an actuarial report that was previously obtained by TICO.

Erroneous Comparisons

From time to time, TICO is compared to similar jurisdictions in British Columbia and Quebec. However, since those consumer protection agencies are part of their respective provincial governments, this is not a realistic comparison. TICO is not a branch of government. In addition, TICO is different from the other Delegated Administrative Authority in Ontario. Some others, such as OMVIC and RECO, register individuals, whereas in the travel industry, companies or entities – not individuals – are registered. ▲