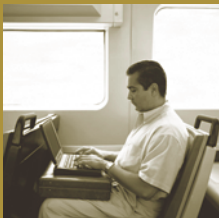




TRAVEL INDUSTRY COUNCIL OF ONTARIO



# BUSINESS PLAN 2002



June 25, 2002

Honourable Tim Hudak  
Minister of Consumer and Business Services  
250 Yonge Street, 35th. Floor  
Toronto Ontario  
M5B 2N5

Dear Minister Hudak:

On behalf of the Travel Industry Council of Ontario, we are pleased to submit our fifth Business Plan, which covers the three-year period from 2002 to 2005.

The past year has been a challenging one for those involved in the travel industry. The September 11th terrorist attacks in the United States had a profound impact on the travel sector and other global changes including consolidations, commission cuts and e-commerce have had a large impact on the business. In order to remain competitive, businesses have had to make changes. In this business plan, TICO has attempted to be responsive to those changes going on in the industry and to anticipate the needs of the future in order to better serve our stakeholders.

Unfortunately, some businesses did not survive the turbulent times of 2001. The failure of Canada 3000 Airlines affected TICO and its Registrants. That failure emphasized the gaps in federal consumer protection laws in this country. The provincial government responded to the event with changes to the Regulation under the *Travel Industry Act*. TICO anticipates that it will pay claims up to the maximum of \$5 million in fiscal 2002/03 in relation to the Canada 3000 failure.

TICO does have concerns about travel agents and wholesalers bearing an unfair burden in being responsible to compensate consumers for lost end supplier services when they cannot anticipate or control these events. The proposed Passenger Protection Plan, which was recently rejected in Canada, would have gone a long way towards improving the situation for consumers and for registered agents and wholesalers in this province. TICO recognizes that there is a need for consumer protections in place to cover air passengers. TICO has made it an objective to liaise with other jurisdictions to eliminate gaps in consumer protection over the next year.

Consumer protection remains TICO's number one objective. TICO recognizes that to meet its mandate, it needs to invest in its Board. This year, TICO will be focusing on Board Governance issues. As well, TICO continues to liaise with the government regarding changes to the *Travel Industry Act* and Regulation. TICO will keep stakeholders updated on this process.

The next year should be an interesting one in the travel sector. TICO will continue to do all it can to promote a fair and informed marketplace where consumers can be confident in their travel purchases for the benefit of all stakeholders.

Sincerely,

Richard Vanderlubbe  
Chair, Board of Directors

Michael Pepper  
President and CEO

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# General Overview

On June 25 1997, the Travel Industry Council of Ontario (TICO) was delegated to take responsibility from the Ministry of Consumer and Business Services (MCBS) (formally the Ministry of Consumer and Commercial Relations) for administering the *Travel Industry Act* (the Act), which governs all of the approximately 3,000 travel retailers and wholesalers registered in Ontario and The Ontario Travel Industry Compensation Fund Corporation (the Compensation Fund).

In assuming this commission, TICO established an initial agenda not just to provide the services delegated, but to elevate the industry to new levels in consumer protection, professional standards and regulatory compliance.

The 5th year Business Plan which follows outlines:

- ▶ The specific objectives, actions and performance measures for accomplishing the agenda in an ongoing three-year planning period.
- ▶ The operating environment established to support it.
- ▶ The mission, vision and values that will serve as guiding principles to staff and Board members, and against which all initiatives are being measured.

For purposes of TICO, MCBS, the Act and this Business Plan, the following definitions apply:

- ▶ **Registrant:** a travel wholesaler (tour operator) or travel agent (retailer) who is registered in Ontario under the *Travel Industry Act*.
- ▶ **Non-Registrant:** an organization which supplies travel services, but is not registered in Ontario including (but not limited to):
  - wholesalers and retailers not located in Ontario
  - companies which sell to clients in Ontario by means of advertising, the internet or toll-free phone line, but where the home base or call centre is not located in Ontario.
  - end suppliers (e.g. airlines, hotels, rail services, cruiseships), which may or may not be located in Ontario.



## Mandate

TICO's mandate is to support the Ministry of Consumer and Business Services' mission of maintaining a fair, safe and informed marketplace as it relates to Ontario's *Travel Industry Act*. This mandate is accomplished by developing and fostering high standards in:

- ▶ Consumer protection
- ▶ Registration, inspection, supervision and discipline of Registrants
- ▶ Consumer education and awareness
- ▶ Investigating and mediating disputes between consumers and Registrants

In addition, future programs will serve to support this mandate by:

- ▶ Promoting fair and ethical competition within the industry
- ▶ Supporting a Code of Ethics
- ▶ Maintaining and enforcing programs that provide for consumer compensation in specific circumstances
- ▶ Promoting an expected level of education as a criterion for registration
- ▶ Encouraging legislative and regulatory amendments aimed at enhancing industry professionalism and consumer confidence.



# Mission, Vision and Values



## TICO'S Mission

TICO's founding Board established a mission that informs internal and external audiences why TICO exists, and against which it will measure all programs, services and initiatives.

TICO's mission is:

*"To promote a fair and informed marketplace where consumers can be confident in their travel purchases."*

## TICO'S Vision

TICO's vision sets the direction for what it wants to achieve as an organization.

TICO will be known as:

- ▶ A leader in developing an improved system of consumer protection
- ▶ A model for a progressive, fair and firm administrator of industry regulations
- ▶ A developer, promoter and advocate of good business ethics and harmonized standards in the travel industry.

## TICO'S Values

TICO has a set of values that show how business will be conducted, what is important in how it deals with people and the basis for how its vision will be achieved.

TICO will be:

- ▶ Fair, but firm in its conduct with Registrants and consumers
- ▶ Responsive and open in communicating with consumers and Registrants, while respecting the business confidentiality of Registrants
- ▶ Visionary in its approach to improving the industry and industry practices, while remaining accountable to all stakeholders for the cost-effectiveness and practicality of solutions and initiatives.

Above all, TICO will be ethical in everything it does.

## Clients

While TICO activities are focused on consumer protection, its clients also include the Ontario-registered travel retailers and wholesalers who fund TICO through registration fees and who pay regular fees into the Compensation Fund.

TICO serves Registrants by justifying consumer confidence in purchasing from the Ontario travel industry. This is accomplished through:

- ▶ Ongoing services and special projects aimed at monitoring and ensuring compliance with the Act and Regulations
- ▶ Making consumers aware of the benefits of dealing with Ontario Registrants
- ▶ Enhancing industry professionalism
- ▶ Providing consumer compensation and recourse in specific circumstances
- ▶ Striving to ensure the Act and Regulation remain relevant to emerging issues.

In carrying out these services and initiatives, TICO works with stakeholder groups including:

- ▶ Consumers: to increase awareness of their own rights and responsibilities, and those of the Ontario travel industry under the Act.
- ▶ All Registrants and industry associations: to harness their knowledge and commitment to ethical and open competition. The associations include:
  - ▶ The Canadian Association of Tour Operators (CATO)
  - ▶ The Association of Canadian Travel Agents – Ontario (ACTA – Ontario)
  - ▶ The Canadian Institute of Travel Counsellors of Ontario (CITC)
  - ▶ The Ontario Motor Coach Association (OMCA)
- ▶ Government: which has delegated to TICO the responsibility for administering the Act and which holds TICO accountable for supporting its mandate of a fair, safe and informed marketplace.

## Services

The services delegated to TICO to provide are detailed below.

### Registration

- ▶ Processing new applications – ensuring criteria and standards are met
- ▶ Processing registration renewals – ensuring criteria and standards continue to be met, for example:

- financial viability including compliance with financial criteria under the Act and Regulation
  - supervisor / manager qualifications
  - other compliance issues (e.g. advertising standards)
- ▶ Registrant and consumer inquiries.

### Consumer Protection

- ▶ Administering the Compensation Fund
- ▶ Inspections:
  - financial reviews of Registrants to minimize risk to consumers
  - checking compliance of Registrants with advertising regulations, terms and conditions of registration and disclosure to consumers (e.g. conditions of booking)
- ▶ Compliance: employing administrative compliance measures to ensure that Registrants correct deficiencies that have been identified
- ▶ Investigations: investigating instances of suspected breaches of the Act which could result in prosecution
- ▶ Enforcement: suspensions, proposals to revoke registrations, laying charges under provincial statutes and referrals to criminal authorities
- ▶ Consumer inquiries
- ▶ Consumer education

### Complaint Resolution

- ▶ Resolving complaints:
  - between consumers and Registrants
  - between consumers and TICO
  - between Registrants and TICO
- ▶ Where complaints have not been resolved, providing information on other options

*The process is outlined in more detail on page 4.*

### Government Liaison

- ▶ Working closely with MCBS for purposes of issues management, regulatory reform and matters of public interest.

### Additional Responsibilities

In addition to the delegated responsibilities, TICO intends to provide the following:

- ▶ Consumer education and awareness on the benefits of purchasing travel services from Ontario Registrants and the inherent risks of dealing with non-Registrants.
- ▶ Consumer and Registrant awareness with respect to the emergence of electronic commerce as it relates to the travel industry



## The Ontario Travel Industry Compensation Fund

Under TICO, the Compensation Fund continues to protect consumers who purchase travel services from Registrants in the event of a Registrant's financial failure.

## TICO's Complaint Handling Process

### Consumer-to-Registrant Complaints

TICO offers complaint handling for consumer-to-Registrant disputes. After encouraging consumers to pursue all avenues with the Registrant, TICO staff will assist with the goal of reaching a mutually acceptable solution. When a complaint involves allegations of non-compliance with the Act, the Registrar will undertake the necessary compliance and enforcement action. When a mutual solution is not reached, the consumer will be provided with information regarding options to further pursue matters.

### Registrant-to-Registrant Complaints

Registrant-to-Registrant disputes have traditionally not been handled by the Registrar, unless financial issues or other allegations of non-compliance with the Act are involved.

### Complaints Against TICO

Consumers with complaints about TICO's activities are invited to contact the Complaints Committee of the Board of Directors.

The Complaints Committee's mandate is to review and resolve, as appropriate, complaints against TICO, which are based on dissatisfaction with the quality and fairness of its services to Registrants and consumers. To ensure its impartiality, the Committee is composed of representatives of the various stakeholders.

Also, appeals against the Registrar's administrative decisions may proceed, as appropriate, to the Licence Appeal Tribunal, formerly the Commercial Registration Appeal Tribunal.

Complaints may be submitted by phone, fax, mail or email. TICO endeavors to resolve complaints within 45 days.

TICO will monitor and report on its complaint handling process in its Annual Report.

## Resources

TICO is a not-for-profit corporation wholly financed by Ontario-registered travel agencies and wholesalers through bi-annual registration fees. In addition, the Compensation Fund is financed entirely by Ontario travel industry Registrants through contributions based on sales revenue.

## Structure

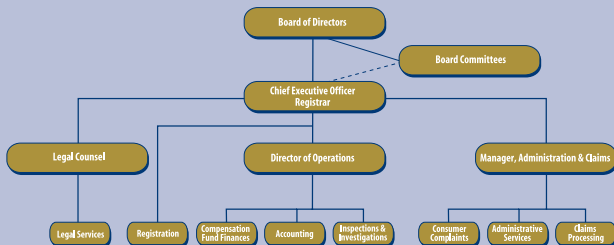
TICO delivers services through the operating structure outlined in the chart (on page 5). In addition, at a strategic level, a number of Board committees address issues related to the organization's overall mandate, goals and objectives. Currently there are nine committees that have been established, as illustrated in the table on the following page.

## French Language Plan

TICO endeavours to ensure that it is responsive to all inquiries received in the French language. An equivalent level of service in both English and French is provided whenever and wherever demand and customer service warrant.



## TICO Operating Structure



## TICO Committees

Committee	Mandate
Executive	<ul style="list-style-type: none"> <li>▶ Manage emergency issues on an ad hoc basis.</li> <li>▶ Interim support for CEO between board meetings.</li> <li>▶ Review of large closures.</li> <li>▶ Make recommendations regarding composition of board committees.</li> </ul>
Business Strategy	<ul style="list-style-type: none"> <li>▶ Produce TICO's Business Plan and monitor performance measures.</li> <li>▶ Develop a system of administrative penalties.</li> <li>▶ Develop business policies on key issues of TICO authority (e.g. misleading advertising and financial compliance)</li> <li>▶ Refer issues for legislative and regulatory review.</li> <li>▶ Conduct an annual review of the Registrant's Code of Ethics and the Board of Director's Code of Conduct.</li> <li>▶ Development and planning of a consumer awareness campaign.</li> <li>▶ Make recommendations to the Board with respect to alternate methods of financing the Fund that would address industry concerns while meeting consumer needs.</li> <li>▶ Review and keep current TICO's policies with respect to privacy issues.</li> <li>▶ Develop a plan to assess TICO's operational effectiveness and report findings.</li> </ul>



# TICO Committees

Committee	Mandate
Complaints	<ul style="list-style-type: none"> <li>▶ Review and resolve, as appropriate, complaints against TICO.</li> <li>▶ Provide fair, transparent and accountable procedures for handling Registrant and consumer complaints against TICO.</li> <li>▶ Develop standards for handling complaints.</li> <li>▶ Make recommendations with respect to TICO's complaint handling procedures.</li> <li>▶ Review trends of complaints to determine if recommendations can be made to address the cause of complaints.</li> </ul>
Legislative & Regulatory Review	<ul style="list-style-type: none"> <li>▶ Achieve regulatory and legislative reform necessary to achieve TICO's business objectives, as set out in the TICO Business Plan by:               <ul style="list-style-type: none"> <li>– Consulting with MCBS on policy and legal issues.</li> <li>– Securing and managing stakeholder input.</li> <li>– Working with MCBS to move the recommendations forward through the legislative process.</li> </ul> </li> <li>▶ Make recommendations to the Board with respect to requirements for individuals who conduct business outside the office of a Registrant. Any requirements should:               <ul style="list-style-type: none"> <li>– Ensure there is a level of professionalism even if the business is being conducted outside the Registrant's office;</li> <li>– Raise Industry standards;</li> <li>– Ensure that consumer monies are protected;</li> <li>– Ensure that consumers receive quality service; and</li> <li>– Ensure that consumers are fully informed.</li> </ul> </li> <li>▶ Develop a Recommended Best Practices document to assist Registrants and outside sales representatives.</li> </ul>
Audit	<ul style="list-style-type: none"> <li>▶ Review internal controls operating throughout TICO.</li> <li>▶ Review accounting and investment policies on an annual basis.</li> <li>▶ Review quarterly investment report and financial statements.</li> <li>▶ Review audited financial statements and recommend their approval to the Board.</li> <li>▶ Review directors and officers liability insurance prior to renewal.</li> <li>▶ Review TICO's annual budget.</li> </ul>
Minimum Standards	<ul style="list-style-type: none"> <li>▶ Develop mandatory minimum educational standards on a two-tier basis. (Supervisor/manager and travel counsellor)</li> <li>▶ Standards to include knowledge of the <i>Travel Industry Act</i> and Regulation, Code of Ethics, business practices and basic travel knowledge.</li> <li>▶ Define basic travel knowledge on a two tier basis.</li> <li>▶ Oversee the development of the Minimum Standards Curricula.</li> <li>▶ Develop the implementation and enforcement mechanism.</li> <li>▶ Develop a communications plan for Minimum Standards.</li> <li>▶ Ensure the minimum educational standards are updated on a regular basis.</li> <li>▶ Explore the feasibility of other educational initiatives.</li> </ul>



Committee	Mandate
<b>Compensation Fund</b>	<ul style="list-style-type: none"> <li>▶ Review and recommend to the Board the payment of claims in accordance with Regulation 806/93.</li> <li>▶ Review and monitor the status of appeals to the Licence Appeal Tribunal of denied claims.</li> </ul>
<b>E-Commerce</b>	<ul style="list-style-type: none"> <li>▶ Review TICO's services to determine any area in which such services could be improved through the use of the Internet.</li> <li>▶ Identify areas where consumers may not be protected when they purchase travel services online and provide options as to how TICO may address these issues.</li> <li>▶ Identify any challenges posed by regulating the sale of travel services in an e-commerce environment and provide any potential solutions.</li> <li>▶ Recommend legislative and regulatory changes in relation to e-commerce.</li> <li>▶ Liaise with provincial counterparts and federal authorities on emerging e-commerce issues and the development of a standard.</li> <li>▶ Play a role in educating the Board and TICO stakeholders about e-commerce issues including the development of informational literature.</li> </ul>
<b>Governance Committee</b>	<ul style="list-style-type: none"> <li>▶ Clarify the Board's role, purpose, core values and responsibilities.</li> <li>▶ Determine and articulate TICO's governance model.</li> <li>▶ Review current board member recruitment process.</li> <li>▶ Set criteria for board member recruitment and selection.</li> <li>▶ Communicate board member criteria to groups eligible to make appointments to the Board.</li> <li>▶ Review TICO's Board Orientation Process.</li> <li>▶ Examine the issue of board member retention.</li> <li>▶ Devise a set of basic performance benchmarks to measure board effectiveness.</li> <li>▶ Develop a system for evaluating the Board's performance.</li> <li>▶ Communicate results of board evaluation.</li> <li>▶ Develop a work plan to enhance Board performance.</li> <li>▶ Review TICO's Committee Structure.</li> <li>▶ Be responsible for policies in relation to corporate governance.</li> </ul>

# Business Objectives Achieved 2001/2002



## Legislative and Regulatory Review

- Implemented new Regulation change, which came into force on January 1, 2002 providing for end supplier coverage (airline, cruise/line) from the Compensation Fund.
- Communicated Regulation change to all Registrants by distributing an Advisory to increase Industry understanding and awareness.
- Worked with the Ministry of Consumer and Business Services on specific proposals for reform that required further input from TICO.

## Consumer Awareness Campaign

- Continued a Consumer Awareness Campaign to bring consumers' and Registrants' attention to the benefits of dealing with Ontario Registrants. TICO's campaign utilized a variety of tools to reach its target audience including newspaper, radio interviews and a TICO television commercial.
- Conducted several speaking engagements and media interviews promoting consumer and Industry awareness with consumer groups, travel schools, television, radio and newspaper media and Industry Associations.
- Participated at 6 consumer and Industry trade shows during the last 12 months.

## Development of TICO Database

- Continued enhancements on TICO's database to house all Registrant information including, financial information, compensation fund contributions, claims on the Compensation Fund, complaints, inspections, investigations and prosecutions.
- Completed first phase of interface of TICO's database with Internet website to allow stakeholders to search for Ontario registered travel retailers and travel wholesalers.

## Communications

- Maintained a Communications Plan for TICO stakeholders which addresses internal communications to the Board of Directors and staff through orientation, meetings and policy manuals.
- Participated in regular liaison meetings with the Ministry.
- Maintained an ongoing dialogue with Registrars and Regulators in other jurisdictions and self-managed Industries to share best practices.
- Provided Business Plan to stakeholders.
- Continued distribution of a quarterly newsletter (TICO Talk) to all Registrants.
- Maintained TICO's website to provide information and assistance to all TICO stakeholders including industry advisories, notice of closures and accompanying immediate departure information, consultation process information and updates and information regarding TICO's Consumer Awareness Campaign.
- Developed and implemented a Communications Plan for Registrant Code of Ethics.

## Operational

- Met the terms of the Administrative Agreement by maintaining and implementing operations and systems for effectively administering the terms of reference of TICO's mandate with the Ministry.
- Maintained the Registrant Inspection Programme and continued to focus on new Registrants and areas of risk to protect the Compensation Fund, the interest of consumers and Registrants. TICO's inspection program is proactive and works with Registrants to ensure compliance with the Act and the Regulation.

## Governance

- Established a Governance Committee to deal with Board governance issues.
- Developed Terms of Reference.



# Business Objectives



## Environment

The year 2001 will be forever etched in the minds of all involved in the Travel Industry. The Travel Industry had to contend with the challenges of global changes including rationalization, consolidation, downsizing, partnering, commission cuts, direct selling and e-commerce; all of which severely reduced the financial viability of many travel organizations. While gross sales may have been up in 2001, margins were down and travel companies had to quickly adapt by charging service fees and closely monitoring fixed overhead costs in order to survive.

As the Industry attempted to adjust to global economic changes, it was swept into the nightmare of September 11th, which caused a sudden over-capacity of airlift and contributed to the insolvencies of several major international air carriers including Canada 3000 Airlines. The failure of Canada 3000 Airlines caused an immediate void in Canada, which has seen existing air carriers scrambling to meet consumer demand.

Several long-established travel agencies did not survive the turbulent times of 2001 and the Industry has seen a marked reduction in the number of new agencies entering the market. While it appears that consumers are now traveling again, the effects of 2001 will continue to be borne by the Travel Industry.

TICO is aware of all of the risks associated with the changing landscape of the Travel Industry and has revamped its inspection programme to reduce those risks and protect consumers. This business plan emphasizes objectives, which are vital to the growth of TICO as a firm, but even-handed Regulator, which continues to promote a fair and informed marketplace where consumers can be confident in their travel purchases.

## Strategic Priorities

As a result of the changing environment in the Industry, the TICO Board of Directors has set the following strategic priorities for the future. In April 2001, the Board considered short term, medium term and long range goals. The Business Objectives that TICO will focus on in this 3-year Business Plan are listed below. TICO may initiate some preliminary work on objectives found in Horizons 2 and 3 over the next year.

### HORIZON 1 (0-3 years)

- ▶ Assess Board Governance
- ▶ Implement new legislation
- ▶ Understand the impact of e-business
- ▶ Develop Minimum Educational Standards
- ▶ Review, update and keep current all TICO policies with respect to privacy issues
- ▶ Liaise with other jurisdictions to eliminate gaps in consumer protection

### HORIZON 2 (3-5 years)

- ▶ Establish Industry best practices as a means to help Registrants
- ▶ Explore self-regulation
- ▶ Increase consumer education
- ▶ Promote Industry education and awareness

### HORIZON 3 (5-10 years)

- ▶ Explore the development of turn-key solutions for self-management and/or consumer protection that can be sold to other jurisdictions and/or industries
- ▶ Take a lead role in promoting harmonized national standards governing travel
- ▶ Explore alternative sources of funding



# Business Objectives for 2002/2003:

## Objective #1:

### Assess the Efficiency and Effectiveness of the TICO Board of Directors (Board Governance)

#### *Performance Goals:*

- ▶ Assess appropriateness of criteria for Board composition.
- ▶ Improve/enhance Board's understanding, knowledge and awareness of strategic long-term issues.
- ▶ Improve maturity of Board's decision making process.
- ▶ Assess effectiveness of Board recruitment/retention strategies.
- ▶ Continue investment in Board by increasing Board Member knowledge with education sessions etc.

#### *Performance Measures for 2002/2003:*

- ▶ Complete a Board evaluation.
- ▶ Report on skill set required for board members.
- ▶ Develop and implement a work plan on Board governance

## Objective #2:

### Continue the Legislative Review Process and Subsequent Implementation of Legislative Changes

#### *Performance Goals:*

- ▶ Continue dialogue with the Ministry regarding proposed legislative changes.
- ▶ Develop and implement communications plan to communicate legislative changes to all stakeholders.
- ▶ Implement internal operational policies and procedures.
- ▶ Develop appropriate processes for dealing with non-compliance and consider the implementation of administrative penalties and an appeals mechanism.
- ▶ On an ongoing basis, review the Act and Regulation with a view to update and improve the current model.

#### *Performance Measures for 2002/2003:*

- ▶ Work with the Ministry on specific proposals for reform that require further input from TICO.
- ▶ Achieve Industry understanding and awareness of any changes to the *Travel Industry Act*.
- ▶ Implement a communications plan to advise all stakeholders as to any changes to the *Travel Industry Act*.

- ▶ Develop a process for implementing administrative penalties for non-compliance.

### **Objective #3:**

#### **Review and Update TICO Processes and Programs in Light of E-Commerce and Improve Operational Efficiency.**

##### *Performance Goals:*

- ▶ Improve TICO's understanding of the impact of e-business.
  - As a medium for delivering service to TICO stakeholders.
  - As a medium for purchasing travel.
- ▶ Review programs, services and initiatives with respect to electronic commerce to ensure that TICO can effectively monitor and ensure compliance.
- ▶ Educate stakeholders on e-business.
- ▶ Redesign TICO's website.
- ▶ Develop capability to update and maintain TICO's website internally.

##### *Performance Measures for 2002/2003:*

- ▶ Enhance Internet Website to provide on-line information services and allow more timely updates.
- ▶ Develop informational literature to educate stakeholders on e-business.

### **Objective #4:**

#### **Minimum Standards**

##### *Performance Goals:*

- ▶ Oversee the development of the Minimum Standards Curricula.
- ▶ Develop Minimum Educational Standards for Supervisor/Manager level.
- ▶ Determine how Minimum Standards should be implemented.
- ▶ Report on the status of the curricula for Minimum Standards.

##### *Performance Measures for 2002/2003:*

- ▶ Develop and complete curricula for Minimum Standards.

- ▶ Develop a plan for implementation of Minimum Standards.
- ▶ Establish a plan to enforce Minimum Standards.
- ▶ Develop a communications plan for Minimum Standards.

### **Objective #5:**

#### **Review, Update and Keep Current all TICO Policies with Respect to Privacy Issues**

##### *Performance Goals:*

- ▶ Ensure consumer/Registrant/employee information is used appropriately by Registrants taking into account the proposed introduction of privacy legislation in Ontario.

##### *Performance Measures for 2002/2003:*

- ▶ Evaluate TICO's policies with respect to privacy issues and determine where improvements are necessary.

### **Objective #6:**

#### **Liaise with other Jurisdictions to Eliminate Gaps in Consumer Protection**

##### *Performance Goals:*

- ▶ Lobby the Federal Government to put in place consumer protection measures with respect to airline failures at the Federal level.
- ▶ Lobby support from other Provinces for such an initiative.
- ▶ Support the UFTAA initiative to introduce an airline passenger protection plan.

##### *Performance Measures for 2002/2003:*

- ▶ Contact provincial counterparts, Federal and Provincial Government to initiate a dialogue and garner support for a consumer protection plan with respect to airline failures at the Federal level.

It should be noted that a number of the Performance Measures listed for completion in 2002/2003 are contingent on the proposed legislative changes being passed by the Government.

# Continuing Performance Measures

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In addition to the 6 Business Objectives for the year, 2002/2003, TICO will also continue to provide the services as outlined on pages 3 & 4 with respect to Registration, Consumer Protection and Complaint Resolution.

In addition, TICO will continue to undertake the following Performance Goals and Performance Measures in 2002/2003:

## Assess Effectiveness of what TICO has done to date

### Performance Goals:

- ▶ To obtain additional statistical information and stakeholder feedback in the following program areas: Registration, Compliance, Complaints and Claims.

### Performance Measures for 2002/2003:

- ▶ Preparation of a report on the plan and any results obtained to date.

## Improve Operational Efficiency

### Performance Goals:

- ▶ Meet the terms of reference of the Administrative Agreement at the lowest possible cost to stakeholders.
- ▶ Streamline processes for registration, renewals, Form 1 payments and submission of financial statements to reduce administrative burden on TICO and Registrants.
- ▶ Efficient and timely processing and approving of claims resulting from Registrant closures.
- ▶ Finalize a list of fees to be recovered from Registrants in respect of services provided.
- ▶ Examine alternate sources of revenue. (e.g. user pay)
- ▶ Ongoing development of an effective and equitable system to ensure compliance.

### Performance Measures for 2002/2003:

- ▶ Enhance TICO's Information Management System.
- ▶ Enhance TICO's website to increase service delivery and information to stakeholders.

## Communications and Government Liaison

### Performance Goals:

- ▶ Maintain a communications plan to promote Industry awareness.
- ▶ Maintain a Consumer Awareness Campaign.
- ▶ Maintain TICO's website.
- ▶ Continue dialogue with the Ministry.
- ▶ Promote Code of Ethics to all Registrants.
- ▶ Complete a TICO Business Plan.

### Performance Measures for 2002/2003:

- ▶ Publish and distribute TICO Talk quarterly newsletter to Registrants, develop and distribute informational literature on various topics and distribute Industry Advisories and Registrar Bulletins to all stakeholders on significant and timely issues.
- ▶ Increase consumer awareness in the Province as to the benefits of purchasing travel services from Ontario Registrants through print media, radio and television advertisements.
- ▶ Update and keep current TICO's website with information to benefit stakeholders such as Industry Advisories, Business Plan, Annual Report and the TICO Talk Newsletter.
- ▶ Continue to liaise with MCBS on issues that require TICO's input.
- ▶ Continue to communicate and restate Code of Ethics to all Registrants. Update and keep current TICO's website with information to benefit stakeholders.
- ▶ Provide a Business Plan to all stakeholders by June 30, 2003.

# TICO Revenue And Expense Forecast



	Business Plan 2002/2003	Business Plan 2003/2004	Business Plan 2004/2005
<b>Revenues</b>			
Semi-Annual Assessments	2,700,000	2,300,000	2,200,000
Registration Fees	990,000	806,000	964,000
Interest	779,000	640,000	645,000
	<u>4,469,000</u>	<u>3,746,000</u>	<u>3,809,000</u>
<b>Operating Expenses</b>			
Compensation Fund Claims	6,140,000	1,140,000	1,140,000
Salaries & Benefits	970,000	988,000	998,000
Administration	843,000	845,000	850,000
Industry Initiatives	515,000	325,000	335,000
Inspections & Compliance	395,000	406,000	417,000
	<u>8,863,000</u>	<u>3,704,000</u>	<u>3,740,000</u>
Excess Receipts over Payments	(4,394,000)	42,000	69,000
Net Compensation Fund/TICO Assets beginning of period	<u>22,670,000</u>	<u>18,276,000</u>	<u>18,318,000</u>
Total Compensation Fund/TICO Assets	<u>18,276,000</u>	<u>18,318,000</u>	<u>18,387,000</u>
<b>Compensation Fund/TICO Assets Breakdown</b>			
Compensation Fund Asset	17,072,000	17,354,000	17,516,000
TICO Asset	<u>1,204,000</u>	<u>964,000</u>	<u>871,000</u>
	<u>18,276,000</u>	<u>18,318,000</u>	<u>18,387,000</u>

**Notes:**

1. Registration Fees are based on historical information over the past 5 years for 2002/2003. Annual renewals are expected to commence in April 2003 and are reflected accordingly.
2. Compensation Fund semi-annual assessments are based on .50/1000 for wholesale and .25/1000 for retail for 2002/2003. For subsequent years, assessment rates will be set to ensure Fund is maintained at the required level.

3. Compensation Fund claims are estimated at \$100,000 per month with recoveries of \$5,000 a month for 2002/2003 plus an allowance of \$5,000,000 for the Canada 3000 failure. For subsequent years claims are estimated at \$100,000 per month with recoveries of \$5,000 per month.
4. Industry Initiatives include the continuation of the Consumer Awareness Campaign, the implementation of the minimum education standards and the administrative penalties.
5. Interest rates are assumed to be 3.5% per annum.



# TICO Board of Directors 2001-02



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Travel Superstore Inc.  
Hamilton

Mark Lampert - Vice Chair  
Vice President, Finance and  
Information Technology  
Signature Vacations  
Toronto

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President  
Bayridge Travel Inc.  
Kingston

Ray DeNure, C.A.  
President  
DeNure Tours

Lindsay  
Paul Foster  
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World of Vacations  
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General Manager  
Uniglobe Instant Travel  
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Moe Jeppesen  
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Sherwood Village Travel  
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Regional Sales Manager Canada  
Barbados Tourism Authority  
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Ports of Call Travel Services Ltd.  
Ottawa

Brett Walker  
President  
Collette Tours  
Toronto

Jill Wykes  
Vice President Sales  
Sunquest & Alba Tours  
Toronto

## Ministerial Appointments

Sue Corke  
Assistant Deputy Minister of  
Policy and Consumer Protection  
Services Division  
Ministry of Consumer and  
Business Services  
Toronto

W.H. Bruce Fraser, C.A.  
Management Consultant  
Toronto

Robert Pentland  
Retired Educator  
Ottawa

Edward J. W. Warren, Q.C.  
Solicitor  
Warren & Jensen  
Kemptville

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Executive Committee

Lise Beaulieu  
Business Strategy Committee

Edward J.W. Warren, Q.C.  
Complaints Committee

Jill Wykes  
Legislative & Regulatory Review  
Committee

Mark Lampert  
Audit Committee

Robert McChery, CIC  
Minimum Standards Committee

W.H. Bruce Fraser, C.A.  
Compensation Fund Committee

Richard Vanderlubbe  
E-Commerce Committee

Martin Taller  
Governance Committee

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Mark Lampert  
Vice Chair

Michael Pepper  
President & Chief Executive  
Officer

Mary-Ann Harrison, C.A.  
Treasurer

Tracey McKiernan, LL.B.  
Corporate Secretary & Counsel

## Statutory Appointments

W.H. Bruce Fraser, C.A.  
Statutory Director,  
*Travel Industry Act*

Michael Pepper  
Statutory Registrar,  
*Travel Industry Act*



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