



TRAVEL INDUSTRY COUNCIL OF ONTARIO



2003 business plan

June 25, 2003

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 sixth Business Plan, which covers the three-year period from 2003 to 2006.

The past year has been a challenging one for the travel industry. The downturn in global travel has resulted in several international air carriers filing for bankruptcy protection, including Air Canada, in an attempt to downsize and reorganize. Surprisingly, expected reductions in the number of retail travel outlets in Ontario did not materialize. In fact, the total numbers have marginally increased during the past 12 months. However, with fewer travelers, the bottom line results of many agencies have been drastically affected.

The coming year will also be filled with challenges as various factors influence whether consumers choose to travel or stay at home. The war in Iraq and the outbreak of SARS have had a profound effect on all sectors of the travel and hospitality industries. Business failures in these sectors may occur if things do not improve shortly.

TICO's business plan this year recognizes the challenges facing the industry and focuses on ensuring consumer protection. The current financial difficulties being experienced by the airlines is a cause for concern for TICO and its registrants, as Ontario's Travel Compensation Fund and Ontario registrants are shouldering the burden of the gap in consumer protection for air carriers that are federally regulated. TICO appreciates the Minister's continued support in lobbying the federal government to put protections in place at the federal level for consumers.

Significant changes have taken place in the travel industry in the last year and further changes are expected. It is important to have legislation that is responsive to current problems and anticipates issues, which are likely to arise. TICO is encouraged by the progressive changes in *Travel Industry Act, 2002*, which is yet to be proclaimed. As well, TICO is pleased to be partnering with the Ministry to commission an independent Marketplace Study to identify gaps in consumer protection. An Advisory Committee consisting of representatives from all sectors of the travel industry are participating in the study, the results of which will be used to determine if and where changes are needed to enhance consumer protection.

TICO's main goals for the upcoming year include: the completion of an assessment of Board Governance, the development of Minimum Education Standards, the continuing liaison with the Federal government to develop standards for e-commerce and the ongoing partnership with the Ministry of Consumer and Business Services to promote a fair and informed marketplace where consumers can be confident in their travel purchases.

Sincerely,



Paul Foster
Chair, Board of Directors



Michael Pepper
President and CEO

A black and white photograph of two men in business suits walking on a cobblestone street. They are smiling and looking towards each other. In the background, there is a large, multi-story building with many windows. The image is partially obscured by a dark vertical bar on the right side of the page.

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General Overview

In June 25 1997, the Travel Industry Council of Ontario (TICO) was delegated to take responsibility from the Ministry of Consumer and Business Services (MCBS) 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 6TH 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, cruises), 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 (ACTA)
 - The Canadian Institute of Travel Counsellors (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



COMPENSATION FUND

Under TICO, the Compensation Fund protects consumers who purchase travel services from Registrants in the event of a Registrant's financial failure or due to the failure of an end supplier airline or cruise line.

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.

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.

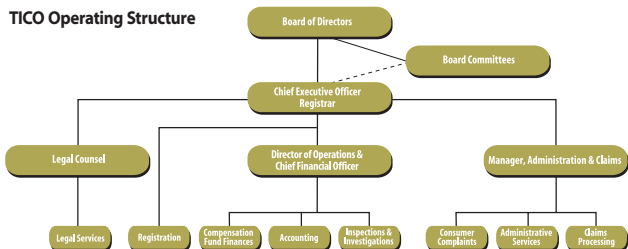
STRUCTURE

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"> ■ Manage emergency issues on an ad hoc basis. ■ Interim support for CEO between board meetings. ■ Review of large closures. ■ Make recommendations regarding composition of board committees. ■ Conduct an annual review of the TICO Employee Code of Ethics.
Business Strategy	<ul style="list-style-type: none"> ■ Produce TICO's Business Plan and monitor performance measures. ■ Refer issues for legislative and regulatory review <ul style="list-style-type: none"> — Planning of TICO's Consumer Awareness Campaign. — Review and keep current TICO's policies with respect to privacy issues. — Develop a plan to assess TICO's operational effectiveness and report findings. ■ Development and planning of a consumer awareness campaign. ■ Make recommendations to the Board with respect to alternate methods of financing the Fund that would address industry concerns while meeting consumer needs.
Complaints	<ul style="list-style-type: none"> ■ Review and resolve, as appropriate, complaints against TICO. ■ Provide fair, transparent and accountable procedures for handling Registrant and consumer complaints against TICO. ■ Develop standards for handling complaints. ■ Make recommendations with respect to TICO's complaint handling procedures. ■ Review trends of complaints to determine if recommendations can be made to address the cause of complaints.



Committee	Mandate
Legislative & Regulatory Review	<ul style="list-style-type: none"> ■ Recommend regulatory and legislative reform necessary to achieve TICO's business objectives, as established by the Business Strategy Committee in TICO Business Plan by: <ul style="list-style-type: none"> — Consulting with MCBS on policy and legal issues. — Securing and managing stakeholder input. — Working with MCBS to move the recommendations forward through the legislative process ■ Consider revision of the voluntary Registrant Code of Ethics in the event that TICO wishes to set up a Discipline Committee and implement a system of administrative penalties. ■ Develop policies in relation to administrative penalties. ■ Make recommendations to the Board with respect to requirements for individuals who conduct business outside the office of a registrant. Any requirements recommended should: <ul style="list-style-type: none"> — ensure there is a level of professionalism even if the business is being conducted outside the registrant's office; — raise industry standards; — ensure that consumer monies are protected; — ensure that consumers receive quality service; and — ensure that consumers are fully informed. ■ Develop a Recommended Best Practices document to assist registrants and outside sales representatives.
Audit	<ul style="list-style-type: none"> ■ Review internal controls operating throughout TICO. ■ Review accounting and investment policies on an annual basis. ■ Review quarterly investment report and financial statements. ■ Review audited financial statements and recommend their approval to the Board. ■ Review insurance coverage annually. ■ Review TICO's annual budget.
Minimum Standards	<ul style="list-style-type: none"> ■ Determine what the minimum education standards should be for travel counsellors and supervisor/managers and identify the type of information that should be covered in the minimum standards curriculum at each level. ■ Oversee the development of the Minimum Standards Curricula including reviewing, testing and approving the curricula. ■ Determine how the minimum educational standards should be implemented, the timeline for implementation and the costs. ■ Oversee the printing and distributing of the educational courses and the development of on-line versions of the courses. ■ Develop a communications plan for minimum standards. ■ Devise a plan to enforce the standards. ■ Ensure the minimum educational standards are updated on a regular basis.



Committee	Mandate
Compensation Fund	<ul style="list-style-type: none"> ■ Review and recommend to the Board the payment of claims in accordance with Regulation 806/93. ■ Review and monitor the status of appeals to the Licence Appeal Tribunal of denied claims. ■ Develop and recommend administrative policies to the Board regarding the administration of the Fund. ■ Review and recommend recovery procedures to offset the cost of claims
E-Commerce	<ul style="list-style-type: none"> ■ Review TICO's programs, services and initiatives to determine any area which could be improved through the use of the Internet. ■ 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. ■ Consider privacy issues in respect of e-commerce. ■ Identify any challenges posed by regulating the sale of travel services in an e-commerce environment and provide any potential solutions. ■ Recommend legislative and regulatory changes in relation to e-commerce. ■ Liaise with provincial counterparts and federal authorities on emerging e-commerce issues and the development of a standard ■ Play a role in educating the Board and TICO stakeholders about e-commerce issues including the development of informational literature.
Governance Committee	<ul style="list-style-type: none"> ■ Determine and articulate TICO's governance model. ■ Clarify the Board's role, purpose, core values and responsibilities. ■ Review current board member recruitment process and the election process. ■ Set criteria for board member recruitment and selection. ■ Communicate board member criteria to groups eligible to make appointments to the Board. ■ Conduct an annual review of the Board of Directors Code of Conduct. ■ Develop a Board and Committee Attendance Policy including a process to deal with attendance problems. ■ Examine the issue of board member retention and review of remuneration. ■ Review TICO's Board and Committee Structure. ■ Develop a system for evaluating the Board's performance. ■ Devise a set of basic performance benchmarks to measure board effectiveness. ■ Develop a work plan to enhance Board performance. ■ Communicate results of board evaluation. ■ Review TICO's Board Orientation Process. ■ Be responsible for policies in relation to corporate governance. ■ Recommend any changes required to TICO's By-law in relation to governance issues.

Business Objectives Achieved 2002/2003

Governance

- Developed and implemented a Board Governance Work Plan.
- Articulated TICO's Governance Model. The Governance Model was approved by the Board of Directors in January 2003.
- Established TICO Board Member Profile, which sets out the skills, knowledge and experience required by the Board.
- Completed Terms of Reference for a Board Member. This document sets out the responsibilities of a TICO Board member.
- Introduced a TICO Board and Committee Attendance Policy.
- Hired an outside consultant to assist with establishing a Board Evaluation Process.

Legislative and Regulatory Review

- Consulted with MCBS on the *Consumer Protection Statute Law Amendment Act, 2002* (Bill 180).
- Provided TICO Board Recommendations for Regulatory Change Submission to MCBS in March 2003.
- Partnered with MCBS on a Market Place Study to identify gaps in consumer protection in the travel industry.
- Developed a communications plan to communicate to all stakeholders and promote understanding of possible legislative and regulatory change to the *Travel Industry Act* and Regulation.
- Worked with the Ministry of Consumer and Business Services on specific proposals for reform that required further input from TICO.
- Continued the legislative and regulatory review analyzing where changes may be beneficial to address emerging issues.

E-Commerce

- Improved service delivery by making the TICO Registration Kit, New Branch Application and Notice of Business Change Application available to stakeholders on TICO's website.
- Various TICO informational materials added to website.
- Developed informational literature to educate stakeholders on e-business.
- Maintained a dialogue and facilitated travel sector participation in Federal Government Website Certification (Seal Programme) Pilot Project.

Minimum Standards

- Continued work on draft curriculum for Minimum Standards.

Operational

- Enhanced TICO's website to increase service delivery by developing the capability to update and maintain the website internally.
- Initiated the development of stakeholder surveys to assess TICO's operational effectiveness in the area of claims processing and complaint handling.
- 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.

Communications

- Launched an enhanced TICO website to provide more timely online information services to all TICO stakeholders. The website contains industry advisories, notice of closures and accompanying immediate departure information, consultation process information, information regarding TICO's Consumer Awareness Campaign, Frequently Asked Questions, a downloadable section and a reference section for Registrants.
- Contacted and liaised with provincial counterparts, Federal and Provincial Governments to initiate a dialogue and garner support for a consumer protection plan with respect to airline failures at the Federal level.
- Maintained a Communications Plan for TICO stakeholders including internal communications to the Board of Directors and staff through orientation, meetings and policy manuals and 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.
- Continued to communicate and restate TICO Registrant Code of Ethics.

Consumer Awareness Campaign

- Increased consumer awareness of TICO and the benefits of dealing with Ontario Registrants by continuing its Consumer Awareness Campaign, which uses various forms of media such as television, radio, print media and public relations initiatives to reach its target audience. An Omnibus survey completed in February 2003 resulted in a 5% increase in consumer awareness of TICO compared to TICO's 2002 Omnibus survey results.

- 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 7 consumer and industry trade shows during the last 12 months.

Development of TICO Database

- Sent out registrant profile information document to all Registrants to obtain additional information. TICO updated its records enhancing the quality and accuracy of the information housed in TICO's Registrant 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.

Business Objectives



ENVIRONMENT

The last year has proven to be an extremely volatile one for the travel industry. The industry faced many challenges resulting from the September 11th 2001 terrorist attacks and the failure of Canada 3000 Airlines, Canada's second largest carrier, in November 2001. These events profoundly affected the marketplace and businesses had to adapt and make changes in order to survive.

The airline industry has been particularly hard hit. The downturn in bookings due to recent events and the over capacity of airline seats has resulted in decreased air carrier viability. Several major air carriers have gone out of business. A number of other carriers have only been able to continue to operate under bankruptcy protection while they attempt to reorganize. Still other carriers are continuing to operate, but are absorbing increasingly high losses. The Travel Industry Council of Ontario (TICO) is monitoring the airline situation closely. TICO is very concerned about the risk the failure of these end suppliers poses to registrants and the Travel Industry Compensation Fund. While TICO has no jurisdiction over airlines, we will continue to lobby the federal government to take some action in this area to protect consumers. On the positive side, existing carriers have increased their charter programmes and Skyservice, JetsGo, Canjet and Westjet have stepped up to fill the void left by Canada 3000 Airlines.

Despite the fact that the travel industry has been confronted with so many global changes at the same time, TICO did not see a large reduction in the number of travel agencies in the province. The fact that so many registrants are meeting the challenges and seemingly insurmountable obstacles facing the industry today is a testament to their innovation and hard work. It would be nice if we could say that the difficult times are behind us. However, it appears that there are still turbulent times ahead for our industry. The Iraq war, the SARS emergency and Air Canada's filing for bankruptcy protection all pose unique challenges, with which the industry must continue to cope in the days ahead.

TICO recognizes that it needs to make the right decisions in these times of change. The changing landscape raises new issues, such as e-commerce, and reveals new gaps in consumer protection that need to be addressed. It is imperative that TICO remains current and anticipates the direction the industry is taking and the needs of consumers and registrants. It is not enough for TICO to be reactive, it must also be proactive. In an effort to identify the gaps in consumer protection and how best to address them, the Ministry and TICO have initiated an independent study. The results of that study will be used to determine the best approaches to take for the future. Working together, we can get through these difficult times and build a stronger, healthier travel industry 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 also initiate some preliminary work on the objectives found in Horizons 2 and 3 over the next year. You will note that the latter Horizons are classified "0-5" and "0-10" to reflect this.

With respect to the long term objectives, over the next year TICO will be promoting and increasing consumer and industry education and awareness of the Compensation Fund and the criteria for claims eligibility. The Marketplace Study will be reviewing gaps in consumer protection and looking at the Compensation Fund, how it is funded and what is covered. The results of the Study will be used to determine how the Fund should be funded in the future and what should be covered going forward. TICO will continue liaising with other jurisdictions with a goal to achieving harmonized standards across the country.

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 and take a lead role in promoting harmonized national standards governing travel

HORIZON 2 (0-5 years)

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

HORIZON 3 (0-10 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
- Explore alternative sources of funding
- Explore self-regulation

Business Objectives for 2003/2004:

Objective #1: Assess the Efficiency and Effectiveness of the TICO Board of Directors (Board Governance)

Performance Goals:

- Assess appropriateness of criteria for Board composition and structure.
- 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 2003/2004:

- Complete a Board evaluation.
- Develop a plan for Board recruitment/retention.
- Enhance Board Code of Conduct.
- Develop new Board member orientation.
- Conduct Board member educational session.

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 2003/2004:

- 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 TICO's communications plan to advise all stakeholders as to any changes to the Travel Industry Act.
- Develop a discipline process for non-compliance.
- Develop internal operational policies and procedures in relation to possible legislative and regulatory change.
- TICO will participate actively on consultation and feedback related to delegated regulations.

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.

Performance Measures for 2003/2004:

- Produce and distribute informational literature to educate stakeholders on e-business.
- Develop registrant guidelines for operating on the Internet.
- Establish specific compliance programme to monitor Registrants operating on the Internet.

Objective #4: Develop & Implement Minimum Educational Standards

Performance Goals:

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

Performance Measures for 2003/2004:

- 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 2003/2004:

- 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.
- Lobby the Government to introduce an airline passenger protection plan.

Performance Measures for 2003/2004:

- Review results of Marketplace Study and determine next steps.
- 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 2003/2004 are contingent on the proposed legislative changes being passed by the Government.

Continuing Performance Measures

In addition to the 6 Business Objectives for the year, 2003/2004, TICO will also continue to provide the services as outlined on page 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 2003/2004:

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 2003/2004:

- Develop and conduct stakeholder survey assessing TICO's operational effectiveness in the area of claims processing and complaint handling.
- Report results of completed stakeholder surveys.

Improve Operational Efficiency

Performance Goals:

- Comply with the Administrative Agreement in an efficient and cost effective manner.
- 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 for financing the Compensation Fund. (e.g. user pay)
- Ongoing development of an effective and equitable system to ensure compliance.

Performance Measures for 2003/2004:

- Enhance TICO's Information Management System.
- Analyze stakeholder survey results to assess opportunities to improve TICO's operational effectiveness in the area of claims processing and complaint handling.

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 2003/2004:

- 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.
- Make available a Business Plan to all stakeholders by June 30, 2004.

TICO Revenue and Expense Forecast

	Business Plan 2003/2004	Business Plan 2004/2005	Business Plan 2005/2006
Revenues			
Semi-Annual Assessments	2,000,000	2,000,000	2,000,000
Registration Fees	1,027,000	1,050,000	1,100,000
Interest	1,109,000	942,000	945,000
	<u>4,136,000</u>	<u>3,992,000</u>	<u>4,045,000</u>
Operating Expenses			
Compensation Fund Claims	6,140,000	1,140,000	1,190,000
Salaries & Benefits	1,036,000	1,067,000	1,099,000
Administration	927,000	947,000	967,000
Industry Initiatives	525,000	369,000	335,000
Inspections & Compliance	407,000	419,000	431,000
	<u>9,035,000</u>	<u>3,942,000</u>	<u>4,022,000</u>
Excess Receipts over Payments	(4,899,000)	50,000	23,000
Net Compensation Fund/TICO Assets beginning of period	<u>25,030,000</u>	<u>20,131,000</u>	<u>20,181,000</u>
Total Compensation Fund/TICO Assets	<u>20,131,000</u>	<u>20,181,000</u>	<u>20,204,000</u>
Compensation Fund/TICO Assets Breakdown			
Compensation Fund Asset	19,078,000	19,214,000	19,282,000
TICO Asset	<u>1,053,000</u>	<u>967,000</u>	<u>922,000</u>
	<u>20,131,000</u>	<u>20,181,000</u>	<u>20,204,000</u>

Notes:

1. Registration Fees are based on historical information over the past 5 years for 2003/2004. Annual renewals are expected to commence in April 2004 and are reflected accordingly.
2. Compensation Fund semi-annual assessments are based on .50/1000 for wholesale and 25/1000 for retail.
3. Compensation Fund claims are estimated at \$100,000 per month with recoveries of \$5,000 a month for 2003/2004 plus an allowance of \$5,000,000 for the Canada 3000 failure. For 2004/2005 net claims are estimated at \$1,140,000 and for 2005/2006 net claims are estimated at \$1,190,000.

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 4.5% per annum
6. Projected revenues may be significantly impacted by current economic factors affecting the travel industry.

TICO Board of Directors 2002-03



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Executive Vice President
World of Vacations
Toronto

Richard Vanderlubbe - Vice Chair
President
Travel Superstore Inc.
Hamilton

Simon Bala
Vice President Finance
Conquest Vacations
Toronto

Ray DeNure, CA
President
DeNure Tours
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Uniglobe Instant Travel
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Moe Jeppesen
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Sherwood Village Travel
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Mike Merrithew
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Merit Travel Group
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Trish McTavish
Vice President
McTavish Travel
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Brett Walker
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Kathleen Warren
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Meconi Travel Agency Ltd.
Windsor

Jill Wykes
Vice President Sales
Sunquest, Alba Tours,
The Holiday Network
Toronto

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

W.H. Bruce Fraser, CA
Management Consultant
Toronto

Robert Pentland
Retired Educator
Ottawa

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

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Michael Pepper
President & Chief Executive
Officer

Mary-Ann Harrison, CA
Chief Financial Officer &
Treasurer

Tracey McKiernan, LL.B.
Corporate Secretary & Counsel

Statutory Appointments

W.H. Bruce Fraser, CA
Statutory Director,
Travel Industry Act

Michael Pepper
Statutory Registrar,
Travel Industry Act



TICO

TRAVEL INDUSTRY COUNCIL OF ONTARIO

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