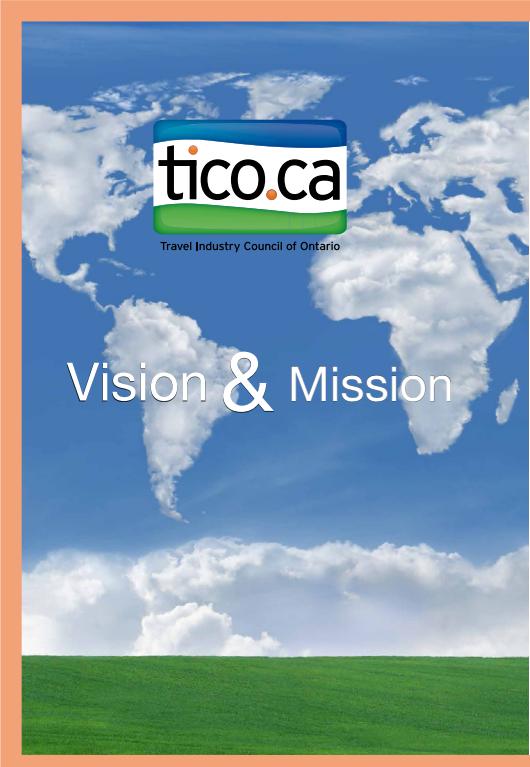


July - September 2017

Presenting TICO's Updated **VISION AND MISSION STATEMENTS**



VISION STATEMENT

To be a progressive regulator advancing consumer protection, ethical business practices and a trusted marketplace where consumers are confident purchasing travel from registered professionals.

MISSION STATEMENT

To regulate consumer protection by promoting awareness, education and compliance as part of the efficient and effective regulation of Ontario's travel industry.



Regulation



Monitoring



Refunds



Complaints



Education

Prompted by the constant evolution in the ways that the travel industry operates and, as importantly, by the initiatives that are currently taking place here in Ontario, TICO decided that this was an excellent time to review its Vision Statement and Mission Statement. As we strive to improve our travel legislation to both protect the consumer better, and serve the needs of the travel industry better, it also provides an opportunity to revisit TICO's core values and goals. We hope you will agree that the new Vision and Mission

Statements are inspiring, realistic and truly reflect TICO's overarching mandate.

As TICO moves into a new era – along with the entire travel industry, from local to global – its 20th anniversary offers much to look back on. Our milestone achievements, reviewed on Pages 4 and 5, underline TICO's proactive efforts to provide consumer protection, to ensure that registrants are trading fairly, and to facilitate a level playing field for all industry participants. ▲

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TICO BOARD OF DIRECTORS 2016/2017

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Hanover Holiday Tours
Hanover

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Controller

Travel Corporation Canada
Toronto

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Consultant
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Executive Director
Tourism Sault Ste. Marie

Lorraine Nowina
Toronto

MESSAGE FROM THE REGISTRAR

It's been a busy start to the new fiscal year and with the first half nearing completion, I'm pleased to report that considerable progress has been made towards our goals.

Since my last update, TICO held its Annual General Meeting (AGM) at the Mississauga Living Arts Centre. We had good attendance with representatives from the Ontario government, registrants, suppliers, employees and our Corporate Social Responsibility Partner – Plan Canada, (and, of course, our auditors!).

We welcome any feedback on how we can enhance future AGMs.



We were fortunate to have the Honorable Minister Tracy MacCharles share her perspective on the importance of consumer protection in the province. The Minister also spoke about the importance of the review of the *Travel Industry Act* (TIA), and its three over-arching goals. Minister MacCharles acknowledged the vital role that registrants and industry partners have within this consumer protection mandate, and the excellent collaboration that her Ministry has received during the comprehensive review.

The second phase of the comprehensive review of the TIA is now complete. I would like to thank all of you who have provided feedback, in-person, or in writing with regards to enhancements to Ontario's consumer protection legislation. Stakeholders have now made their final written submissions to the government regarding the various proposals contained in the Phase 1 and Phase 2 Ministry reports. TICO's Board of Directors and management will continue to provide the necessary support and insights to the government as they proceed with moving these proposals through the legislative process.

I also encourage you to review the insights herein with respect to TICO's website. After months of design and development, we launched our vastly improved website, which aims to provide consumers and registrants with an enhanced experience. All users now have a much clearer path of navigation to find the information that they need. Other features, including our agency search function, have been improved too.

With our first quarter behind us, and Q2 nearly complete, I'm pleased to report that TICO is tracking to its approved budget for the fiscal year for operating revenues and expenses, and other business plan goals. Claims against the Compensation Fund have remained very low so far this year – a testament to the general strength of the travel industry.

So, for the balance of this season, I wish you and your families a healthy, safe and enjoyable summer. I look forward to reporting back to you with further positive developments later this year.

A handwritten signature in blue ink that reads "Richard Smart".

Richard Smart, President and CEO

Highlights from the 20th Annual General Meeting

TICO's 20th Annual General Meeting took place on June 20, 2016 at the Mississauga Living Arts Centre, at which the 2017 Annual Report & Business Plan was released (and is now available for review and download [online here](#)).

The meeting was chaired by Jean Hébert, Chair of TICO's Board of Directors, who welcomed the Honourable Tracy MacCharles, Minister of Government and Consumer Services. Minister MacCharles shared her insights on Ontario's consumer protection initiatives and on future government priorities. Jean Hébert then presented TICO's renewed Vision and Mission statements.

Richard Smart, President and CEO, reminded stakeholders that TICO's mandate is consumer protection, and the core to being an effective Regulator are the activities of TICO's compliance, operations and enforcement teams. The updated mission statement demands an efficient and effective regulator. To achieve this, TICO must provide enhanced value to consumers and registrants, by improving transparency and overall accountability. Over the upcoming year, TICO plans to engage in open dialogue with registrants and from this, initiate actions that will ensure TICO's improvement as an effective and efficient regulator.

He then presented the 2017 Annual Report, focusing on the progress towards achieving TICO's strategic priorities, including:

- the implementation of key regulatory reforms – notably, the requirement for all-in pricing of travel advertisements and representations;
- the ongoing evolution of the Consumer Awareness Campaign;
- the completion of an actuary study of the Compensation Fund;
- the migration of TICO's IT platform to a safe and secure cloud-based infrastructure;
- a third-party governance review to assist the Board of Directors with best practices in effective governance; and
- the growth of Corporate Social Responsibility within TICO, recognizing the importance of working together to improve lives, well-being and the environment.

One of the most noteworthy accomplishments was the ongoing collaboration with the Ministry and stakeholders with respect to the comprehensive review, encompassing extensive consultations with industry stakeholders and consumers. A Legislative and Regulatory Modernization Committee was established by TICO, to provide insights throughout the process, and input from various stakeholder meetings and roundtables aided TICO's detailed submission to the Ministry.

TICO's accomplishments are fully detailed in the Annual Report. ▲



From left to right: Jean Hébert, Chair, Minister Tracy MacCharles, and Richard Smart, President and CEO.

News from the Board

Following TICO's AGM on June 20, 2017, the new Board of Directors named **Richard Vanderlubbe** as Vice Chair of the Board. Richard Vanderlubbe is President of Travel Superstore Inc. in Hamilton. The Vice Chair appointment is for one year until TICO's next Annual General Meeting, to be held in 2018.

A warm welcome was extended to **Marc Patry**, Director of CNH Tours in Ottawa. He was the successful candidate elected by the industry at large to serve a three-year term on the TICO Board of Directors. Replacing Paul Samuel of Overseas Travel Division at Vision Travel Solutions in Toronto, the position was open to a retail registrant.

TICO also welcomes back **Jim Diebel**, President of Hanover Holidays in Hanover to the Board, as the OMCA representative. He is replacing Ray DeNure of DeNure Tours in Lindsay.

Sincere appreciation is extended to **Paul Samuel**, **Ray DeNure** and **Patricia Jensen**, a Ministerial appointment to the Board who retired earlier this year, for their significant contributions to TICO.

Latest stats on Registration

As of March 31, 2017, there were a total of 2,418 registrations compared to 2,435 the previous year. Of these, 2,079 (86%) were retail travel agencies, who sell travel services directly to consumers, and 339 (14%) were travel wholesalers, who sell travel services through travel retailers.

1997	2002
<ul style="list-style-type: none"> Formed in June, the Travel Industry Council of Ontario (TICO) was delegated to take responsibility from the Ontario government for administering the <i>Travel Industry Act</i> (currently the <i>Travel Industry Act, 2002</i>) and Regulation. 	<ul style="list-style-type: none"> The provincial government amended Ontario Regulation 806/93 to allow reimbursement from the Compensation Fund for the failure of an end supplier (an airline or a cruise line) under certain conditions.
1998	2003
<ul style="list-style-type: none"> The first 3-year Business Plan introduced TICO's Mission, Vision and Values, and its strategic priorities. The Legislative & Regulatory Review Committee commenced review of the <i>Travel Industry Act</i> and Regulation. Education Standards Committee was established to investigate education standards in the travel industry. TICO assumed responsibility for the Ontario Travel Industry Compensation Fund. 	<ul style="list-style-type: none"> TICO made recommendations on Regulatory Reform to the Ministry.
1999	2004
<ul style="list-style-type: none"> TICO launched its quarterly newsletter, TICO Talk, and its website. A voluntary Code of Ethics for Registrants was distributed. TICO's Consumer Awareness Campaign was inaugurated. 	<ul style="list-style-type: none"> The Ministry released draft regulations under the new <i>Travel Industry Act, 2002</i> for comment. TICO held consultations province-wide for stakeholders to consider the proposed changes. TICO's continued advocacy concerning the unfair liability on registrants for end supplier failure contributed to the government's introduction of Bill 70, proposing an amendment to the <i>Travel Industry Act, 2002</i>.
2000	2005
<ul style="list-style-type: none"> Compensation Fund assessment rates were reduced, from 40¢ to 25¢ per \$1,000 sales for travel retailers, from \$1.60 to 50¢ per \$1,000 sales for travel wholesalers. Following consultations on proposed legislative changes to the <i>Travel Industry Act</i> and Regulation, TICO forwarded its final submission paper to the Ministry of Consumer and Commercial Relations. 	<ul style="list-style-type: none"> <i>Travel Industry Act, 2002</i> and Ontario Regulation 26/05 came into force on July 1. The most notable change was elimination of the retail travel agent's end supplier liability in the event of failure.
2001	2006
<ul style="list-style-type: none"> Another reduction in contribution rates took place due to the increase in the Compensation Fund's balance, the decrease in claims paid out, and the effectiveness of TICO's proactive Financial Inspections Program. 	<ul style="list-style-type: none"> With the Compensation Fund balance at \$30 million, TICO reduced assessment rates again to 0.5¢ per \$1,000 sales for both retailers and wholesalers. An actuarial report commissioned by TICO recommended maintaining the Compensation Fund at between \$20 to \$25 million, and equalizing the rates for retailers and wholesalers.
2007	
	<ul style="list-style-type: none"> TICO's new Education Standards required every person working for a retail travel agency in Ontario who sold travel services or provided travel advice to the public to pass a mandatory on-line exam by July 1, 2009.

Continued on page 5...

<p>2008</p> <ul style="list-style-type: none"> • TICO introduces a more contemporary logo, with its URL address tico.ca • TICO's website was revamped, including the new logo, to enhance consumer awareness. 	<p>2014</p> <ul style="list-style-type: none"> • In partnership with the Ministry, TICO considered enhancements to the consumer protection provided by the Compensation Fund, and proposed enhanced coverage supported by an actuary study and consumer surveys. • After 17 years at the helm, TICO's President and CEO Michael Pepper retired in December.
<p>2009</p> <ul style="list-style-type: none"> • The sudden closure of Conquest Vacations lead to the Ontario government, working closely with TICO, to assess how the handling of future similar situations could be improved. 	<p>2015</p> <ul style="list-style-type: none"> • Richard Smart took over as TICO's new CEO and Registrar in January. • Roundtable sessions were held throughout Ontario, to help TICO better understand registrants' issues and concerns. • The provincial government sought input on ways to amend Ontario Regulation 26/05, to reduce regulatory burden and harmonize pricing provisions.
<p>2010</p> <ul style="list-style-type: none"> • The collapse of Conquest Vacations and Sunrise Holidays lead to significant amendments to Ontario Regulation 26/05, such as the provision for trip completion claims against the Compensation Fund, which came into force on July 1, 2010. 	<p>2016</p> <ul style="list-style-type: none"> • The following amendments came into force: on all-in pricing, one-day tour exemptions, and the modification of specific registration, operating, and working capital requirements for low-risk businesses. • The Ontario government announced a review of the Travel Industry Act and Regulation, to update the consumer protection legislation – in consultation with consumers and Ontario's travel industry. • TICO initiated a Corporate Social Responsibility Committee with a focus on environmental and charitable initiatives, including food drives for the Mississauga Food Bank, and a partnership with Plan International Canada.
<p>2011</p> <ul style="list-style-type: none"> • The definition of "travel services" in the <i>Travel Industry Act, 2002</i> was amended to clarify who needed to be registered under the Act. 	<p>2017</p> <ul style="list-style-type: none"> • All-in pricing became a requirement for Ontario's travel industry on January 1, per Section 33 of Ontario Regulation 26/05. • TICO's Mission and Vision statements were reviewed and modernized by the Board of Directors, senior management and staff. • The Ontario government released its Phase 2 Report on possible changes to the <i>Travel Industry Act, 2002</i> and Ontario Regulation 26/05 for final comment from consumers and the travel industry. • TICO's 2016-17 fiscal year ended with a net surplus, the third consecutive year of surplus after seven years of deficit.
<p>2012</p> <ul style="list-style-type: none"> • With its stakeholders, TICO reviewed the ever-changing business model on how travel services were sold, and considered the gaps in consumer protection. • TICO switched its Consumer Awareness Campaign to a more industry-focused approach, promoting registrants' professionalism, integrity and knowledge. 	
<p>2013</p> <ul style="list-style-type: none"> • With the Compensation Fund balance now in the \$20 to \$25 million range, a rate increase to 15¢ per \$1,000 sales became effective May 1, 2013. • Roundtable discussions took place with frontline travel agents across Ontario, to assess their understanding of TICO, and to learn their perspective on the Consumer Awareness Campaign. 	

Take a look.... at TICO's New Website



You will discover that www.tico.ca has been given a major make-over. Besides a fresh new look and being far easier to navigate, it is now responsive to all mobile devices. There's much improved, user-friendly functionality, including a search option that allows consumers to locate a TICO-registered travel agency or website.

There are clearly differentiated sections for Consumers and Travel Professionals. The Consumers section includes detailed information on consumer protection, consumer complaints and the Compensation Fund, plus numerous videos on why TICO matters, regulation, monitoring, refunds and complaints.

Another new feature under Travel Professionals is a Learning Centre, set up to help TICO registrants understand the requirements of the *Travel Industry Act, 2002* and Ontario Regulation 26/05. Tools for successful compliance include a video tutorial featuring checklists on Booking, Invoicing, Website & Social Media, and Advertising. Another section offers links to Resources and Guidelines, and TICO Tips for Working Capital.

Update on the Reform of Ontario's Travel Legislation

Phase 2 of the Ministry of Government and Consumer Services' detailed review of the *Travel Industry Act, 2002* and Ontario Regulation 26/05 saw the participation of more than 173 individuals and organizations. This included 149 individuals who attended in-person consultations in Toronto, London, Thunder Bay, Ottawa, Sudbury, Mississauga and Markham. Of these, approximately 7% were consumers and 93% were travel industry stakeholders. In addition, 24 submissions were received via email, of which 30% were from consumers or non-travel industry stakeholders, and 70% identified themselves as representatives from the travel industry. When combined with the feedback from the Phase 1 Summary Report, approximately 1,700 individuals and organizations have participated in the review.

In June, the Ministry released its Phase 2 Report on possible changes to the legislation. The proposals summarized below aimed to address the concerns and suggestions raised throughout the review process, while maintaining travel industry-specific Regulation – due to a strong consumer protection rationale.

Definitions and Registration Requirements

New registrant categories were proposed, including a class for travel sellers (combining the current travel agent and travel wholesaler categories) and for individual travel counsellors. This would reduce the multiple registrations currently needed for registrants that act as both agents and wholesalers.

It also proposed defining "travel counsellor", to capture the individual who has a documented employment relationship with the travel seller. This would enable TICO to track and monitor individual travel counsellors, and to suspend or revoke their registration if the individual acted unethically and placed consumers and/or a travel company at risk.

Consumer Protection Issues

The report proposed requiring travel agents and wholesalers based outside of the province to adhere to Ontario's advertising guidelines. It also proposed requiring registrants to prominently display the TICO logo, and to disclose additional information to consumers such as their coverage under the Compensation Fund, to help consumers have greater clarity around whether, and how, they are protected when purchasing travel services in Ontario. In addition, it recommended requiring registered travel counsellors to meet continuing education requirements.

Regulatory Burden on Industry

Removing the requirement for financial statements to be prepared by a licensed accountant was also proposed. This would reduce the financial burden on registrants who have under \$2M in annual Ontario gross sales, allowing them to submit internally prepared financial statements. Trust accounting requirements could also be removed, although TICO could impose trust accounting requirements for registrants deemed a financial risk. Changes to security and working capital requirements were also suggested.

Continued on page 7...

High Profile Promotion of All-In Pricing and the TIA Review

Two key initiatives undertaken by the Ontario government and Ontario's travel industry were announced at a press conference held at the UP Express Terminal in downtown Toronto on July 10. Tracy MacCharles, Minister of Government and Consumer Services joined Richard Smart, President and CEO of TICO, to promote how more consumer-centric legislation will improve the travel experience of Ontario residents.



Addressing the first initiative, Minister MacCharles said that all-in-pricing has been mandated by Ontario's travel regulation since January 1, 2017. "Now, the total price must be displayed upfront, including all taxes, fees and other charges. It provides complete transparency and reduces the confusion that consumers used to face when attempting to book their trips."

Since last Fall, Ontario's travel industry has been working with the

government on a comprehensive review of Ontario's *Travel Industry Act* – the second initiative, that is still underway. The intent is to strengthen consumer protection when buying travel services, while at the same time reducing the burden on businesses and improving regulatory efficiency.

One of the driving forces behind the need to update the legislation was that currently 79 percent of travel purchases by Ontarians are commenced online. Many travel companies and travel agents outside of Ontario, and therefore not regulated by Ontario's Travel Industry Act, are targeting people who live in Ontario. Consumers who purchase travel services from these sellers are not protected by Ontario's travel legislation, and cannot access the Compensation Fund when something goes wrong.

Proposals for possible changes were outlined in the Phase 2 report, and all stakeholders were encouraged to provide feedback on the proposals by July 24, 2017.

Emphasizing how these initiatives will impact the travel experience of consumers in Ontario for years to come, Richard Smart said: "Along with the recent introduction of the all-in-pricing requirement, TICO is pleased with the prospect of further modernization to the legislation to enhance consumer protection in the province, as well as lessen burden to business." ▲

Update on the Reform of Ontario's Travel Legislation... continued from page 6

Compliance and Enforcement

It was proposed that TICO be granted authority to issue administrative monetary penalties, and expanded powers to inspect and investigate non-registrants. Proceeds from any fines would be invested in the Compensation Fund.

Travel Industry Compensation Fund

It was proposed to enable the potential development of an expanded Compensation Fund, with contributions directly from consumers, while undertaking additional research and consultations with consumers to determine whether to implement the expanded model.

Members of the public and the travel industry were encouraged to review the Phase 2 Report and provide feedback on the proposed changes by July 24, 2017. With just a 30-day window, TICO contacted registrants via an e-blast, encouraging them to make a submission by the deadline. Based upon the feedback received, the Ministry will develop the final proposals for changes to the current legislation. ▲

2017 Annual Report and Business Plan Available

TICO's 20th Annual General Meeting took place on June 20, 2017, and the 2017 Annual Report and Business Plan were released at that time. You may download a copy from TICO's website at www.tico.ca, call us at **1-888-451-TICO**, or write to tico@tico.ca to request a hard copy, of which there are a limited number available.

Upcoming Issues

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

- Update on Legislative & Regulatory Review
- Update on TICO Registration and Renewal
- Trade Shows and upcoming events

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Court Matters

CONVICTIONS

Carolyn (Michelle) Solomon and 1924067 Ontario Inc. o/a Blue Mountain Travel pled guilty and were convicted of four and one counts of operating as a travel agent without registration, respectively, contrary to **Section 4(1)(a)** of the *Travel Industry Act, 2002* (the *Act*). The pleas and convictions under the *Act* were joined with Ms. Solomon's pleas and conviction of six fraud-related charges, under the *Criminal Code of Canada*.

Ms. Solomon was sentenced on both sets of charges, combined, as follows:

1. 18 months' jail, with credit for time already served;
2. Three years' probation with the condition (in addition to statutory conditions) that Ms. Solomon not sell or counsel for the purpose of selling any travel services to the public in any capacity;
3. Restitution in the amount of \$462,804.56 to be paid in equal monthly installments by the end of the 3-year probation period;
4. An Order for a Fine In lieu of Forfeiture for the full amount of restitution. Failure to pay the full amount by the deadline provided will result in Ms. Solomon's imprisonment for another three years;
5. A Prohibition Order for five years prohibiting Ms. Solomon from having authority over real property, money or valuable security of another person; and
6. An Order that a sample of Ms. Solomon's DNA will be taken for future investigative purposes.

1924067 Ontario Inc. was sentenced to a fine of \$50,000.00.

Ms. Solomon was the principal and a guiding mind of 1924067 Ontario Inc. and operated in Toronto and elsewhere in Ontario. In addition, Ms. Solomon was a former employee of 407488 Ontario Ltd. o/a **Business & Vacation Travel Planners** and **Blue Mountain Travel (BMT)**, a registrant under the *Act*. BMT's registration was voluntarily terminated effective July 31, 2015. In a related prosecution, BMT and its officer and director were charged and convicted of several offences under the *Act*.

For further information on Charges and Convictions, [click here](#)

REVOCATIONS

Between May 17 and August 3, 2017, three companies had their registration revoked: **Skyway Travel Inc.**, Toronto; **Cubed Inc.**, Toronto; and **Caledonian Holdings Inc.** o/a **Christian Journeys & Tours** o/a **Connoisseur Leisure** o/a **Discipleship Journeys**, North Bay. ▲

