



TRAVEL INDUSTRY COUNCIL OF ONTARIO

2001 BUSINESS PLAN





June 26, 2001

Honourable Norman Sterling
Minister of Consumer and Business Services
250 Yonge Street, 35th Floor
Toronto, Ontario
M5B 2N5

Dear Minister Sterling:

On behalf of the Travel Industry Council of Ontario, we are pleased to submit our fourth Business Plan, which covers the three-year period 2001 to 2004. You will note that the format of this Business Plan has been completely revised to include a strategic plan with a vision for the future.

TICO received delegation from M.C.B.S. (then M.C.C.R.) in June 1997 and released its first three-year Business Plan in February 1998. At that time, we set some lofty goals and planned to enhance consumer protection, elevate the level of the Compensation Fund, reduce costs to member registrants and to promote fairness to all stakeholders. All of these goals have been met and many have been exceeded.

The Compensation Fund balance is now in excess of \$20 million, some \$5 million more than projected and industry members have benefited from a 50% reduction in contribution fees. A further fee reduction is being considered by the Ministry and if approved would result in additional savings to members.

In developing a new Business Plan, TICO wanted to continue to build on these achievements. TICO will continue its very successful and extensive consumer awareness campaign, with the branding of the TICO name. Also high on TICO's list of priorities is fairness to Registrant stakeholders. TICO will continue to achieve a high rate of success in this area by maintaining a focus in the area of compliance. TICO aspires to continually improve its operational efficiency and will assess the effectiveness of its operations on an ongoing basis.

All Board members participated in the preparation of this new Business Plan. The Board looked to the future and set strategic priorities regarding the direction of the organization both in the short term and in the years to come. TICO has identified 14 specific business objectives to work towards. TICO will concentrate on six of those objectives over the next year and will undertake some preliminary work on the proposed long-term objectives.

A primary focus of TICO over the next year will be a continuation of the Legislative and Regulatory Review process. TICO will continue to work with the Ministry on the Legislative and Regulatory Review and advocate for updates to the *Travel Industry Act* and Regulation that reflect the reality of the travel industry today and that anticipate future developments. TICO has spent considerable time and effort on this project, reviewing the *Act* and Regulation to determine where changes would be beneficial, consulting with stakeholders and preparing a Submission to the Ministry. Completion of the Review is a top priority.

This is an exciting time in the travel industry with many changes in how businesses are structured and services are delivered. TICO wants to develop a better understanding of e-commerce issues as they relate to travel so it is prepared to deal with the implications of the new technology. As well, TICO wants to raise the bar in the industry by developing and introducing educational standards. The Business Plan that follows, details these and other objectives set by TICO with a view to ensuring a healthy, successful travel industry in Ontario. TICO believes it has identified new and wide-ranging opportunities "to promote a fair and informed marketplace where consumers can be confident in their travel purchases."

Sincerely,



Gordon Waugh
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) (*formerly 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 4th 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 the purposes of 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, cruiselines), 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* and other consumer protection legislation. 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 promoter and enforcer of good business ethics.
- ◆ An advocate for 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 Regulation.
- ◆ 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 Industry associations include:

- The Canadian Association of Tour Operators (CATO)
 - The Association of Canadian Travel Agents – Ontario (ACTA – Ontario)
 - 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 sections of the Regulation dealing with advertising, 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 5.

Government Liaison

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

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

- ◆ Consumer education and awareness on the benefits of purchasing travel services from Ontario 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.

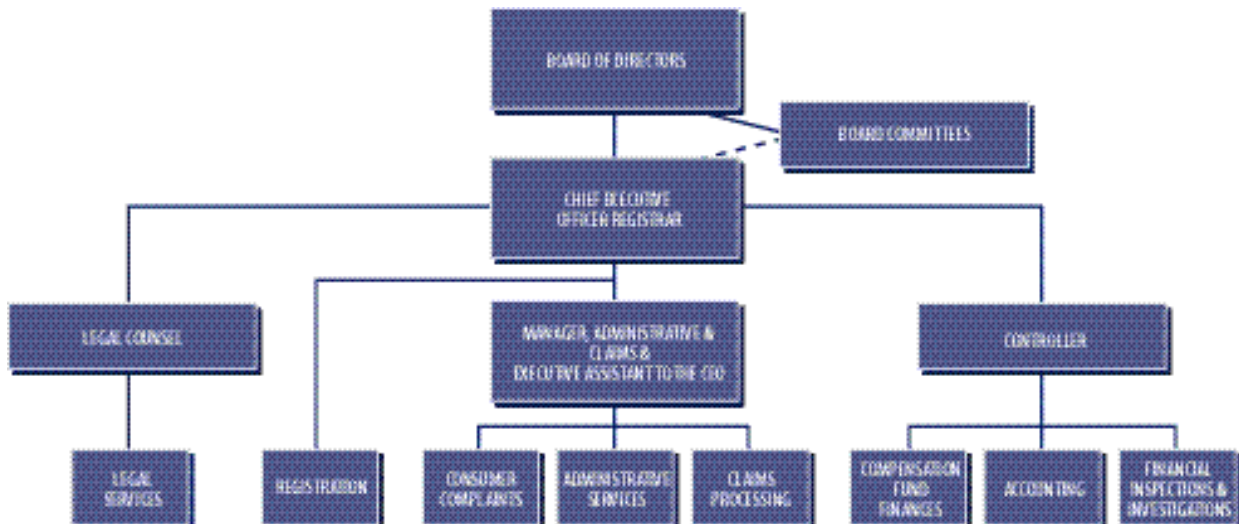
RESOURCES

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 semi-annual contributions based on sales revenue.

STRUCTURE

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

TICO OPERATING STRUCTURE





FRENCH LANGUAGE PLAN

TICO endeavors 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 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
Business Strategy	<ul style="list-style-type: none"> – Produce TICO’s Business Plan and monitor performance measures – Develop a system of administrative penalties – Develop business policies on key issues of TICO authority (e.g. misleading advertising and financial compliance) – Refer issues for legislative and regulatory review – Conduct an annual review of the Registrant’s Code of Ethics and the Board of Director’s Code of Conduct – 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
Legislative & Regulatory Review	<ul style="list-style-type: none"> – 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"> – 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



Committee	Mandate
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 directors and officers liability insurance prior to renewal – Review TICO's annual budget
Minimum Standards	<ul style="list-style-type: none"> – Develop mandatory minimum educational standards on a two-tier basis (Supervisor/manager and travel counsellor) – Standards to include knowledge of the <i>Travel Industry Act</i> and Regulation, Code of Ethics, business practices and basic travel knowledge – Define basic travel knowledge on a two tier basis – Identify options for developing curriculum – Develop the implementation and enforcement mechanism
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
E-Commerce	<ul style="list-style-type: none"> – Review TICO's services to determine any area in which such services 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 – Identify any challenges posed by regulating the sale of travel services in an e-commerce environment and provide any potential solutions
Outside Sales Representative	<ul style="list-style-type: none"> – Review the recommendations regarding employees or outside sales representatives operating from a dwelling that TICO submitted to the government in December of 2000 – Consider what other requirements should be put in place to regulate the conduct of independent contractors if operating from a dwelling is permitted – Any requirements recommended should: <ul style="list-style-type: none"> – Ensure there is a level of professionalism including when business is being conducted outside the registrant's office – Raise industry standards – Ensure that consumer monies are protected



Committee	Mandate
Outside Sales Representative (con't)	<ul style="list-style-type: none"> - Ensure that consumers receive quality service - Ensure that consumers are fully informed - Develop a Recommended Best Practices document to assist registrants and independent contractors

BUSINESS ACCOMPLISHMENTS 2000 / 2001

Legislative and Regulatory Review

- ◆ Completed a review of the *Travel Industry Act* and Regulation. Developed a preliminary list of proposed amendments to the Act and Regulation.
- ◆ Created a list of proposed administrative fees which was submitted to the Ministry with the proposals for legislative reform.
- ◆ Embarked on a consultation process throughout the Province regarding the proposed amendments to the *Travel Industry Act* and Regulation. An Explanatory Paper was produced outlining the proposed changes to the Act and Regulation with TICO's analysis of the rationale for the changes and impact on stakeholders. Twelve town hall meetings and four meetings with trade associations were conducted promoting understanding of the issues and requesting feedback from stakeholders.
- ◆ Reviewed the Ministry consultation papers entitled "*Travel Industry Act* Proposals for Reform" and "Consumer Protection for the 21st Century." TICO responded to issues raised in the Ministry consultation papers.
- ◆ Collected and reviewed stakeholder feedback regarding the proposed reforms. Re-examined TICO's proposals for reform in light of the feedback received.
- ◆ Prepared a final submission to the Ministry of Consumer & Business Services containing TICO's final recommendations for legislative and regulatory reform. This submission was delivered to the Ministry on December 13, 2000.

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 television, newspaper, radio interviews and a TICO Travel Tips radio campaign.
- ◆ Conducted 58 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 sixteen 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.

Communications

- ◆ 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.
- ◆ 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.

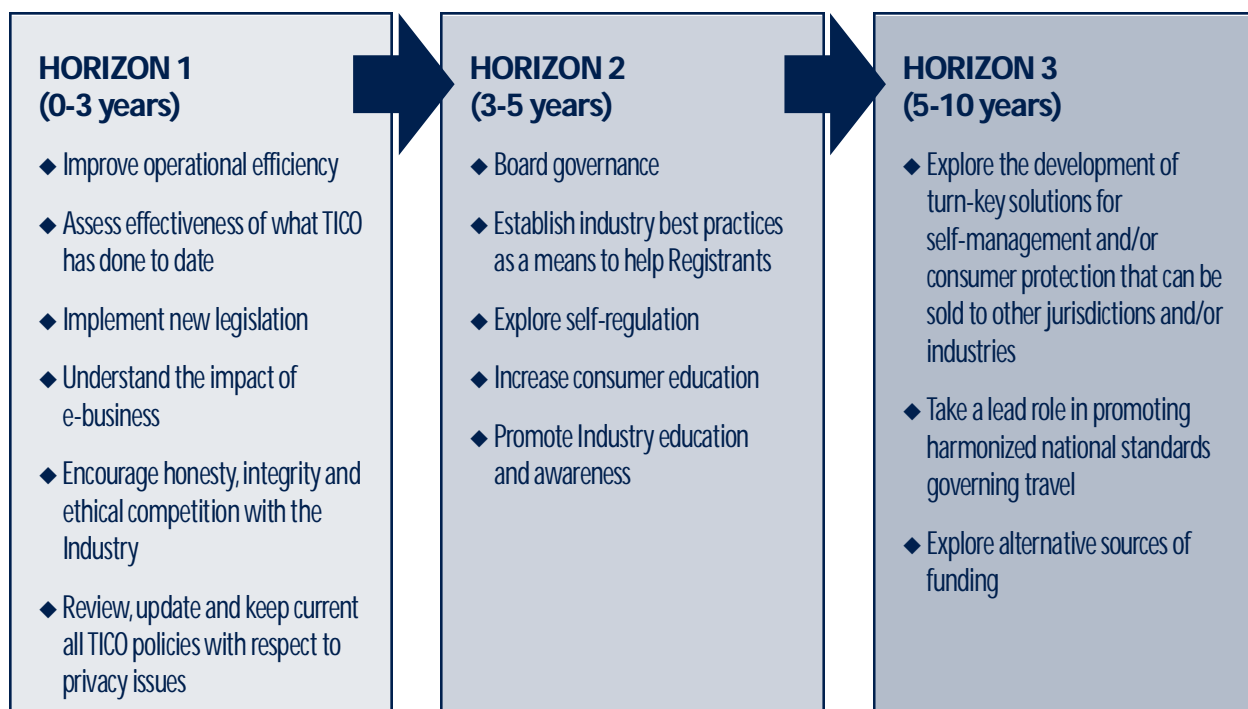
Operational

- ◆ 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.
- ◆ Reduced the level of net claims against the Compensation Fund to under \$100,000, which has contributed towards the Fund balance reaching \$20,000,000.
- ◆ TICO worked with MCBS to achieve an average reduction of 50% in Compensation Fund assessment rates providing a savings to all Registrants.

BUSINESS OBJECTIVES

STRATEGIC PRIORITIES

The TICO Board of Directors has set the following strategic priorities for the future. 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 under Horizon 1 (Objectives #1-#6). TICO will undertake some preliminary work on the proposed long term objectives under Horizons 2 and 3 (Objectives #7 - #14). This preliminary work may include a review of the feasibility of these proposed long term objectives.



These strategic priorities and business objectives are outlined in greater detail below and emphasize program and service areas affected:

OBJECTIVE #1:
Improve Operational Efficiency

Performance Goals:

- ◆ Meet the terms of reference of the Administrative Agreement at the lowest possible cost to stakeholders.
- ◆ Review, and if necessary, propose adjustments to the compensation fund contribution rates to maintain the Fund at an acceptable risk level needed to meet industry requirements.
- ◆ 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.
- ◆ Explore merits of graduated licensing.
- ◆ Examine alternate sources of revenue. (e.g. user pay)
- ◆ Ongoing development of an effective and equitable system to ensure compliance.

Performance Measures for 2001/2002:

- ◆ Advocate for a further reduction in Compensation Fund contribution rates for Registrants.
- ◆ Implement fees to be recovered from Registrants for services provided by TICO.
- ◆ Enhance TICO's Information Management System.
- ◆ Implement interface of TICO's database with Internet website to increase service delivery to stakeholders.



OBJECTIVE #2:

Assess TICO's Operational Effectiveness

Performance Goals:

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

Performance Measures for 2001/2002:

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

OBJECTIVE #3:

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 curriculum for Minimum Standards.
- ◆ 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 recommend updates and improve the current model.

Performance Measures for 2001/2002:

- ◆ Provide a Business Plan to stakeholders.
- ◆ 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.
- ◆ Report on the status of the curriculum for Minimum Standards.

OBJECTIVE #4:

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 2001/2002:

- ◆ Implement interface of TICO's database with Internet website to provide enhanced stakeholder on-line information services.
- ◆ Develop informational literature to educate stakeholders on e-business.



OBJECTIVE #5:

Encourage Honesty, Integrity and Ethical Competition within the Travel Industry

Performance Goals:

- ◆ Promote Code of Ethics to all Registrants.

Performance Measures for 2001/2002:

- ◆ Restate Code of Ethics in future TICO publications.

OBJECTIVE #6:

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.

Performance Measures for 2001/2002:

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

OBJECTIVE #7:

Improve the Efficiency and Effectiveness of the TICO Board of Directors

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 2001/2002:

- ◆ Report on skill set required for board members.
- ◆ Establish a Governance Committee to deal with Board governance issues.

OBJECTIVE #8:

Establish Industry Best Practices

Performance Goals:

- ◆ Maintain an ongoing dialogue with counterparts in other jurisdictions and self-managed industries to share best practices.
- ◆ Develop a recommended best practices document to assist Registrants and independent contractors.

Performance Measures for 2001/2002:

- ◆ Complete outline on problematic areas where best practices are necessary.



OBJECTIVE #9:

Increase TICO Role as a Regulator

Performance Goals:

- ◆ Move towards self-regulation.

Performance Measures for 2001/2002:

- ◆ Initiate discussions with the Ministry regarding the feasibility of self-regulation.

OBJECTIVE #10:

Promote Consumer Education and Awareness

Performance Goals:

- ◆ Maintain complaint resolution processes.
- ◆ Maintain a Communications Plan for consumers.
- ◆ Maintain an effective communications programme so that consumers are aware of the benefits of purchasing travel services from Ontario Registrants.
- ◆ Educate consumers about their responsibilities when purchasing travel services and how to make a smart travel purchase.
- ◆ Explore the possibility of registrants increasing their role in promoting consumer awareness through their own channels of communication and advertisements.

Performance Measures for 2001/2002:

- ◆ Maintain a consumer awareness campaign.
- ◆ Increased consumer awareness of TICO and the Travel Compensation Fund.
- ◆ Participate in at least 4 travel related consumer shows providing educational literature and issue at least 2 press releases aimed at consumer awareness.

OBJECTIVE #11:

Promote Industry Education and Awareness

Performance Goals:

- ◆ Develop and implement the criteria for the minimum performance standards proposed in the legislative changes.
- ◆ Report to constituents on TICO's effectiveness.
- ◆ Maintain an effective communications programme for industry.
- ◆ Increase Registrant contribution to TICO through the Board of Directors.
- ◆ Help Registrants with practice management to ensure compliance with the Act and Regulation.
- ◆ Promote more disclosure and increased accessibility of information to consumers.

Performance Measures for 2001/2002:

- ◆ Publish and distribute TICO Talk newsletter to Registrants quarterly.
- ◆ Develop informational literature on various issues to increase industry awareness.
- ◆ Report on status of curriculum for Minimum Standards.



OBJECTIVE #12:

Explore New Business Opportunities

Performance Goals:

- ◆ Consult with other industries and sell TICO knowledge of industry self-management.
- ◆ Develop a turn-key template for start-up developing organization.

Performance Measures for 2001/2002:

- ◆ Initiate development plan for turn-key template.

OBJECTIVE #13:

Harmonize Industry Standards at a National Level

Performance Goals:

- ◆ Explore feasibility to increase TICO's involvement in developing public policy.
- ◆ Lobby federal government to increase protection to consumers and Registrants using TICO model.

Performance Measures for 2001/2002:

- ◆ Initiate meetings with MCBS and other jurisdictions to discuss harmonized standards.

OBJECTIVE #14:

Explore Alternate Sources of Funding

Performance Goals:

- ◆ Explore alternate sources of financing the Compensation Fund.

Performance Measures for 2001/2002:

- ◆ Business Strategy Committee to report on the status of its progress.

TICO REVENUE AND EXPENSE FORECAST

	Business Plan 2001/2002	Business Plan 2002/2003	Business Plan 2003/2004
Revenues			
Semi-Annual Assessments	2,475,900	1,567,000	1,537,000
Registration Fees	1,025,000	805,500	964,000
Interest	1,075,000	1,100,000	1,125,000
	<u>4,575,900</u>	<u>3,472,500</u>	<u>3,626,000</u>
Operating Expenses			
Compensation Fund Claims	840,000	840,000	840,000
Salaries & Benefits	876,000	895,000	912,000
Administration	736,000	758,000	780,000
Industry Initiatives	482,000	382,000	352,000
Inspections & Compliance	384,000	391,000	398,000
	<u>3,318,000</u>	<u>3,266,000</u>	<u>3,282,000</u>
Excess Receipts over Payments	1,257,900	206,500	344,000
Net Compensation Fund/TICO Assets beginning of period	<u>21,072,000</u>	<u>22,329,900</u>	<u>22,536,400</u>
Total Compensation Fund/TICO Assets	<u><u>22,329,900</u></u>	<u><u>22,536,400</u></u>	<u><u>22,880,400</u></u>
Compensation Fund/TICO Assets Breakdown			
Compensation Fund Asset	21,208,900	21,607,900	21,971,400
TICO Asset	<u>1,121,000</u>	<u>928,500</u>	<u>909,000</u>
Total	<u><u>22,329,900</u></u>	<u><u>22,536,400</u></u>	<u><u>22,880,400</u></u>

Notes:

1. Registration Fees are based on historical information over the past 5 years for 2001/2002. Annual renewals are expected to commence in April 2002 and are reflected accordingly.
2. Compensation Fund semi-annual assessments are based on .50/\$1000 for wholesale and .25/\$1000 for retail up to November 2001. In November 2001 rates are expected to be reduced to .30/\$1000 for wholesale and .15/\$1000 for retail. For subsequent years, assessment rates will be set to ensure Fund is maintained at the required level.
3. Compensation Fund claims are estimated at \$75,000 per month with recoveries of \$5,000 a month to reflect claims experience
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 5% per annum.

TICO BOARD OF DIRECTORS 2000-01

Industry Representatives

Gordon Waugh - Chair
Chairman
The Holiday Network
Toronto

Arend Roos – Vice Chair
President
Vision 2000 Travel Group
Mississauga

Lise Davidson
President
Bayridge Travel Inc.
Kingston

Ray DeNure, CA
President
DeNure Tours
Lindsay

Douglas A.E. Hamer
President
Red Seal Tours Inc.
Toronto

Moe Jeppesen
President
Sherwood Village Travel
Mississauga

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

Jane Hamilton-Oostrom, CTC
Career Training Centre
Kingston

Martin Taller
President
Ports of Call Travel Services Ltd.
Ottawa

Richard Vanderlubbe
President
Travel Superstore Inc.
Hamilton

Errol Francis*
President
World of Vacations
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, CA
Management Consultant
Toronto

Marilynne Day-Linton, CA
Consultant
Toronto

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

Committee Chairs

Gordon Waugh
Executive Committee

Douglas A. E. Hamer
Business Strategy Committee

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

Gordon Waugh
Legislative & Regulatory Review
Committee

Marilynne Day-Linton, CA
Audit Committee

Sue Corke
Minimum Standards Committee

W.H. Bruce Fraser, CA
Compensation Fund Committee

t.b.a.
E-Commerce Committee

Officers

Gordon Waugh
Chair

Arend Roos
Vice Chair

Michael Pepper
President & Chief Executive Officer

Mary-Ann Harrison, CA
Treasurer

Tracey McKiernan, LL.B.
Corporate Secretary & Counsel

Statutory Appointments

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

Michael Pepper
Statutory Registrar,
Travel Industry Act

** Resigned as of May 4, 2001*

For more information please contact:



The Travel Industry Council of Ontario • 2700 Matheson Blvd. East, Suite 402, West Tower • Mississauga, ON L4W 4V9
Telephone: (905) 624-6241 • Facsimile: (905) 624-8631 • Toll Free: 1-888-451-TICO • Website: www.tico.on.ca