October 8, 2014

Financial and Corporate Sector Policy Branch
Ministry of Finance
PO Box 9418 Stn Prov Govt
Victoria BC  V8W 9V1

Subject: Submission to the British Columbia Ministry of Finance – Society Act White Paper
(August 2014)

Dear Madam or Sir:

On behalf of the Alma Mater Society (AMS) of UBC Vancouver, we wish to thank you for providing us with the opportunity to make a submission with respect to the Society Act White Paper published by the Ministry of Finance in August 2014. The AMS is a non-profit society that strives to improve the lives of the nearly 50,000 persons studying at UBC’s Vancouver campus. The society’s activities are overseen by an elected team of student executives and councillors and are entirely funded by membership fees, investment returns and business revenues. In return, the society provides various services, organizes several social events and promotes high quality academic activities for UBC Vancouver students. In addition, we advocate for the interests of our members to governments, public authorities and other external organizations.

In general, the AMS believes that the White Paper proposes a number of positive changes to the Societies Act. We are especially pleased that the new act would allow some society directors to be remunerated for their work. We also welcome the clarified provisions with respect to the use of proxies in meetings and electronic media to conduct society business. And the financial accountability measures proposed by the new act should serve to increase the legitimacy of societies, including student societies. We should point out that the AMS already conforms to most of these new requirements.

The AMS nevertheless requests that several of the provisions in the Societies Act White Paper be modified or removed from the final bill that will be presented to the Legislature. The following sections are of particular concern to the AMS:

- **Inspection of records** (section 23) and **inspection of registered members** (section 24): By forcing the AMS to release its register of members under certain circumstances to its membership, the proposed act may actually prevent us from fulfilling our requirement to keep an accurate and up-to-date list of members. Currently, the UBC administration transfers contact information to the AMS on the condition that we keep this personal information confidential. If the proposed act obliges us to open our register to our members, university policies and provincial legislation may actually force the university to stop transferring this information to us. Furthermore, since the AMS has close to 50,000 members, allowing our members to access the register is akin to making the information available to the public.

- **Individuals disqualified as directors** (section 43): Although we understand the very real liability issues associated with having under-aged society directors, the AMS would nonetheless request to have these provisions suspended for student societies, since it is only fair to allow all of our members to seek to become directors of the society. We are also of the view that this should be done with a view to encouraging young people to participate as early as possible in civil society.
Evidence has shown that this will lead them to become better, more productive citizens and increase the likelihood that they will become life-long voters.

- **Duties of directors** (section 54): The non-profit nature of societies may make it impossible for our directors to balance the AMS’s financial (and other) interests against its purposes, since the latter may be of equal or greater importance to our members. It might be more appropriate to specify in this section that a society’s purposes form an integral part of its interests and must therefore always be included in the decision-making process of its directors.

- **Disclosure of director’s interest** (section 56): The AMS’s Student Council (board of directors) meetings are open to the public, unless they go in camera, which occurs only rarely. For societies with generally open board meetings, a compromise measure that would still respect the spirit of this provision could be to allow directors to remain in the public portion of a meeting, but require them to 1) openly declare any potential conflicts of interest before a topic is discussed and 2) refrain from discussing or voting on the issue. If a meeting goes in camera, directors with a declared conflict of interest would of course still be required to leave.

- **Complaints by members and other interested persons** (section 98): As the White Paper’s commentary makes abundantly clear, this provision is not truly suited for non-profit organizations. In the context of corporations, this remedy is an essential (and often the only) tool for minority shareholders who wish to counter oppressive measures taken by the majority. It is necessary because shareholders have a concrete financial stake in the continued operations of a corporation. In a non-profit context, it might be acceptable to provide this measure to a society’s members, since they have a direct stake in the future of the society. The Act, however, should clearly state that this is a measure of last resort, which must be used only when all other avenues provided by the Act and a society’s bylaws have been exhausted. And since the AMS is essentially funded by their members and does not typically receive public funds for their operations, non-members (the public) do not have any stake in student societies and therefore should not be allowed to use this specific remedy against them.

In a few cases, we would like certain portions of the revised Act to provide more clarity:

- **Reporting on remuneration of directors, employees and contractors** (section 35): Does remuneration include the total compensation package (including salaries, benefits and bonuses) or only salaries?

- **Reporting on financial assistance** (section 36): How much information must be provided? Do all instances of financial assistance need to be reported individually or would it be possible to lump together certain financial assistance by category, if they are below a certain value?

- **Removal of directors** (section 50): It is our understanding that this provision makes it possible for our membership to remove a director by means of a special resolution, but that a society can add more requirements to this process through its bylaws and regulations.

- **Termination of membership** (section 66): The AMS seeks greater clarity in the Act on how or even if this clause could be applied to societies with automatic membership rules, such as student societies, without harming these organizations and their members. The same clarification may be required for other organizations, such as professional or accreditation societies.

In conclusion, we believe the issues mentioned above should be addressed by the government as it renews the Society Act in order to maintain the democratic nature of student societies and to address certain other issues specific to them. We would also like to suggest that the special nature of student
societies might warrant adopting legislation specific to them, as is the case in Alberta and Québec. Such a law would allow these societies to continue to flourish and better serve their members.

Should you have any questions regarding this submission, do not hesitate to communicate with the signatories at the contact information indicated below.

Sincerely,

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