

CONFIRMED MINUTES

BOARD MEETING 15 FEBRUARY 2022



At the **Board Meeting 22 March 2022** on **22 Mar 2022** these minutes were **confirmed as presented**.

Name:	Real Estate Authority
Date:	Tuesday, 15 February 2022
Time:	9:00 am to 1:00 pm
Location:	REA Office and Zoom, office and online
Board Members:	Denese Bates QC (Chair), Latham Lockwood, Liz Nidd, Mele Wendt, Tony Stack, Vern Walsh
Attendees:	Andrew Bulled, Belinda Moffat, Josh Doherty, Nadine Thomas, Phirak Appleton, Saara Fourie, Victor Eng, Marie Snell

1. Opening Meeting

1.1 Board in Committee

Issues for discussion with the Chief Executive were agreed.

1.2 Board and CE alone time

Papers and issues identified by Board were discussed with the Chief Executive.

1.3 Karakia

The Senior Leadership Team joined and the meeting was opened with a Karakia. Chief Executive Belinda Moffat introduced the Board to REA's new Programme Manager, [REDACTED]

1.4 Confirmation of Agenda

The agenda was confirmed.

1.5 Interests Register

No new interests were declared and no conflicts were identified for the meeting.

1.6 Confirm Minutes

Board Meeting December 2021 7 Dec 2021, the minutes were confirmed with the following changes:

Ringa Ora corrected to read Ringa Hora.

**The minutes of 7 December, 17 December and 23 December 2021 we approved, subject to one amendment.**

The minutes of 7 December, 17 December and 23 December 2021 were approved, subject to one amendment:

“*Ringa Ora*” was to be corrected to read “*Ringa Hora*” on pg. 17 of the 7 December Board meeting minutes.

Decision Date: 15 Feb 2022
Mover: [REDACTED]
Seconder: [REDACTED]
Outcome: Approved

2. Actions from Previous Meetings

2.1 Action Item List

Due Date	Action Title	Owner
15 Nov 2021	1) Complaints Process Status: Completed on 8 Feb 2022	[REDACTED]
16 Dec 2021	2) Staff Recognition Status: Completed on 31 Jan 2022	Belinda Moffat
17 Dec 2021	3) Establishment of Programme Management Office Status: Completed on 31 Jan 2022	Belinda Moffat
24 Dec 2021	4) Qualifications media release and communications Status: Completed on 8 Feb 2022	Belinda Moffat
24 Dec 2021	5) Vaccination Policy - update MoJ Status: Completed on 31 Jan 2022	Belinda Moffat
24 Dec 2021	6) CAC Recruitment Status: Completed on 8 Feb 2022	[REDACTED]
31 Jan 2022	1) Monitor Jones Lang Lasalle Case and update CE and Chair on next steps Status: Completed on 15 Mar 2022	[REDACTED]
31 Jan 2022	11) Selection of External Counsel Status: Completed on 31 Jan 2022	Belinda Moffat
15 Feb 2022	13) Coordinate next meeting with Minister Sio Status: Completed on 31 Jan 2022	Belinda Moffat
15 Feb 2022	14) Organisation Structure Status: Completed on 8 Feb 2022	[REDACTED]
15 Feb 2022	12) Update to Interests Register Status: Completed on 8 Feb 2022	[REDACTED]
22 Mar 2022	3) Workforce Management Paper Status: Completed on 15 Mar 2022	[REDACTED]
31 Mar 2022	5) Flexi by Default review Status: In Progress	[REDACTED]
31 Mar 2022	6) Review statutory guides and effective production and best practice use principles for sector Status: In Progress	[REDACTED]
31 Mar 2022	7) Explore the use of Instagram in the REA digital marketing approach. Status: Completed on 23 Mar 2022	[REDACTED]
30 Apr 2022	13) Meeting with REINZ Status: In Progress	Belinda Moffat
30 Apr 2022	14) Awareness, Communication and Stakeholder Engagement Strategy Status: In Progress	[REDACTED]

Due Date	Action Title	Owner
30 Apr 2022	15) Property Management Regulation Status: In Progress	Belinda Moffat
30 Apr 2022	16) Māori Engagement Strategy Approach Status: In Progress	Belinda Moffat
31 May 2022	18) Fit and Proper Guidelines Status: In Progress	[REDACTED]
31 May 2022	19) Supervision Status: In Progress	[REDACTED]

Actions were taken as read and the following actions were discussed:

- 16) Fit and Proper Guidelines: [REDACTED] the preparation of the standard for internal review.
- No additional questions were raised relating to the actions.

3. Chief Executive's Report

3.1 CE Report

The report was taken as read and Chief Executive Belinda Moffat highlighted the following:

- Paragraph 6 advised that Board members are being allocated REA email accounts to ensure REA can share information with the Board securely.
- [REDACTED] suggested that technical support be made available to get the emails set up for Board members. It would also be helpful to confirm compatibility with other devices such as Ipads.
- The SPE will see small adjustments to measures so the Board will not see a significant rewrite from last year. [REDACTED] noted that we need to be clear about why we have not met all targets (e.g. due to COVID, work volumes, labour shortage), to ensure those we report to understand the reasons behind these.
- Staff requests to work elsewhere: REA has agreed to funding the equipment set up in the new locations (excluding desk and chair), ensuring technology and health and safety requirements are met. Belinda invited any input from the Board on similar experiences they have had with staff relocating. [REDACTED] have seen arrangements where flights back to the office base are self-funded, or an allowance has been offered to contribute to those flights.
- Paragraph 28 notes that REA's lease is due for a rent review. [REDACTED]
- [REDACTED] noted Melbourne offices are downsizing due to people opting to work from home long-term.
- Consultation on the Regulation of Property Management paper was due to commence on 14 February but may be delayed as confirmation had not yet come through at the time of this meeting.
- The *Conversation with REA* event date has been moved to 2 March and will be an online event. [REDACTED] has agreed to join the panel. Board members were invited to observe and were asked to let [REDACTED] know so that they can be sent the link.

Public Records Act Audit Report

- The report was noted and Belinda confirmed that the Senior Leadership Team was comfortable with the final ratings. There is still work to be done and the feedback has been useful.

- The next step for us is an information roadmap with the assistance from a consultant. IT has been updating our information systems strategic plan (ISSP) and will bring those to the Board in March or April.

BCP COVID-19 Preparation

- The update was taken as read and the Board had no additional comments.

Qualifications Project Update

The update was taken as read and the following matters were discussed:

- Level 6 is looking to be available from June 2022.
- ██████ mentioned a Queensland contact called both REA and REINZ and was told there will be nothing available until next year. ██████ confirmed Level 5 version 1 is available and has been offered throughout last year. Version 2 will be offered this year. REA sent out communications about this to the sector on 31 January and the information is available on the REA website.

Other matters that were discussed:

- ██████ highlighted that Settled website traffic numbers have gone down and asked whether we have not been as actively promoting it. Belinda noted that numbers had levelled off after some strong results based on COVID information being added on the website in previous months. There is more information on REA's digital marketing included in the Select Committee responses later in the meeting.
- The Board would like to see reporting in from ██████ as Programme Manager and Belinda noted SLT had a view to reporting on this through the performance report and Audit and Risk Committee.
- Te Tiriti workshop planning is underway.

Recommendations

It was recommended that the Board:

- **Note** the contents of this paper and provide feedback on any matters raised.
- **Outcome:** Noted.



8) Qualifications FAQs and Website Information

Check and update REA's FAQs and information on the website to ensure we are giving the right information about the availability of qualifications.

March 2022: verbal update to be provided by ██████ at March meeting

Due Date: 31 Mar 2022

Owner: ██████



11) REA Emails for Board

Arrange training for the Board on the use of their new REA email accounts and check compatibility with mobile devices such as iPads.

15/03/22 Email addresses have been set up and individual training sessions will be coordinated in the next few weeks.

Due Date: 1 Apr 2022

Owner: ██████



4) SPE Narrative

CE to look at the narrative around the SPE, emphasising resourcing, COVID impacts and higher workload as reasons for not meeting all targets in 2021/22.

March 2022; underway with first draft

Due Date: 23 Mar 2022
Owner: Belinda Moffat



17) Programme Manager reporting to be captured in the performance report.

Programme Manager reporting to be captured in the performance report.
March 2022: Options for reporting presented to Audit and Risk Committee in March meeting.

Due Date: 30 Apr 2022
Owner: [REDACTED]



10) Te Tiriti o Waitangi session with [REDACTED]

Arrange a Te Tiriti o Waitangi session with [REDACTED] outside the 22 March Board meeting.

22/03/22 session booked for Friday 25 March 2022 from 12:30-2:30pm.

Due Date: 1 Apr 2022
Owner: Belinda Moffat

3.2 Morning Tea Break

A 15 minute break was held from 10:30-10:45am

4. Board Papers for discussion and approval

4.1 Select Committee Questions

Belinda highlighted the following:

- Belinda informed the Board that REA has not been called to attend a hearing before the Select Committee this year. These written responses are being provided to the Committee as per standard annual procedure.
- REA received some new questions about restructuring since the last review.
- Question 50 notes our strategy to reduce our digital marketing spend and provides more information to support [REDACTED] earlier question.
- Question 88 relates to REA's turnover which is slightly higher than average but still on par with REA's turnover over the past five years.
- Engagement of consultants are discussed in questions 68-75 is always an area of interest in terms of areas of expenditure.
- Sensitive expenditure questions 42 – 45 were noted as areas of focus.

The Board made the following comments:

- Typographical errors noted
- Some commentary should be added about salary caps and challenges with recruiting to explain turnover in question 88.
- In response to a question, Belinda confirmed that the responses are made available to the public.



Approve the contents of this paper and provide feedback on any matters raised.

It was recommended that the Board:

- **Approve** the contents of this paper and provide feedback on any matters raised.
- **Outcome:** Approved subject to making the discussed amendments.

Decision Date: 15 Feb 2022

Mover: [REDACTED]

Seconder: [REDACTED]

Outcome: Approved



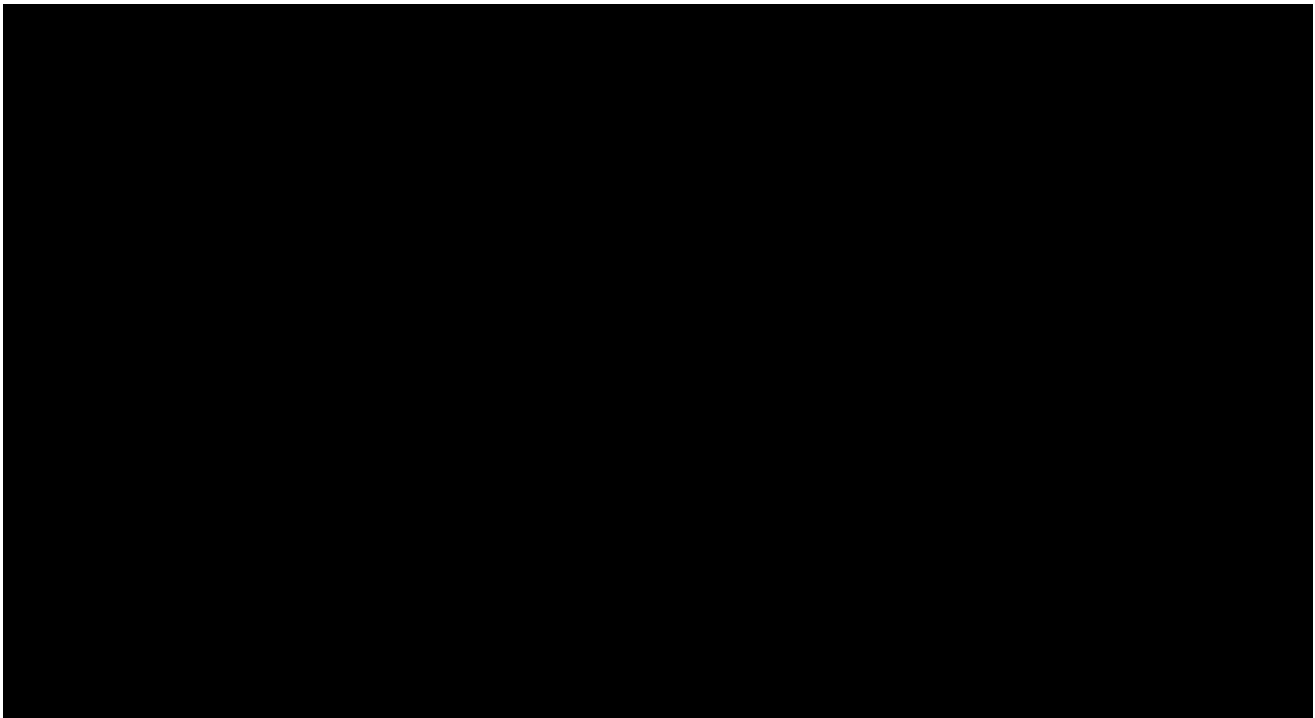
2) Make amendments to Select Committee responses as discussed.

Make amendments to Select Committee responses as discussed.

Due Date: 10 Mar 2022

Owner: [REDACTED]

4.2 [REDACTED] - Intervention Recommendation Paper



Approve REA taking steps to intervene in the pending appeal brought by [REDACTED]

Recommendation: It was recommended that the Board:

- [REDACTED]
- **Approve** REA taking steps to intervene in the pending appeal brought by [REDACTED]

Decision Date: 15 Feb 2022

Mover: [REDACTED]

Seconder: [REDACTED]

Outcome: Approved

4.3 CAC Recruitment

[REDACTED] Head of Regulatory Services, took the paper as read and highlighted the following:

- There strong candidate applications had been received.
- There are three current vacancies but two more lawyers will be finishing their 5-year terms later this year.
- There can be ongoing recruitment challenges with having a maximum term of five years. A number of members finish next year and also a large group finishing up around the same time in 2024.

The Board discussed the following:

- There is a 2.5 year stand-down period before they can be reconsidered as a CAC panel member.
- Strong calibre of candidates acknowledged and agreed that unsuccessful candidates be advised that there will be future opportunities.

Recommendation: It is recommended that the Board:

- **Note** the preferred candidates for recruitment of five CAC panel members.
- **Outcome:** noted.

4.4 Break

The Board took a break from 12:00-12:05pm.

5. Board Papers for noting

5.1 November-December 2021 Performance Report

Belinda highlighted the following:

- The report was republished due to a couple of data discrepancies.
- Licensee number remain high so revenue is strong and REA is in a good position with managing costs.
- [REDACTED] are still seeing good enrolments for salesperson qualifications.
- Complaints volumes remain at a solid level.
- Progress is being made on EIE strategies.

[REDACTED] Head of Corporate Services, highlighted the following:

- Pg. 161 shows the financial results in the revenue and expenditure statement. Revenue is up by \$1.1M.
- [REDACTED]
- Expenditure is down with COVID and vacancies contributing to this.
- Overall, REA is comfortable with their financial position.
- The Ministry of Justice has advised that we need to go through a budget bid process if we had a shortfall so having adequate reserves is important.

[REDACTED] Head of Regulatory Services, highlighted the following:

- Bulk license renewals are coming up and this gives us a strong indication of the perception of the market or forecast of the year ahead in terms of licensee numbers.

The Board discussion noted the following:

- Agent licenses can be attached to multiple companies.

- Supervision ratios are high. The supervision model does not specify how many people you need to supervise and how closely. CACs are picking up where supervision should have been provided, particularly for salespersons, but the only way we can monitor this is by REA receiving a complaint. [REDACTED]
- [REDACTED]
- EIE is undertaking work to better understanding supervision models to inform potential enhancements to the supervision standard.
- Disclosure, particularly for sight unseen purchases continues to be a consistent challenge for the industry and there are a lot of drivers behind disclosure complaints. Sight unseen disclosure complaints certainly make up a number of these complaints, along with misrepresentation.
- Pg.166 and 167 and delays in clearing the backlog until November/December were noted as a typo. Staff are addressing the backlog based on the seriousness of the cases and we have completed the recruitment so the facilitator team is at full capacity – improvements in the backlog should be seen soon.
- Every case should have contact/an update from REA at least monthly, particularly cases going through a CAC process as this takes longer. In Early Resolutions, once a case is assigned the party should be getting fairly regular contact.
- [REDACTED] will have an updated timeline on complaints improvement project for the April Board meeting.

Recommendations

It was recommended that the Board:

- **Note** the contents of this paper and provide feedback on any matters raised.
- **Outcome:** Noted



12) Complaints Improvement Project Update to be provided at the April Board Meeting.

Provide an update report on the Complaints Improvement Project including an updated timeline for the April meeting.

Due Date: 27 Apr 2022

Owner: [REDACTED]

5.2 People and Capability Quarterly Report (September - December 2021)

[REDACTED] Head of People & Capability, took the paper as read and highlighted the following:

- REA's COVID-19 risk profile has improved with a [REDACTED] vaccination rate and a robust vaccination policy (that permits flexibility for working arrangements for those not vaccinated).
- Compliance training on integrity progressing well with staff.
- The 90 Day Plan from the Culture Club was included to show intentions to boost REA's culture and wellness activities.

The Board made the following comments:

- Further information on ethnicity pay parity is sought.
- Booster shots are part of the Vaccination policy.

- The Board appreciated the updated organisation chart and noted further work on workforce planning is underway.

Recommendations

It was recommended that the Board:

- **Note** the contents of the Report and provide feedback on any matters raised.
- **Outcome:** Noted



9) Provide an update on ethnicity and tenure pay parity.

Provide an update on ethnicity and tenure pay parity.

Due Date: 31 Mar 2022

Owner: [REDACTED]

5.3 Regulatory Services Paper

[REDACTED] took this paper as read and highlighted the following:

- Fit and proper standard: The Cavanagh case has resulted in us doing a deeper assessment of license applications where there is perhaps a criminal history to understand the current risk.
- There is limited public awareness about new license applications. They used to be in newspaper but no longer.
- Stale Qualifications: new regulations went live from 1 February. REA has had four applications since then and no concerns have been raised.

The Board made the following comments:

- Disclosure of convictions is not explicit on the prescribed license application form as it talks about convictions relating to dishonesty or any other reasons an applicant would not meet fit and proper standards. REA does do police checks and good character assessments. Applicants know they will be vetted by police so convictions will be revealed through this process.
- Trust Account Audit noted [REDACTED] were referred to a CAC for further consideration which is in line with what REA had seen through this process in previous years.

Recommendation: It is recommended that the Board:

- **Note** the contents of this paper and provide feedback on any matters raised.
- **Outcome:** noted.

5.4 Legal Team Paper

The Legal Team Paper was taken as read and [REDACTED] highlighted the following points:

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

Recommendation: It is recommended that the Board:

- **Note** the contents of this paper and provide feedback on any matters raised.
- **Outcome:** Noted.

6. Other Business

6.1 General Business

- Minister Kris Faafoi intends to conduct an in-person visit to REA as he is visiting all Crown entities this year. This may need to be online but the CE is exploring dates and getting some background information ahead of the visit to clarify whether he will join with Minister Sio and what he is interested in hearing about.

6.2 Closing Karakia

7. Close Meeting

7.1 Close the meeting

Next meeting: Board Meeting 22 March 2022 - 22 Mar 2022, 9:00 am

Unuhia, unuhia	<i>Draw on, draw on,</i>
Unuhia ki te uru tapu nui	<i>Draw on the supreme sacredness</i>
Kia wātea, kia māmā, te ngākau,	<i>To clear, to free the heart,</i>
te tinana, te wairua t e ara takatā	<i>the body and the spirit of mankind</i>
Koia rā e Rongo, whakairia ake ki runga	<i>Rongo, suspended high above us (i.e. in 'heaven')</i>
Kia tina! TINA! Hui e! TĀIKI E!	<i>Draw together! Affirm!</i>

Signature: _____



Date: _____

31.3.22