

CONFIRMED MINUTES

BOARD MEETING 16 AUGUST 2022



At the **Board Meeting 13 September 2022** on **13 Sep 2022** these minutes were **confirmed as presented**.

Name:	Real Estate Authority
Date:	Tuesday, 16 August 2022
Time:	9:00 am to 12:25 pm
Location:	REA Office and Zoom, office and online
Board Members:	Latham Lockwood, Liz Nidd, Tony Stack, Vern Walsh
Attendees:	Belinda Moffat, Andrew Bulled, Victor Eng, Josh Doherty, Nadine Thomas, Marie Snell, Saara Fourie
Apologies:	Mele Wendt, Phirak Appleton, Denese Bates KC (Chair)
Guests/Notes:	██████████ Legal Services Manager (for Legal Paper)

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 at 10.13am.



Appointment of ██████████ as acting Board Chair for August Board Meeting.

The Board noted ██████████ apologies as the Board Chair and resolved to appoint ██████████ as the acting Board Chair for this meeting, as per schedule 5 of the Crown Entities Act. A quorum was confirmed.

Decision Date: 16 Aug 2022

Mover: ██████████

Seconder: ██████████

Outcome: Approved

1.4 Confirmation of Agenda

The agenda was confirmed.

1.5 Interests Register



The Board moved that the interests register be updated.

- The Chief Executive highlighted a sensitive case relating [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] General Counsel to update the Conflicts Register.
- [REDACTED] interest in Classic Life and Classic Group declared and added to the interest register.
- [REDACTED] declared an interest in real estate licensees: [REDACTED]
[REDACTED] LJ Hooker.

Decision Date: 16 Aug 2022

Mover: [REDACTED]

Secunder: [REDACTED]

Outcome: Approved



6) Update the Interests Register

Update the Interests Register to include [REDACTED] additions.

Due Date: 13 Sep 2022

Owner: [REDACTED]



7) Update the conflicts register to record potential conflict

Update the conflicts register to record the potential conflict relating to [REDACTED]
[REDACTED] and a sensitive case relating to [REDACTED].

Due Date: 13 Sep 2022

Owner: [REDACTED]

1.6 Confirm Minutes

Board Meeting 21 June 2022 21 Jun 2022, the minutes were confirmed as presented.



The minutes of 21 June, 6 July and 20 July 2022 were approved as true and correct.

On motions duly made and seconded, it is proposed that the minutes of 21 June 6 July and 20 July 2022 be approved and true and correct.

Decision Date: 16 Aug 2022

Mover: [REDACTED]

Secunder: [REDACTED]

Outcome: Approved

2. Actions from Previous Meetings

2.1 Action Item List

Due Date	Action Title	Owner
30 Apr 2022	1) Awareness, Communication and Stakeholder Engagement Strategy Status: Completed on 9 Aug 2022	[REDACTED]

Due Date	Action Title	Owner
30 Apr 2022	2) Programme Manager reporting to be captured in the performance report. Status: Completed on 9 Aug 2022	[REDACTED]
21 Jun 2022	3) Board Training Budget Status: Completed on 9 Aug 2022	Belinda Moffat
21 Jun 2022	1) REA Emails for Board Status: In Progress	[REDACTED]
30 Jun 2022	5) Review statutory guides and effective production and best practice use principles for sector Status: Completed on 9 Aug 2022	[REDACTED]
30 Jun 2022	2) Provide an update on ethnicity and tenure pay parity. Status: In Progress	[REDACTED]
31 Jul 2022	3) Meeting with REINZ Status: In Progress	Belinda Moffat
31 Jul 2022	8) CAC Training Day - 31 August 2022 Status: Completed on 27 Jul 2022	[REDACTED]
31 Jul 2022	9) Property Management Regulation Status: Completed on 13 Jul 2022	Belinda Moffat
16 Aug 2022	4) Pulse Survey Status: Completed on 29 Aug 2022	[REDACTED]
16 Aug 2022	5) License Expiry Reminders Status: In Progress	[REDACTED]
16 Aug 2022	12) Health and Safety Agenda Item Status: Completed on 9 Aug 2022	Belinda Moffat
12 Sep 2022	13) Diversity and Inclusion Status: Completed on 9 Aug 2022	[REDACTED]
30 Sep 2022	14) Supervision Status: Completed on 9 Aug 2022	[REDACTED]
18 Oct 2022	10) Flexi by Default review Status: In Progress	[REDACTED]
18 Oct 2022	11) Māori Engagement Framework - Board Marae Visit Status: In Progress	Belinda Moffat
12 Dec 2022	17) Tangata Whenua Board Representation Status: Completed on 9 Aug 2022	Belinda Moffat

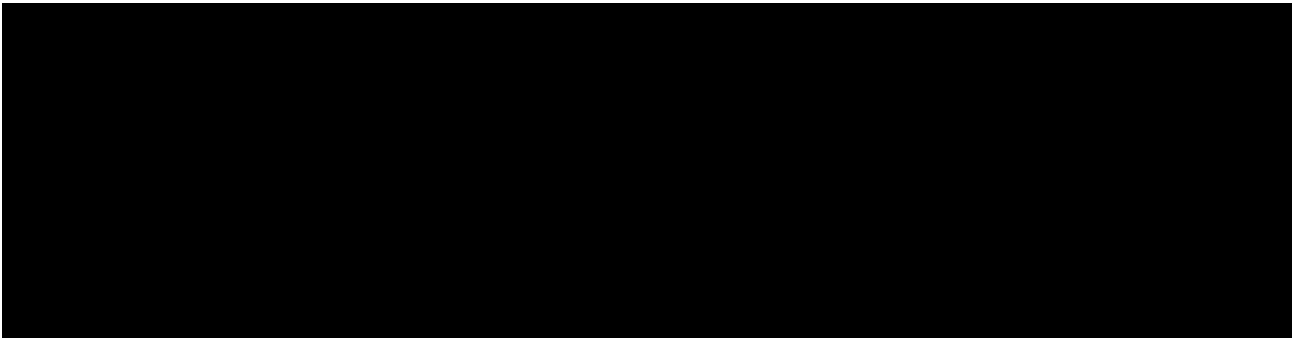
Actions were taken as read and the following actions were discussed:

- **Action 4: Board REA emails:** Further review and support to be provided to Board members to enable use of their REA email accounts.
- **Action 11: Expiry of license reminders:** Additional reminder actions to include:
 - a text/email reminder to licensees (and agency) 48 hours prior to expiry being considered, complex due to licensees moving and need for permissions
 - ask agencies to keep own register and reminder process
 - letter from Registrar to agencies reminding licensees about their obligations and providing helpful tools and tips to keep track of expiry dates.
 - Discussions with other licensing regimes for insights are occurring.
- **Action 12: Health and Safety as a separate agenda item:** New standing recommendation to discuss Health and Safety included in the CE Report. The Board agreed this was an appropriate approach.

3. Chief Executive's Report

3.1 CE Report

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



- Paragraph 16 MVP requirements: REA is in the process of removing MVP requirements from the workplace guidelines. The Board were supportive of REA's approach.
- Paragraph 36 reports EIE activities in summary form: the Board was supportive of the clear and succinct summary format and congratulated [REDACTED] and the team on the work
- Paragraph 29 update on rent review negotiations: [REDACTED] advised we are still in the negotiating process [REDACTED]
- The health and safety update was noted.

Recommendations

It was recommended that the Board:

- **Note** the contents of this report.
- **Discuss** the health and safety update and provide feedback on any issues arising
- **Discuss and provide feedback** on any other matters raised in this report where indicated.

Outcome: Noted

3.2 Break

4. Committee Updates

4.1 Audit and Risk Committee Update

ARC Chair, [REDACTED], gave a verbal update on the meeting held 26 July 2022 noting the focus on policies, audit and end of year results and financials. Most of the papers discussed at that meeting have now come to this Board meeting for final approval.

4.2 People and Capability Committee Update

A verbal update was provided on the meeting held 26 July 2022, including noting the focus on policies for approval by the Board, and Committee consideration of gender and ethnic pay reporting. REA's remuneration approach including application of the pay guidance, the updated Committee terms of reference.

5. Board Papers for Approval or Discussion

5.1 Review of Policies

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

- These policies have been considered by the respective Audit and Risk and People & Capability Committees and were recommended for approval. The papers include the response, and resulting changes, from matters by the respective Committee.

The Board considered each policy and discussed the matters below:

5.1.a Prosecution and Charging Policy

- Endorsed by the Audit & Risk Committee.
- No additional comments from the Board.

5.1.b Litigation Management Policy

- Endorsed by the Audit & Risk Committee.
- No additional comments from the Board.

5.1.c Enforcement of Monetary Orders Policy

- Endorsed by the Audit & Risk Committee.
- No additional comments from the Board.

5.1.d Fraud and Corruption Policy

- ██████████ highlighted that this is a new policy which now includes corruption and captures guidance from the Auditor-General. This should be read alongside REA's internal control process which is referred to in the policy.
- Endorsed by the Audit & Risk Committee.
- No additional comments from the Board.

5.1.e Treasury Management Policy

The Board discussed the following matters:

- The Audit and Risk Committee had discussed the 24-month investment period within policy and whether we go to market for best rates.
- The Chief Executive noted the amendments also provide an authorising context for use of funds for property regulation work.

5.1.f Internal Complaints Policy

- Endorsed by the People and Capability Committee.
- No additional comments from the Board.

5.1.g Protected Disclosures Policy

- Head of People and Capability, ██████████, noted law firm ██████████ had provided advice on this policy.
- People and Capability Committee discussed this policy at length and raised questions, including protections for process and discloser when disclosure is referred outside of our organisation.
- The Committee also reiterated the need for good training for staff and managers around this. REA will be working on guidance and templates for managers to support them through the appropriate processes.
- No additional comments from the Board.

5.1.h Anti-bullying, Harassment and Discrimination Policy

- Key query raised by the People and Capability Committee was whether a single serious act could be considered bullying. Head of People and Capability confirmed that relevant legislation and case law define bullying as repeat behaviour. Single actions will be addressed through employment relations process and not ignored.
- Zero tolerance and mechanisms for raising issues are important. REA needs to ensure staff understand what bullying, discrimination or harassment look like and support a 'speaking up' culture with channels available to raise issues. The wider speaking up model standards were noted. Management will undertake a gap analysis and identify any further improvements required.

Board Handbook amendment

- Paragraph 44 of the paper: proposed change to the *Board Oversight of Expenditure* section of the handbook to include training and professional development for Board Members.
- Board noted the governance value of member to bodies that provide governance training and support
- Board requested that the amendment be adjusted to include words to capture membership to a body for the purposes of accessing governance training.

5.1.i People & Capability Terms of Reference

- Endorsed by the People and Capability Committee.
- No additional comments from the Board.
- The Board noted the Board Chair's intention to reappoint [REDACTED] for an additional two-year term following the changes to the Terms of Reference.



Recommendations were approved, subject to amendment to the Board Handbook.

Recommendation: It is recommended that the Board:

- **Approve** the updated Prosecution and Charging Policy
- **Approve** the updated Litigation Management Policy
- **Approve** the updated Enforcement of Monetary Orders Policy
- **Approve** the new Fraud and Corruption Policy and **note** that it replaces the current anti-fraud policy.
- **Approve** the updated Treasury Management Policy
- **Approve** the updated Internal Complaints Policy
- **Approve** the new Protected Disclosure Policy and **note** that this replaces the current Protected Disclosures Policy.
- **Approve** minor changes to the Anti-bullying, Harassment and Discrimination Policy
- **Agree** that review of the Remuneration Policy be deferred to 2023
- **Approve** the amendment to the Board Handbook to reflect the allocation of annual budget for Board training for each Board member each year
- **Approve** the updated Terms of Reference for the People and Capability Committee

Outcome: Subject to amendment to the Board Handbook above, all recommendations were approved.

Decision Date: 16 Aug 2022

Mover: [REDACTED]

Seconder: [REDACTED]

Outcome: Approved

5.2 Accountability Reporting

5.2.a 2021-2022 Annual Report

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

- There is a need to acknowledge the excellent work that was delivered in the last year given that it was just as challenging, if not more so, than 2020 with the emergence of COVID-19 again in NZ. Great results overall have been achieved.
- Where targets were not achieved, results were still strong with narratives capturing why they were not met.
- The Chief Executive's opening is still to be finalised and the content will be reduced from its current volume.
- [REDACTED] discussed non-performance measures and the auditors' intention to test a number of these in coming days.

[REDACTED] Head of Corporate Services highlighted the following:

- Auditors are working on-site and the audit seems to be going well, with no issues raised other than what was previously discussed in the interim audit.
- Change to process for formal written approval of CE leave (to support verbal and other approval given by the Chair) was noted.

The Board made the following comments:

- ARC had raised a question around formal complaints: were the targets too high in the Statement of Intent and should this target be revisited? The CE reiterated that the targets cannot be adjusted in the SOI as they are set until 2025.
- The Board acknowledged the work of the leadership team and what has been built this past year, with a new EIE team and a number of great pieces of work coming through which is very refreshing from the Board's perspective.

5.2.b 2022-23 Business Plan

Belinda Moffat, Chief Executive highlighted the following:

- This is our forward-looking, high-level snapshot for the year ahead and does not capture all of REA's core business. These are key initiatives and projects. Feedback from the board on the operating context and priorities for the year ahead was sought.

The Board discussed the following:

- A significant reduction in licensees would not be unexpected in the next year. REA forecasts 10% reduction in coming year. [REDACTED]
- Whether the GFC provided any insights to what might be expected in the coming years
- A training pack would be so useful for licensees navigating this market. The facilitated meeting packs that were sent out last year were very well received and could be reissued.
- Supervision risk: have not yet seen a drop in branch managers and agents but this could be a risk if these numbers drop.
- There is a lot of training in the sector on 'standing out in the marketplace' and marketing strategies to get business. This may present a risk as it may drive challenging behaviour as licensees compete for sales.
- REA has not been invited to speak at the REINZ Real Estate Conference The Conference focuses on driving brand in sales and a top Australian keynote speaker has been invited.

Look into this further and consider one of the licensee Board members [REDACTED] going to this alongside Belinda to gain sector insights. An opportunity to speak on regulatory and conduct risks and issues would be welcomed.

- Trans-Tasman Mutual Recognition Agreement license applications: seeing five a month, when some months ago there were 80 a month.
- Annual report is coming along well and can be provided to the Auditors and MoJ in draft.



Recommendations approved with one additional recommendation.

Recommendations

It is recommended that the Board:

- **Note** the Annual Report 2021/22 update and timetable and **provide feedback** on the results and draft Annual Report.
- **Approve** the recommendation for the Chair to sign the Audit Engagement Letter.
- **Provide** feedback on and approve the REA 2022/23 Business Plan.

Outcome: Noted and approved

Additional recommendation:

- **Approve** the Chief Executive refining the draft and providing a copy to the Ministry of Justice and Auditors.

Decision Date: 16 Aug 2022

Mover: [REDACTED]

Seconder: [REDACTED]

Outcome: Approved



8) Approach REINZ about the Real Estate Conference in October.

Approach REINZ about the Real Estate Conference in October.

September 2022: BM has contacted REINZ CE for information. Emphasis is on sales and market techniques. Awaiting response.

Due Date: 13 Sep 2022

Owner: Belinda Moffat

5.3 Communications and Engagement Strategy

[REDACTED], Head of Engagement, Insights and Education, took the paper as read and highlighted the following:

- Three strategies have been combined in this media strategy, stakeholder engagement strategy and diverse communities and awareness strategy following external feedback from an expert on the approach we should take.
- This is a delivery agent for our overarching strategy and identifies six objectives.
- The Board was invited to comment on any aspects of the strategy.

The Board discussed the following:

- paragraphs 2.6 to 2.9 – the Board agreed objectives were clearly summarised.
- 8.3 principles: the Board agreed the points we will and will not speak to were also clear.
- Discussion was held around advertising channels, including TV.

- Is there a way to require licensees to direct all customers and clients to Settled and REA. Could we build a surveys as part of the settlement process. This would capture all buyers and sellers and would be great for data and insights.
- Guides translations: the Board shared an example where old Cantonese was used and a Chinese staff member noted this could cause offense. Ensure the right language is used. [REDACTED] advised our guide translation is in simplified Chinese following guidance from DIA.
- Paragraph 10.1.a: add in the Board alongside the Chair and Chief Executive for resources available to support the Communications and engagement work.

Recommendations

It was recommended that the Board:

- **Discuss and provide feedback** on the questions raised in this paper
- **Endorse** the Communications and Engagement Strategy.
- **Outcome:** Discussed and feedback noted. Strategy endorsed, subject to addition of Board in 10.1.a.

5.4 Break

6. Board Papers for noting

6.1 Regulatory Services Team Paper

The paper was taken as read and [REDACTED] Head of Regulatory Services, highlighted the following points:

- We are starting to see some reduction in complaints caseloads with outsourcing to TMR.
- CLIP: noted a couple of changes from green to amber, including resourcing due to illness and staff changes. The number of workstreams are being reduced down to a more concentrated working group which will reduce the impact across the business.
- A case of non-disclosure has come through recently which is similar to the case with a gang residence next door.

The Board made the following comments:

- Would it be practical to refer similar cases to the same CAC that dealt with previous cases? Consider whether this would be an opportunity for efficiency given their previous experience.
- All agencies must have procedures in place to monitor in house/internal complaints. Does REA monitor this? [REDACTED] advised we do not audit every one.

Recommendations

It was recommended that the Board:

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

Outcome: Noted



9) CAC Allocation Process

Consider developing a CAC allocation process to refer repeat/similar cases to CACs who have experienced those cases previously.

September 2022: Captured in CLIP recommendations schedule.

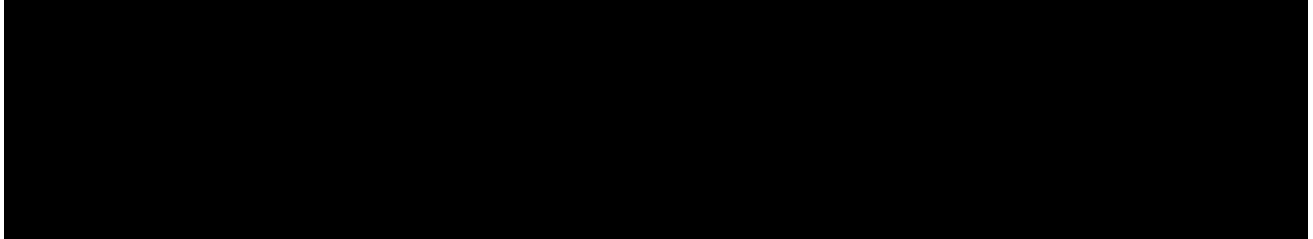
Due Date: 30 Sep 2022

Owner: [REDACTED]

6.2 Legal Team Paper

[REDACTED] Legal Services Manager, joined the meeting for this paper.

The paper was taken as read and [REDACTED] highlighted the following:



The Board discussed the following:

- The residential sector has had extensive and repeated education on agency agreements and they do not need to be revisited with that group. Focus on agency agreements needs to be with rural and commercial. REA to ensure it has a good understanding of how it works in practice to support strong buy in from the sector.

Recommendations

It was recommended that the Board:

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

Outcome: Noted

6.3 Quarterly People & Capability Report (Q4)

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

- Management is considering tracking pre-COVID productivity implications of COVID and working from home against current. The hypothesis is that COVID will have had an impact but other matters impact productivity including delays by parties, absences, recruitment challenge and workload. Hybrid working and flexibility is important to staff and a key attraction in recruitment. Managers are asked to work with individuals on what works best for individual and team and output. We want to be outcomes focused, so this is the focus. Questions on productivity at home and work will be included in the upcoming staff engagement survey around this.
- Rate of attrition: acknowledged that it is high at 29% for the last year but remains consistent with last five years. Turnover does impact capacity and People and Capability is looking at our approach to retention.

The Board discussed the following:

- Approach to sick leave: [REDACTED] advised that REA operates under PSC guidance and we have made a commitment to support staff who are experiencing COVID symptoms or ongoing issues after contracting COVID. REA offers special leave on a case-by-case basis if staff have exhausted their sick leave allocation. This is escalated to the Chief Executive via managers. We will apply these principles to anyone who might present with long COVID. Priority is to support a good recovery at the outset, through paid sick leave.
- Pay restraints and parity with new joiners: Pay restraints have been challenging, and recruitment in the current market has also added pressures. [REDACTED]

██████████ Pay impedes recruitment. Parity adjustments were made in the last remuneration round.

Recommendations

It was recommended that the Board:

- **Note** the contents of this paper and attached Quarterly Report

Outcome: Noted

6.4 PMO Report on Projects and Key Initiatives

The paper was taken as read and ██████████ Programme Manager, highlighted the following:

- The table is a reporting tool enabling management and governance to address any risk areas.

The Board was supportive of the report and noted it is useful to see this information displayed in such a clear snapshot format.

Recommendations

It was recommended that the Board:

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

Outcome: Noted

6.5 Research Paper

The paper was taken as read and ██████████ Head of Engagement, Insights and Education (EIE) highlighted the following:

- Three sets of research results were presented to the Board:
 - Annual Consumer Perceptions Research undertaken by Nielsen
 - Annual licensee survey
 - Complaints Survey
- The intention is to share the Nielsen report in full, in line with our approach to transparency, and summarised results from the Complaint and Licensee Surveys. The Board was invited to note the results and comment on the communication plan.

The Board was supportive the proposed communication approach and agreed to making the full Nielsen report available.

Recommendations

It was recommended that the Board:

- **Note** the annual research results.
- **Note** the proposed plan for releasing the research results.
- **Discuss** and **provide feedback** on any risks with releasing the research results as outlined.

Outcome: Noted

7. Other Business

7.1 General Business

- Pending sector engagement – in person:
 - [REDACTED] are attending the REINZ Awards in early September and [REDACTED] is also to be invited. This provides a single event opportunity to engage with the sector and to demonstrate REA's willingness to engage with the sector. [REDACTED] will present on regulatory risks and issues at the REINZ ambassador workshop in the afternoon.
 - Belinda is attending the Ray White Awards at the end of August in Auckland. The reasons for the attendance is in line with the above. Ray White is one of the largest franchises in NZ and this provides an opportunity to raise REA profile and awareness with the sector.
 - Belinda is presenting at the Harcourts South Island Business Owners Meeting in late September.

7.2 Closing Karakia

The meeting was closed with a Karakia at 12.25pm.

8. Close Meeting

8.1 Close the meeting

Next meeting: Board Meeting 13 September 2022 - 13 Sep 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: _____