

CONFIRMED MINUTES

REA BOARD MEETING 29 MARCH 2023



Name:	Real Estate Authority
Date:	Wednesday, 29 March 2023
Time:	9:00 am to 1:21 pm (NZDT)
Location:	REA Offices, Level 4, Todd Building, 95 Customhouse Quay, Wellington
Board Members:	Denese Bates KC (Chair), Latham Lockwood, Liz Nidd, Mele Wendt, Tony Stack, Vern Walsh, Brooke Loader
Attendees:	Belinda Moffat, Andrew Bulled, Victor Eng, Josh Doherty, Nadine Thomas, Saara Fourie
Apologies:	Sarah Graydon
Guests/Notes:	[REDACTED] (Legal Paper), [REDACTED] Education & Insights Manager

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. The following key points were noted for the minutes:

- Cancelling 1:1 induction meetings with Board Members and [REDACTED]. Will meet with [REDACTED] ahead of the May Board meeting.
- Consider IT specialist for the Systems Enhancement Project (SEP).
- Board gifts and invitations are disclosed in REA's main gift register. Board Chair should be consulted before acceptance. The sensitive expenditure and conflicts of interest policies apply.
- Election guidance for Board and Staff was noted and further information will be provided by the Chief Executive.



15) Sensitive Expenditure and Conflicts Policies to be reviewed & brought back to the Board

Sensitive Expenditure and Conflicts of Interest Policies to be reviewed and brought back to the Board.

May: Conflicts review complete and presented at May board meeting. Sensitive expenditure policy review underway, will be presented in June.

Due Date: 20 Jun 2023

Owner: [REDACTED]

1.3 Karakia

The Senior Leadership Team joined and the meeting was opened with a Karakia at 10.08am.

1.4 Confirmation of Agenda

The agenda was confirmed.

1.5 Interests Register

- No new conflicts were identified.
- [REDACTED] attended Barfoot and Thompson engagement on 25 March as REA's stakeholder engagement representative. The Board Chair, Chief Executive/Registrar and Head of Regulatory Services did not attend.
- The Chief Executive declared a conversation with MP Chris Bishop at a community function relating to REA's CPD programme and her comments were consistent with responses provided to recent parliamentary questions.



2) Attendance at licensee event to be included in Gift Register

Attendance at licensee event to be included in Gift Register ([REDACTED] as REA's stakeholder engagement representative for Barfoot and Thompson event).

Due Date: 1 Apr 2023

Owner: [REDACTED]



3) Record declaration of interest in interest register

Record declaration of interest in interest register (Belinda's conversation with MP Chris Bishop regarding CPD)

Due Date: 1 Apr 2023

Owner: Belinda Moffat

1.6 Confirm Minutes

REA Board Meeting 16 February 2023 16 Feb 2023, the minutes were confirmed with the following changes:

Three typographical errors were corrected.



16 February Board Meeting Minutes approved subject to requested corrections

On motions duly made and seconded, it is proposed that the minutes of 16 February 2023 be approved as true and correct.

Corrections to main minutes: Pg. 23. "Cyclone Gabrielle has developed" should be reworded to "has occurred". [REDACTED] to send typographical corrections to [REDACTED].

Decision Date: 29 Mar 2023

Mover: [REDACTED]

Second: [REDACTED]

Outcome: Approved



Minutes from 8 March 2023 PSPA and Pay Recommendations out of cycle paper were approved.

On motions duly made and seconded, it is proposed that the minutes of 8 March 2023 be approved as true and correct.

Decision Date: 29 Mar 2023

Mover: [REDACTED]

Second: [REDACTED]

Outcome: Approved

2. Actions from Previous Meetings

2.1 Action Item List

Due Date	Action Title	Owner
28 Feb 2023	1) Consider deferral of CPD review to 2023/24 Status: Completed on 22 Mar 2023	Belinda Moffat
28 Feb 2023	2) Suggested New CPD Topics - Board to Communicate to CE Status: Completed on 22 Mar 2023	[REDACTED]
28 Feb 2023	3) Seek any feedback from REINZ on the Regulation of Property Management Status: Completed on 22 Mar 2023	Belinda Moffat
3 Mar 2023	4) [REDACTED] Status: Completed on 3 Mar 2023	Belinda Moffat
29 Mar 2023	5) Establish separate cost code to capture time & cost spend on Regulation of Property Management. Status: Completed on 22 Mar 2023	[REDACTED]
29 Mar 2023	6) Explore ways to expand REA's network across Māori and Pacific peoples. Status: Completed on 22 Mar 2023	[REDACTED]
29 Mar 2023	8) Send diary placeholders to the Board for all upcoming events Status: Completed on 22 Mar 2023	[REDACTED]
29 Mar 2023	9) Convey the REA Board's views on changing the legal name of the REAA to HUD Status: Completed on 22 Mar 2023	Belinda Moffat
31 Mar 2023	11) Review of the Real Estate Agents Act Status: Completed on 22 Mar 2023	Belinda Moffat
31 Mar 2023	12) Priorities Review Status: Completed on 22 Mar 2023	Belinda Moffat
31 Mar 2023	13) Add remuneration to the strategic focus areas Status: Completed on 22 Mar 2023	Belinda Moffat
31 Mar 2023	1) Separation of aged cases Status: In Progress	[REDACTED]
1 Apr 2023	4) Confirm REA's support for the MPP housing strategy and action plan Status: Completed on 18 May 2023	Belinda Moffat
31 May 2023	6) Flexi by Default review Status: In Progress	[REDACTED]
31 May 2023	7) REA Emails for Board Status: In Progress	[REDACTED]
31 May 2023	8) Licence Expiry Reminders Status: Completed on 18 May 2023	[REDACTED]
31 May 2023	9) Transaction Reports Status: In Progress	[REDACTED]
31 May 2023	10) Prepare Terms of Reference for the Board Advisory Committee - Regulation of Property Management Status: In Progress	Belinda Moffat
31 May 2023	11) Develop a leadership programme for SLT and Tier 3 Leaders Status: In Progress	[REDACTED]
31 May 2023	12) Consider translating final values to te reo Māori. [REDACTED] Status: In Progress	Belinda Moffat

Due Date	Action Title	Owner
31 May 2023	22) Explore internship programmes for Pacific peoples (e.g. Tupu Tai/Tupu Toa) Status: Completed on 22 Mar 2023	[REDACTED]
31 May 2023	14) Finalise a plan for rolling out project management training to all staff and Board. Status: In Progress	Belinda Moffat
30 Jun 2023	18) Māori Engagement Framework - Board Marae Visit Status: In Progress	Belinda Moffat
31 Aug 2023	21) Invite the REINZ Board Chair to a future REA Board meeting. Status: In Progress	Belinda Moffat

Actions were taken as read and the following updates were given:

- Action 20 - Licence Expiry Reminders: REA has proactive communications on website and all reminder communications are in place to support licensees renewing on time.
- Action 22 – Internships (Tupu Toa and Tupu Tai): P+C to connect with Te Puni Kōkiri. Board members to provide details of any other internships for consideration.
- Action 23 - Marae visit update: [REDACTED] to assist CE to organise Marae visit with target date of June. Visit to include a pōwhiri, whakawhanaungatanga and the Board meeting.
- Action 16 Transaction Reports: This has not been progressed due to competing priorities. Mixed practices are noted across the sector and best practice considerations need to be looked at. Board members suggested a template with an expectation of the level of detail to be included would assist. **Addition to this action:** EIE to explore this with residential industry advisory group.
- Action 15 - MPP housing strategy and action plan: This relates to our work around barriers to entry with home ownership and a meeting is planned with the new MPP Chief Executive. Since this action there has been a change in Minister. The Board will be kept apprised of how discussions progress.
- Action 21 - Project Management Training: All leaders due to participate in in project management training. This will then be offered to other staff. The Board expressed interest in participating in this training and this will be considered as part of the Board training budget.

The Board had no questions or comments about the other actions.



20) Prepare proposal for Board member project management training

May: Exploring options for Board training.

See above existing Action, this will be closed.

Due Date: 31 Jul 2023

Owner: Belinda Moffat

3. Chief Executive's Report

3.1 CE Report

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

- There are no specific points for decisions this month. The report identifies the primary areas of focus, risks and issues.

- A number of written Parliamentary Questions have been received regarding the Te Kākanō CPD topic, recruitment, carbon emissions. This is to be expected in election year.
- ██████████ discussed the PSPA and updated Pay Guidance. There is renewed emphasis on public services applying a consistent framework. Initial view is that REA's approach is consistent with the guidance. We are continuing our focus on closing the ethnic and gender pay gaps.
- Compression of CE role. P+C committee have asked for CE role to be evaluated and sized. ██████████ overseeing with ██████████ support.

The Board discussed the following matters:

- Appointing new CAC members: the recruitment process takes a few months and will commence in May. New appointees will be in place around September 2023. Some current members end their terms in January/February 2024. Staff to explore wide range of channels to ensure diversity of appointees, with focus on Māori and Pacific Peoples networks. RST needs to ensure it has a clear strategy for recruiting a diverse CAC panel.
- CAC members resign for a range of reasons. Most relate to lack of time to commit to doing CAC work. ██████████ ██████████ It was noted that this may need to be addressed in the regulation of property management legislation.
- Board fees have also remained unchanged since 2008, and also require further review under the fees framework. CE noted that a review was undertaken in 2021, with no uplift options identified. Position may change with introduction of property management mandate.
- The possibility of an increase in CAC member numbers was discussed. It was noted that the Act prescribes a cap of 20 on the panel.
- The Complaints Improvement Project (CIP) seeks to focus CAC time on decision-making rather than writing the decisions, with greater support provided by REA staff.
- Capacity in the communications and digital marketing team was discussed. The new Senior Communications and Engagement Advisor has been in the role for two months and is looking at different digital channels to determine the best way to engage with consumers and licensees.
- The Board asked whether Tik Tok has been explored, particularly with Māori and Pacific Peoples. YouTube is currently used, Instagram is being increasingly used, and Facebook less so. Local councils use Tik Tok with success.
- The Board encouraged management to keep a watching brief on digital marketing as there is a notable decrease in the reach of Settled and our other resources. The downward trend in traffic across other entities was highlighted by Uprise so this trend is not isolated to REA. EIE encouraged to raise awareness of the videos as useful consumer information and training tools.
- Health and Safety issues were discussed, including the recent unexpected visitor to the REA office. REA has guidelines/procedures and training in place to assist with dealing with difficult people. An updated policy on dealing with difficult people is being developed and further training for staff is planned.

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, discussed and feedback provided.



13) [REDACTED] to oversee CE Role Sizing.

[REDACTED] to oversee CE Role Sizing.

May: [REDACTED] engaged, process underway

Due Date: 31 May 2023

Owner: [REDACTED]



16) Management to review CAC and Board fees frameworks

Management to review CAC and Board fees frameworks

Due Date: 20 Jun 2023

Owner: Belinda Moffat



17) RST to explore range of channels for CAC appointees including Māori and Pacific networks

RST to explore range of channels for CAC appointees including Māori and Pacific Peoples networks.

May: CAC recruitment planning underway

Due Date: 20 Jun 2023

Owner: [REDACTED]



19) Bring policy for dealing with difficult people to Board.

Bring policy for dealing with difficult people to Board.

May: ER staff provided staff training in April - further work on policy to be progressed

Due Date: 25 Jul 2023

Owner: [REDACTED]

4. Committee Updates

4.1 Audit & Risk Committee Update

The ARC Chair, [REDACTED], noted that the key discussion items were the draft 2023/24 Statement of Performance Expectations (SPE) and budget assumptions, and the Risk and Hazards Registers, both of which are presented to the Board at this meeting with the Committee's comments noted.

ARC were comfortable with the draft SPE and assumptions, being mindful that these may be further refined before publication.

ARC also noted the following:

- Auditors cannot come to ARC in April but should come to the Board meeting in May.
- The Auditor fee increase is to be addressed with auditors by management.

- Insurance is up for renewal in June.



5) Auditors BDO to be invited to meet with the Board in May.

Auditors BDO to be invited to meet with the Board in May. Complete.

Due Date: 24 May 2023

Owner: [REDACTED]

4.2 Break

5. Board Papers for Approval or Discussion

5.1 2023/24 Statement of Performance Expectations and Budget

The paper was taken as read and the Chief Executive gave the following overview:

- This is the first iteration of the 2023/24 SPE and Budget.
- ARC has reviewed this in detail and given some input around the commentary relating to travel and meeting costs. They have endorsed this draft to go to the Ministry of Justice on 31 March subject to any amendments requested by the Board today.

The Board discussed the following:

- The 15,500 licensees forecast is conservatively realistic. The bulk renewals period is a good indication of numbers. Currently there are 16,400 licensees. 500 still renew. If they do not renew that would take numbers to 15,900.
- The Board is comfortable with the assumptions and noted feedback from ARC.
- The Board requested minor changes to the wording in the green highlighted paragraph on pg. 91. Recommended that strategic “plank” be replaced with “priority” or “impact”.
- Members requested that next draft to the board track change any further changes, to assist ease of review.



Recommendations approved subject to suggested amendments to pg. 91

Recommendations

It was recommended that the Board:

- **Discuss and provide feedback** on the draft 2023/24 SPE and budget
- **Approve the provision** of the draft SPE to MoJ by 31 March 2023.
- **Outcome:** Approved subject to the suggested amendments to pg. 91.

Decision Date: 29 Mar 2023

Mover: [REDACTED]

Seconder: [REDACTED]

Outcome: Approved

5.2 REA Values Refresh

The paper was taken as read and [REDACTED] Head of People and Capability, highlighted invited feedback from the Board on the four values proposed.

The Board discussed the following matters:

- Omission of reference to sustainability: this has not been explicitly included within our values but is a priority for REA. [REDACTED] advised sustainability is included in all of our

strategic documents as we continue to have a strong commitment in this area. This can be encapsulated by the descriptor 'we rise to new challenges' under the Bold heading.

- Courageous was suggested to replace the word 'Bold'. The descriptor was supported as written. The Board unanimously supported this change.
- Recommended to add "We Act with integrity **and empathy**,..."
- Recommended to add "...anticipate **and adapt to** the future."
- The next step is to capture these in a te ao Māori context with assistance from REA's advisor, [REDACTED] noting the need to consider these in a non-literal sense (not necessarily a direct interpretation). The translations need to fit with te ao Māori in a national sense as a national body.
- The Board agreed that both headers and descriptors are to be canvassed in te reo Māori.
- Discussion was held around launching the English values before the end of the financial year with the te reo Māori interpretation to follow once it has been developed. There were divided views about whether to launch or wait until both English and te reo Māori iterations were finalised. This will be progressed outside of this meeting. [REDACTED] offered to support the translation process.



Values were supported subject to the three discussed amendments.

Recommendations

It was recommended that the Board:

- **Note** staff feedback on the final draft of REA's refreshed values.
- **Approve** the REA's refreshed values.
- **Note** the proposed next steps.

Outcome: Noted and the values were supported subject to the three discussed amendments. The full values (headers and descriptors) are to be translated with support from [REDACTED] and REA's cultural advisors.

Decision Date: 29 Mar 2023

Mover: [REDACTED]

Seconder: [REDACTED]

Outcome: Approved

- [REDACTED] raised a possible change to the way the Board approves decisions, proposing collective movement by the Board, rather than moving and seconding. The Board agreed to maintain the status quo for now.

5.3 Risk Report - Six Month Review

The paper was taken as read and the Board discussed the following matters:

- The change to the Hazard 3 Epidemic or Pandemic rating was noted and supported.
- The new external context risk was noted and supported. It includes climate change and sustainability risks.

Recommendations

It was recommended that the Board:

- **Note** the Risk Report and Register, and provide any feedback.
- **Note** the Hazard Register and provide any feedback.

Outcome: Noted

5.4 Education Update

██████████ *Education and Insights Manager, joined the meeting for this paper.*

The paper was taken as read and ██████████ highlighted 5 new CPD topics proposed for next year.

The Board discussed the following:

- Te Kāhano CPD module has generated feedback and we have received some PQs and OIAs as a result. The draft module will be available for the Board's viewing after the Board meeting today.
- The Board and Chief Executive acknowledged the education team for the work on the Te Tiriti CPD topic and particularly for the professional manner in which they have dealt with any objections to the proposed introduction of the mandatory topic.
- Should there be discounts or scholarships for Maori and Pacific Peoples? REA does not receive the funding from CPD delivery, so this would be in the hands of CPD approved providers.
- Regarding the Diversity and Inclusion Series Topic 2, the Board discussed unconscious bias and preparing our business for the future. By 2030, 50% of New Zealand's population under 30 years will be Māori, Pacific or Asian. Agents need to be aware of this changing demographic coming through open homes. Cultural intelligence involves removing bias.
- Should we do a specific course with a focus on Pacific Peoples or other ethnicities and their needs/customs? Do we need to break down the diversity and inclusion programme further? It was noted that this would take a long time to build and roll out for all NZ ethnicities so the intention is to address cultural competency in a general sense, recognising the changing demographic and licensees having the skills to engage across wider range of community interests and needs.
- ██████████ shared his view that most licensees have contacts to guide them on a language or custom barrier. To break down too deeply would take years to bring people up to a reasonable level of cultural competency. One package next year was recommended. We could provide resources or contacts to help people to develop their cultural competency further.
- The Board discussed whether this second Diversity & Inclusion topic should be compulsory like Te Kāhano, or should it be optional initially and mandatory down the track? The Board agreed that this should also be mandatory.
- All other topics were supported as proposed.



The elective and two mandatory CPD topics were approved as proposed

Recommendations

It was recommended that the Board:

- **Note** the contents of this paper and provide feedback on any matters raised
- **Provide feedback on and/or approve** the elective and mandatory CPD topics for 2024.

Moved: ██████████

Seconded: ██████████

Outcome: The elective and two mandatory CPD topics were approved as proposed, with unanimous agreement that the second Diversity & Inclusion topic should be mandatory.

Decision Date: 29 Mar 2023

Mover: [REDACTED]
Seconder: [REDACTED]
Outcome: Approved

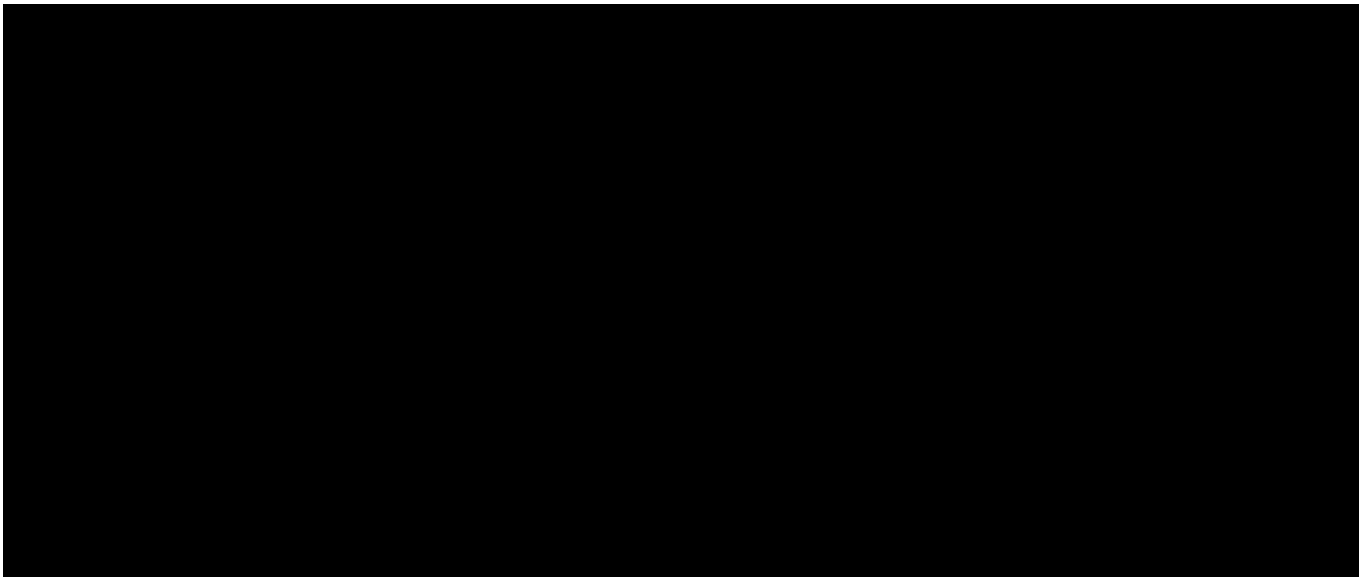
[REDACTED] left the meeting.

5.5 Regulatory Policies and Procedures

[REDACTED] Senior Solicitor, and [REDACTED] Legal Services Manager, joined for this paper.

The paper was taken as read and [REDACTED] gave an overview of the two documents presented to the Board.

The Board discussed the following:



- Approved as written.



Provisional Guidelines and Procedure for CPD exemptions and deferrals were endorsed.

Recommendations

It was recommended that the Board:

- **Note** the contents of this paper
- **Endorse** the provisional Guidelines and Procedure for dealing with applications for exemption and deferral of Continuing Professional Development (CPD) requirements in exceptional circumstances.
- **Outcome:** Endorsed

Decision Date: 29 Mar 2023

Mover: [REDACTED]
Seconder: [REDACTED]
Outcome: Approved



The Reg 12(3) Licensing Regulations Internal policy and procedure was approved.

Recommendations

It was recommended that the Board:

- **Approve** the Reg 12(3) Licensing Regulations Internal policy and procedure.

Decision Date: 29 Mar 2023

Mover: [REDACTED]

Seconder: [REDACTED]

Outcome: Approved

[REDACTED] *Senior Solicitor, and [REDACTED] Legal Services Manager left the meeting.*

6. Board Papers for noting

6.1 Regulatory Services Team Paper

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

- There are 474 remaining renewals in the last of the bulk renewals and the next three days will be very important. 3,656 renewed during bulk renewals to date.

The Board discussed the following matters:

- Fit and proper licensing criteria: [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
- Licensees with criminal convictions come to REA through annual Police vetting processes.
- There are a large number of MoJ checks during bulk renewals which can be delayed.
[REDACTED]
[REDACTED]
[REDACTED]
- Team continues to make progress reducing the aged cases. Two new facilitators have joined.

Recommendations

It was recommended that the Board:

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

Outcome: Noted

6.2 Legal Team Paper

[REDACTED] *Legal Services Manager, attended for this paper.*

The paper was taken as read and the Board had no comments or questions.

Recommendations

It was recommended that the Board:

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

Outcome: Noted

6.3 Property Management Regulation and Amendments to REAA Update

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

- The Board was updated on a meeting with HUD on 28 March.
- A draft bill is being prepared and REA will be consulted on any policy issues arising that require REA advice.
- Currently this work remains a Government priority.
- There is no information available about funding.

The Board noted the update and did have any comments or questions.

Recommendations

It was recommended that the Board:

- **Note** this report

Outcome: Noted.

6.4 PMO Report on Projects and Key Initiatives

The paper was taken as read and the Chief Executive highlighted the change in the presentation of our projects status report.

Recommendations

It was recommended that the Board:

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

Outcome: Noted.

6.5 Complaints Improvement Project Update

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

- The project focus is now on people changes and impacts on roles, and change management approach.
- A complaints handbook is in progress.
- Decision-writing training was completed for CACs in early March.
- REA's junior project manager has resigned and recruitment for a replacement is underway.

The Board noted the progress that is being made and asked that if time slips it is important that the Board be informed.

Recommendations

It was recommended that the Board:

- **Note** the update on the Complaints Improvement Project

Outcome: Noted

7. Other Business

7.1 General Business

- Political neutrality guidance for Senior Management and Board was discussed. PSC may be invited to discuss this topic further at the next meeting.
- Policies for review: some are potentially reviewed too regularly. Consider the review periods when refreshing our policies going forward.

7.2 Closing Karakia

The meeting was closed with a Karakia at 1.21pm followed by lunch.

8. Close Meeting

8.1 Close the meeting

Next meeting: REA Board meeting 24 May 2023 - 24 May 2023, 8:30 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>

8.2 Lunch and Te Kākano Screening

Signature: _____

Date: _____