

CONFIRMED MINUTES

REA BOARD MEETING 19 SEPTEMBER 2023



At the **REA Board Meeting 17 October 2023** on **17 Oct 2023** these minutes were **confirmed as presented**.

Name:	Real Estate Authority
Date:	Tuesday, 19 September 2023
Time:	9:00 am to 12:33 pm (NZST)
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
Attendees:	Belinda Moffat, Victor Eng, Andrew Bulled, Josh Doherty, Herman Visagie, Nadine Thomas, Saara Fourie

1. Opening Meeting

1.1 Board in Committee

Issues for discussion with the Chief Executive were agreed. The Board conducted their governance self-assessment.



7) Prepare the Governance Self-Assessment letter for approval by the Board

Prepare the Governance Self-Assessment letter for approval by the Board and submission to the Minister by 30 September 2023.

Due Date: 30 Sept 2023
Owner: Belinda Moffat

1.2 Board and CE alone time

Papers and issues identified by Board were discussed with the Chief Executive, including:

- Consensus that the strategy day had been useful
- [REDACTED] to meet to confirm the outcome of the discussion on Governance improvements and actions arising
- CE and SLT to give effect to feedback to support effective, concise and strategic board reporting, to enable greater time for strategic discussion
- CE proposal for management of EIE following departure of [REDACTED] supported

1.3 Karakia

The Senior Leadership Team (SLT) joined and the meeting was opened with a Karakia at 10.17am.

1.4 Interests Register

- No new interests were declared for the register.
- The Board noted the previous disclosures relating to item 4.3 CAC panel member appointments:
 - ██████████ was an acquaintance of ██████████ through professional channels. It was agreed that it did not present a conflict requiring recusal of ██████████ from decision making on CAC appointments.
 - ██████████ was also an acquaintance of ██████████. ██████████ would be excluded from discussions on ██████████ proposed appointment.
 - ██████████ declared that ██████████ was a previous colleague. It was agreed that ██████████ be excluded from discussions on ██████████ proposed appointment.

1.5 Confirm Minutes

REA Board Meeting 23 August 2023 23 Aug 2023, the minutes were confirmed as presented.

1.6 Confirmation of Agenda

The agenda was confirmed.

2. Actions from Previous Meetings

2.1 Action Item List

Due Date	Action Title	Owner
23 Aug 2023	1) Conduct further analysis on increase in CAC referrals Status: Completed on 8 Sept 2023	██████████
18 Sept 2023	2) Draft an agenda for the September Board Strategic Review Status: Completed on 8 Sept 2023	Belinda Moffat
18 Sept 2023	3) Seek written response to REINZ Letter on 2024 Mandatory CPD Topic Status: Completed on 8 Sept 2023	Belinda Moffat
18 Sept 2023	4) Annual Report - Addition of ██████████ with note of leave of absence from May Status: Completed on 8 Sept 2023	Belinda Moffat
18 Sept 2023	5) CPD Topic - Meeting Obligations Status: Completed on 8 Sept 2023	██████████
18 Sept 2023	1) Promotion of translated guides Status: Completed on 6 Oct 2023	
18 Sept 2023	2) Follow up on the REINZ online magazine Status: Completed on 6 Oct 2023	
19 Sept 2023	3) Use of consumer protection principle statement in our regulatory work Status: Completed on 11 Oct 2023	
20 Sept 2023	4) Discuss approval protocols (moving and seconding) at the next Board meeting. Status: Completed on 11 Oct 2023	
30 Sept 2023	13) Separation of aged cases Status: Completed on 8 Sept 2023	██████████

Due Date	Action Title	Owner
30 Sept 2023	5) Develop a leadership programme for SLT and Tier 3 Leaders Status: Completed on 11 Oct 2023	
30 Sept 2023	6) Board Members to declare personal engagements with Real Estate Agents in the last 12 months Status: Completed on 10 Oct 2023	
30 Sept 2023	8) Invite the REINZ Board Chair to a future REA Board meeting. Status: Completed on 10 Oct 2023	Belinda Moffat
17 Oct 2023	9) Legal Report Appendix A - Include case summaries for context Status: Completed on 11 Oct 2023	
17 Oct 2023	13) Terms of Reference for the refreshed IAGs Status: Completed on 6 Oct 2023	
18 Oct 2023	15) CACs Status: Completed on 10 Oct 2023	
31 Oct 2023	16) Flexi by Default review Status: Completed on 10 Oct 2023	
31 Oct 2023	17) Māori Engagement Framework - Board Marae Visit Status: In Progress	Belinda Moffat
31 Oct 2023	18) Finalise a plan for rolling out project management training to all staff and Board. Status: In Progress	Belinda Moffat
31 Oct 2023	19) Bring policy for dealing with difficult people to Board Status: In Progress	Belinda Moffat
31 Oct 2023	20) REA presence at REINZ Awards Status: Completed on 10 Oct 2023	Belinda Moffat
30 Nov 2023	21) Transaction Reports Status: On Hold	
30 Nov 2023	23) REA Emails for Board Status: Completed on 11 Oct 2023	
15 Dec 2023	25) Opportunities for Board workshops (discuss in Board strategy session) Status: In Progress	Belinda Moffat
31 Dec 2023	26) Conduct data analysis on the increase in complaints to look for trends/drivers Status: In Progress	

The actions were taken as read with the following actions raised for discussion:

- Flexible by default policy review: an audit of current flexible working arrangements has been completed and the policy review is pending. It was noted that swipe card access aligned with 20% of staff on flexible WFH arrangements. The reviewed policy will be presented to P+C Committee this year. It was agreed the action could be closed.
- REINZ Awards: REINZ advised omission to acknowledge REA attendance was an oversight and will be addressed next year. Potential sponsorship of an REA award was also raised as a future possibility.
- A number of actions were noted as now closed.
- [REDACTED] will discuss the actions relating to Board workshops and the marae visit.

3. Chief Executive's Report

3.1 CE Report

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

- REA's lead Crown entity monitor from MoJ has changed from [REDACTED] to [REDACTED]. [REDACTED] continues to have senior oversight.

- A Property Management Regulation Committee meeting will be scheduled in the first week of October to review the Bill.
- Proposed Board and Committee dates included in appendix G will be adjusted further to reflect back-to-back Committee and Board meetings in March and September, noting the benefits of holding Committee meetings in-person where practical to do so. These dates will be changed to 20-21 March, and 18-19 September 2024 (subject to Board availability).
- An alternative November strategy meeting date is required due to unavailability - 6 or 20 November are potential alternatives.
- Timing for the strategy session was discussed, and it was noted that August is too early as it is only 2 months into the financial year. November enables discussion ahead of the following year SOI and SPE preparation.
- CE and EA to finalise the Board Workplan and issue placeholder dates.

The Board discussed the following matters:

- Further guidance on efficiency expectations will be sought from MoJ.
- Health and Safety matters were noted.
- The Cabinet office circular relating to Constitutional Procedures after the Election 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, discussed and feedback provided.



14) Finalise Board workplan and send out placeholders for 2024 Meetings.

Finalise Board workplan and send out placeholders for 2024 Meetings.

October: Updated meeting dates provided in October Board pack. Placeholders will be issued on 18 October

Due Date: 18 Oct 2023

Owner: [REDACTED]

3.2 Break

The Board took a 10-minute break at 11am and recommenced at 11.10am.

[REDACTED] were excused from the meeting at 11.10am, for a board alone discussion, with the CE and General Counsel present.

Disclosure of Interest – [REDACTED]

[REDACTED] declared her intention to accept a nomination for a REINZ Area 5 Regional Board Directorship. The Board discussed the declaration and agreed that:

- this presented a conflict of interest, and

- [REDACTED] would be recused from decision making on CAC appointments, and discussion on funding for regulation of property managers regime at this meeting. It was confirmed that there was a quorum without [REDACTED] for decisions;
- pending the outcome of the election [REDACTED] should stand down from the Board effective 20 September; and
- in the event [REDACTED] is elected to the Board she would resign from the REA board;
- if unsuccessful, [REDACTED] would resume her REA duties;
- [REDACTED] would include in her nomination bio that she has stood down from the REA board and would resign from the REA board if elected.

It was noted that nominations close Wednesday 27th September and will be publicly notified on 18 October. Ballots open on 2nd November and close on 13th November at 5pm.



10) Conflict of Interest: [REDACTED]

- 1) [REDACTED] to provide a formal letter to [REDACTED] as the Board Chair explaining the circumstances of her standing down from the REA Board
- 2) Notification to be given to the Minister/MoJ of [REDACTED] intention to step down from the REA Board pending the outcome of the election ([REDACTED]).
- 3) Record the disclosure and actions taken by the Board in the REA disclosures of interests register and BoardPro ([REDACTED]).

October: All complete.

Due Date: 17 Oct 2023
Owner: Belinda Moffat

4. Board Papers for Approval or Discussion

4.1 Policies Review

The following policy was presented to the Board for discussion and approval, noting this had not previously been considered by the People & Capability Committee. The key change was to include CAC and Board members in the scope of this policy.

Anti-Bullying, Harassment and Discrimination Policy

- The Board had no additional questions or changes.

Recommendations

It was recommended that the Board:

- a. Approve** the updated Anti-Bullying, Harassment and Discrimination Policy.

Outcome: Approved unanimously

4.2 Accountability Documents: 2021-22 Annual Report Update

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

Draft 2022-2023 Annual Report

- This is the second draft and the Board Chair and CE introductory statements have been included.
- ARC members identified some minor typographical errors at their meeting yesterday which have been noted and will be corrected.
- The next steps are to provide the Board with the final design copy of the annual report and the letter of representation in October.

The Board discussed the following:

- The Board Chair confirmed the introductory statement was satisfactory and did not request any changes.

Audit Completion Report

- The Audit and Risk Committee Chair advised the Board that the Committee met with the Auditors yesterday and REA has achieved three very good results. There were no concerns raised by the Auditors and the Committee was introduced to [REDACTED] successor, [REDACTED]

Recommendations

It was recommended that the Board:

- a. Note** the annual report 2022/23 update and timetable and provide any final feedback on the draft annual report.

Outcome: Noted.

[REDACTED] *recused herself from the meeting at 11.35am.*

4.3 CAC Panel Appointments

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

- The recommended CAC panel candidates were presented to the Board for approval to appoint.

[REDACTED]

The Board discussed the following:

- Terms of appointment clarified expectations for service, quality and time management and availability and the need to correct the reference to the Anti-Bullying, Harassment and Discrimination Policy in paragraph 11 of this document.
- Whether fees for CAC members was adequate and the need for a further review of fees payable

Recommendations

It was recommended that the Board:

- a. Approve** the candidates identified in this paper for appointment to the CAC panel.
- b. Approve** the terms and conditions for appointment.
- c. Approve** the use of the Board Chair's e-signature for appointment letters.

Outcome: Recommendations were approved, subject to the minor amendment to the terms of appointment regarding the reference to the Anti-Bullying, Harassment and Discrimination Policy.



11) Conduct analysis on CAC remuneration against the 2021 Cabinet Fees Framework

Conduct analysis on CAC remuneration against the 2021 Cabinet Fees Framework

Due Date: 17 Oct 2023

Owner: [REDACTED]



27) Update the Board Handbook to define requirements for a quorum

Update the Board Handbook to define requirements for a quorum to mirror Schedule 5 of the Crown Entities Act in the 2024 review.

Due Date: 21 Feb 2024

Owner: [REDACTED]

4.4 Property Management Regulation & REAA Amendments Update

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

- REA and HUD are working on a MOU to address the sharing of information.
- With [REDACTED] standing down it was recommended that [REDACTED] be appointed to the RPM Committee.

Recommendations

It was recommended that the Board:

- Note** this report
- Approve** the draft funding agreement in principle and delegate to the Chief Executive authority to finalise and execute the funding agreement
- Approve in principle** the draft Terms of Reference for the Reference Group, and delegate to the Chief Executive authority to finalise and execute the final Terms of Reference.

Outcome: Recommendations were noted, approved and approved in principle subject to the caveats discussed.

Two additional oral recommendations were put forward by the CE:

- Approve** the Chief Executive finalising and executing a Memorandum of Understanding with HUD
- Approve** the addition of [REDACTED] to the Property Management Regulation Committee in the place of [REDACTED]

Outcome: Recommendations were approved.



24) Provide final versions of the funding agreement, TOR & MOU to the Board once finalised

Provide final versions of the funding agreement, Terms of Reference and Memorandum of Understanding to the Board via BoardPro once finalised.

October: A new BoardPro Committee for Property Management Advisory Committee has been established. The TOR, Funding Agreement and MOU will

be uploaded to the Governance Folder for that Committee once signed. Likely to be late October. Then this action will be closed.

Due Date: 5 Dec 2023

Owner: Belinda Moffat

██████████ returned to the meeting at 12.02pm

5. Board Papers for noting

5.1 Regulatory Services Team Paper

The paper was taken as read and ██████████ invited questions from the Board.

The Board discussed the following:

- Increase in complaints and license reduction is flattening out.
- There are 54 cases yet to be assigned to a facilitator
- Noted the reappointment of a previous staff member into a new RST manager role bringing good knowledge and expertise along with investigative background.

Recommendations

It was recommended that the Board:

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

Outcome: Noted

5.2 Legal Team Paper

Outcome: Noted

5.2 Legal Team Update

The paper was taken as read and ██████████, General Counsel, highlighted the following:

- Resourcing continues to be a focus area. The legal services team is please to confirm a new Legal Services Manager who will join the team next month.
- Unlicensed trading is unplanned work that has impacted the team's capacity.
- Paragraph 6 highlights the intention to publish exceptional circumstances guidelines to assist the sector to understand how we apply the requirement of exceptional circumstances. The board has seen the provisional guidelines and there are no material changes.
- Case reports will be provided to the Board on a quarterly basis.

The Board discussed the following:

- The Board did not need to see the exceptional circumstances paper before it is issued by the Registrar.
- It is important for sector reminders about the CPD requirements. EIE to ascertain why there are delays by training providers confirming completion of CPD.

- Retirement village models and a number of operators now changing their models in light of focus on the Act.
- The reduced legal report was supported by the Board, with the more comprehensive report with schedules to come to the Board every three months in the future rather than to every meeting.

Recommendations

It was recommended that the Board:

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

Outcome: Noted

5.3 PMO Report on Projects and Key Initiatives

The paper was taken as read and the Chief Executive invited questions or comments from the Board.

The Board discussed the following:

- Whether good progress was being made on SEP and whether vendors were providing suitable support
- Management confirmed ■■■ have been contracted to support us with identifying a long term solution and they are an existing vendor.
- The Board reiterated the importance of being clear on what REA is wanting to achieve to ensure the SEP project stays focused and on track.
- REA is aiming to get a draft business case to the next Board meeting before the RFP goes out to potential vendors. An indication of anticipated cost will be provided with the draft business case.
- Implementation of a new system would ideally be by June 2024.
- Succession planning for the Board: Legal, IT and Finance are key capabilities needed for future board members.

Recommendations

It was recommended that the Board:

- a. **Note** the contents of this paper and the attached PMO report.

Outcome: Noted.



12) Invite ■■■ to present the draft business case at the next Board meeting

Invite ■■■ to present the draft business case at the next Board meeting

October: ■■■■■■■■■■ and ■■■■■■■■■■ attending.

Due Date: 17 Oct 2023

Owner: ■■■■■■■■■■

5.4 Complaints Improvement Project Update

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

- A high level of project activity is underway with website development, handbook development and training.

- An information pack will go to the sector end of September outlining benefits we are hoping to achieve and what the sector needs to do to prepare and align with the new process.
- The next Steering Group 20 September and then a go/no go meeting on 22 September.
- The project is likely to remain in Amber as staff and new joiners are trained up over the coming months.

The Board made the following comments:

- The Board was encouraged by the progress made on the project to date and acknowledged this is at a very significant and positive phase.
- The Board noted CIP seems to be on the agenda at the end of sector meetings like RELF. Given its significance, is there something more in depth to assist compliance managers that they could roll out to their leadership teams? The CE suggested looking at arranging a Teams webinar. She also highlighted that we will be putting out a brief informational video.

Recommendations

It was recommended that the Board:

- Note** the update on the Complaints Improvement Project

Outcome: Noted.



22) Explore the feasibility of hosting a CIP webinar for compliance managers on Teams in November.

Explore the feasibility of hosting a CIP webinar for compliance managers on Teams in November.

October: This is in the CIP project workplan.

Due Date: 30 Nov 2023

Owner: Belinda Moffat

6. Other Business

6.1 General Business

- [REDACTED] was congratulated on her new role and the Board will formally acknowledge [REDACTED] contribution to REA at the October Board meeting.



Board resolution for decision-making process

- The Board approved a motion to move to consensus decision-making approach and they will no longer move and second motions to approve resolutions. The Chair will state the motion and call for support, if a dissent is expressed this will be recorded and if there is no consensus, the Chair may elect to call a vote on the resolutions proposed.

Decision Date: 19 Sept 2023

Mover: [REDACTED]

Seconder: [REDACTED]

Outcome: Approved

6.2 Closing Karakia

The meeting was closed with a Karakia at 12.33pm.

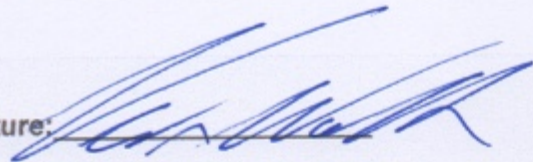
7. Close Meeting

7.1 Close the meeting

Next meeting: REA Board Meeting 17 October 2023 - 17 Oct 2023, 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>

7.2 Lunch 12.40pm

Signature: 

Date: 17/10/2023