

# CONFIRMED MINUTES

## REA BOARD MEETING 28 MARCH 2024



At the **REA Board Meeting 22 May 2024** on **22 May 2024** these minutes were **confirmed as presented**.

<b>Name:</b>	Real Estate Authority
<b>Date:</b>	Thursday, 28 March 2024
<b>Time:</b>	9:00 am to 2:09 pm (NZDT)
<b>Location:</b>	REA Office , REA Office (Teams option)
<b>Board Members:</b>	Denese Bates KC (Chair), Vern Walsh, Brooke Loader, Latham Lockwood, Liz Nidd, Mele Wendt, Tony Stack
<b>Attendees:</b>	Belinda Moffat, Andrew Bulled, Victor Eng, Herman Visagie, Josh Doherty, Marie Snell, Saara Fourie
<b>Guests/Notes:</b>	[REDACTED]

### 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. Actions were agreed.

#### 1.3 Karakia

The Senior Leadership Team (SLT) joined at 10.06am and the meeting was opened with a Karakia.

#### 1.4 Confirmation of Agenda

The agenda was confirmed noting the addition [REDACTED]

#### 1.5 Interests Register

- [REDACTED] declared [REDACTED]



### 3) Update the interests register.

Update the interests register with [REDACTED] additional interest declaration.

**Due Date:** 1 Apr 2024

**Owner:** [REDACTED]

## 1.6 Confirm Minutes

REA Board Meeting 21 February 2024 21 Feb 2024, the minutes were confirmed as presented.



All notes, minutes and resolutions were approved as true and correct records.

Outcome: Approved

**Decision Date:** 28 Mar 2024

**Outcome:** Approved

## 2. Actions from Previous Meetings

### 2.1 Action Item List

Due Date	Action Title	Owner
29 Feb 2024	1) Institute of Directors Diversity Event on 14 March. <b>Status:</b> Completed on 14 Mar 2024	Belinda Moffat
29 Feb 2024	2) Update the Interests Register <b>Status:</b> Completed on 14 Mar 2024	[REDACTED]
29 Feb 2024	3) Circulate bios of REA's summer interns to the Board <b>Status:</b> Completed on 14 Mar 2024	[REDACTED]
29 Feb 2024	[REDACTED] <b>Status:</b> Completed on 14 Mar 2024	[REDACTED]
29 Feb 2024	5) Check performance review references in select committee responses (Questions 132, 186). <b>Status:</b> Completed on 14 Mar 2024	Belinda Moffat
21 Mar 2024	8) RST Case Themes <b>Status:</b> Completed on 14 Mar 2024	[REDACTED]
28 Mar 2024	10) Add Board workplan at the beginning of future Board packs and to BoardPro <b>Status:</b> Completed on 14 Mar 2024	[REDACTED]
28 Mar 2024	1) Add values to Strategic Framework one-pager <b>Status:</b> Completed on 15 May 2024	[REDACTED]
31 Mar 2024	2) Consider delivery methods of D&I topic in early 2024 <b>Status:</b> Completed on 15 May 2024	Belinda Moffat
31 Mar 2024	13) Review and improve Board workplan layout. <b>Status:</b> Completed on 14 Mar 2024	[REDACTED]
31 May 2024	8) Update the Board Handbook to define requirements for a quorum <b>Status:</b> Completed on 13 May 2024	[REDACTED]
31 May 2024	9) SLT leadership programme to also include CE and SLT member 360 review. <b>Status:</b> In Progress	[REDACTED]
1 Jun 2024	10) Broaden engagement scope for the first diverse community initiative <b>Status:</b> Completed on 15 May 2024	[REDACTED]
9 Jun 2024	11) Board Governance assessment to be undertaken by an external provider to include 360 review. <b>Status:</b> In Progress	[REDACTED]

Due Date	Action Title	Owner
30 Jun 2024	13) Māori Engagement Framework - Board Marae Visit <b>Status:</b> In Progress	Belinda Moffat
30 Jun 2024	14) Review of Offshore Regulatory Settings <b>Status:</b> In Progress	[REDACTED]

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

- Close Strategic Framework one-pager action. The Board supported the new layout.
- Board workplan: discussion was held around the holding Committee and Board meetings back-to-back in September and October. Consider whether they can be spaced apart.
- Action 16: Meeting in April with [REDACTED]. [REDACTED] proposed to attend with Belinda if she is available.



**7) [REDACTED] and Belinda to share this year's D&I topic with the Board**

[REDACTED] and Belinda to share this year's D&I topic with the Board

May: see Supplemental Board Folder for May Meeting.

**Due Date:** 22 May 2024

**Owner:** Belinda Moffat



**5) Send invite to [REDACTED] for meeting with [REDACTED] on 9 April.**

Send invite to [REDACTED] for meeting with [REDACTED] on 9 April.

**Due Date:** 9 Apr 2024

**Owner:** Belinda Moffat



**15) Consider spacing ARC/P&C meetings out from Board meetings (specifically September and October).**

Consider options for creating space between ARC and P&C meetings in proximity to the Board meetings to allow for changes to be made (specifically September and October meetings).

May: We do not recommend this change given that the meetings are scheduled to align with our Crown Entities Act Annual Report and Audit timeline. A change would also put considerable additional pressure on the CE and SLT from a reporting perspective. We note that matters considered by Audit and Risk will not be presented to the Board, unless it relates to the Annual Reporting requirements.

**Due Date:** 1 Jul 2024

**Owner:** Belinda Moffat

### 3. Chief Executive's Report

#### 3.1 CE Report

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

- Interviews are in train for both Future Director and Head of EIE roles.
- Some inconsistencies were highlighted in the February statistical data relating to complaint resolutions in appendix B, output 2, pg. 48. Management explained that the 15% included the holiday period which is why this is low.
- The uplift in website traffic was commended by the Board.
- The Board queried whether REA offers COVID-19 vaccinations alongside funded flu vaccinations. The CE advised that we do not offer/fund COVID vaccinations at REA.

- OIAs: management confirmed numbers are unusually high, in part due to a repeat requester. Significant time is being put into managing these. The Board agreed this needs to be addressed if these multiple requests are becoming overly burdensome or vexatious, given the demand on resources to manage these. General Counsel noted that a management plan can and will be put in place if ongoing high levels of request are made. CE noted that REA is committed to transparency and importance of OIA processes, but all agreed this is to be balanced with avoiding interference with the smooth running of the organisation.

## 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.

## 3.2 Changes to Strategic Environment

The following matters were discussed:

- 
- Of note, most of the negative feedback on the judicial review case is from members of the public rather than licensees. Most comments are coming through the xxxx@xxx.xxxx.xx inbox and the team receiving these emails are logging them as they come through and managing the negativity with good resilience reflecting their experience dealing with a complaints environment.
- Business impacts and prioritisation: the Board acknowledged the high number of priorities with the judicial review, SPE and SOI development, bulk renewals and CPD audit. They supported REA's 90-day planning process and agreed that non-essential initiatives such as Conversations with REA in May could be postponed to after the judicial review hearing to enable good focus on priority work.
- Noted that financial outlook is healthy, due to ongoing focus on fiscal sustainability and monitoring of revenue and expenditure.



### 6) Defer May Conversations with REA event to August

Defer May Conversations with REA event to August

**Due Date:** 1 May 2024

**Owner:** Belinda Moffat

## 3.3 Break

## 4. Board Papers for Approval or Discussion

### 4.1 Accountability Documents: 2023-24 SPE and 2024-2028 SOI

Management presented the first drafts of the 2024-2028 SOI and 2024-25 SPE for feedback and approval.

The CE explained the areas of these draft documents that are new, remain unchanged from the previous versions, and the areas that still need updating. The CE highlighted the following points for discussion:

- The SOI has had some content removed (approximately 1 page shorter).
- Changes to the strategy on of page document and inclusion of values.
- The Board's feedback on the budgeted deficit.
- The new measures provided.
- The Board's level of comfort submitting the SOI and SPE to MoJ on 5 April in their current form, noting that ARC will have further opportunity to review updated drafts in April.

The Audit and Risk Committee discussed these documents at their meeting on 25 March and their feedback was shared with the Board:

- A CAC member's feedback was shared on REA's strategic priority 2 and their suggestion to include 'fair' in the description. The Board agreed to the Committee's recommendation to include this.
- The Committee supported the budget and reiterated that the narrative must reflect our commitment to fiscal sustainability and financial prudence throughout these documents.
- In the SOI, the Committee recommended inclusion of a statement that in each of the 4 years of the SOI we will focus on different diversity dimensions.
- The Committee considered some of the targets were not ambitious enough and asked that they be revisited.
- Committee also asked that the narrative articulate that while being mindful of the Government's fiscal sustainability programme, there is still the need for some consultants and contractors in specialist areas due to the SEP project.
- The Committee felt that the statement that the 'budget is less conservative' is not the right term as it may be misconceived. This is to be reworded to "We have prepared a rigorous budget which is as realistic with our likely costs as we can forecast".

The Board approved the provision of the SOI and SPE to MoJ with the above updates incorporated. The Board noted that it will review the next drafts before they go to the Minister in April.



### **Recommendations approved subject to the above changes and further work on the measures and narrative**

#### **Recommendations**

It was recommended that the Board:

- Discuss and provide feedback** on the draft 2024-28 SOI
- Discuss and provide feedback** on the draft 2024-25 SPE
- Subject to any changes, **approve** the provision of the draft SOI and SPE to the Ministry of Justice by 5 April.

**Outcome:** Approved subject to the above changes and further work on the measures and narrative.

**Decision Date:** 28 Mar 2024

**Outcome:** Approved

## **4.2 CPD Update**

The paper was taken as read and [REDACTED] Education and Insights Manager, and [REDACTED] Senior Education and Insights Advisor, were introduced to the Board.

## CPD Survey Results

- An overview of the 2023 feedback on the CPD programme was provided and highlighted the actions that will now be taken.

The Board discussed the following:

- Some of the results were surprising and we had expected higher ratings from the main providers.
- [REDACTED]
- Topic design is important for improving feedback
- Diversity in trainers: there was a review of Approved Training Providers (ATPs) 2 years ago which took into account diversity from applicants where possible.

## 2025 Topics

An overview of the four new and two review topics proposed for 2025 was provided with the following comments:

- *Back to basics* has come through as a strong theme, given the tough market over an extended period. Licensees have asked for more depth in some topics which are already in the elective library.
- The business broking topic is in response to feedback that we do not have enough topics for the rural, commercial and business sectors of the industry.

The Board discussed the following:

- Quality of providers: the way in which topics are delivered is crucial to how much value people get from the training, and how engaged they are.
- There is value in telling stories, not just in the training material but also sharing real case examples.
- The Board queried whether consideration is given to delivering training to cater for different learning styles and ages groups. Staff confirmed the education team is considering these aspects, including training for neurodivergent licensees.
- [REDACTED] confirmed support for the direction of CPD topics and particularly in the diversity and inclusion topics remaining mandatory, along with sale and purchase and disclosure topics. It was noted that the business broking topic should be elective not mandatory, given the smaller audience that this is relevant to.
- REA should aim to have one topic designed for one of the specialist sectors each year.
- The Board supported the topics, and it was noted that it would be useful to see one new elective topic a year for the other sectors (rural, commercial and business).
- Staff noted that a recommendation on which topics would be mandatory would be brought back to the Board later in the year once the topics have been further developed.



## **Recommendations were noted and approved.**

### **Recommendations**

It was recommended that the Board:

- Note** the contents of this paper and provide feedback on any matters raised.
- Approve** the proposed CPD topics for 2025 and **note** that a recommendation on whether topics will be mandatory, or elective will be made in May 2024.

**Outcome:** Noted and approved.

**Decision Date:** 28 Mar 2024

**Outcome:** Approved

### 4.3 Complaints Improvement Project (CIP) Closure Report

The paper was taken as read and [REDACTED] was introduced to the Board as the CIP project manager. [REDACTED] highlighted the following:

- The last steering group meeting will be held next week.
- The project methodology has proven invaluable for this project and will also be a useful foundation for REA's other significant projects such as SEP and potentially RPM.
- Ongoing improvement, monitoring and management of risks and issues will be required after the closure of the project so there will be a handover from the project team to the management team.
- Benefits realisation and monitoring: dates have been included in the paper for reporting back to the Board.

The Board discussed the following:

- Early indications under the new process are good. The higher volume of complaints is putting pressure on the new format.
- Seeing less complaint enquiries which means our website content is effective in providing key information and reducing calls for the enquiries and jurisdiction team.
- The Board acknowledged the project team lead for her significant contribution to this project and supporting the team in getting to this stage of the project.

#### Recommendations

It was recommended that the Board:

- Note** the closure report for the Complaints Improvement Project

**Outcome:** Noted

### 4.4 Policy Review

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

- The Audit and Risk Committee considered these policies at their meeting on 25 March 2024 and endorsed approval of these policies.

The Board had no additional comments or questions relating to any of these policies and approved them as proposed.



**All recommendations were approved.**

#### Recommendations

It was recommended that the Board:

- Approve** the recommendation that no changes be made to the Treasury Management Policy.
- Approve** the recommendation that no changes be made to the Revenue Recognition Policy.
- Approve** the recommendation that the updated Procurement Policy be approved.



[REDACTED]

#### 4.6 Insurance Renewal and Delegation to ARC

The paper was taken as read and [REDACTED] invited the Board's comments or questions.

[REDACTED]

The Board discussed the following matters:

- [REDACTED]



**Recommendation was approved.**

It was recommended that the Board:

- a. **Approve** a delegation to the Audit & Risk Committee to review and approve the insurance programme 2024/25.

**Outcome:** Approved.

**Decision Date:** 28 Mar 2024

**Outcome:** Approved



[REDACTED]



[REDACTED]



#### 4.7 Terms of Reference Review

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



**Recommendations were approved.**

##### Recommendations

It was recommended that the Board:

- a. **Approve** the recommendation to make no changes to the terms of reference for the Audit & Risk Committee, subject to any verbal recommendation which may be made by the Chair of the Committee.
- b. **Approve** the amendments to the terms of reference for the Real Estate Leaders Forum.

**Outcome:** Both approved.

**Decision Date:** 28 Mar 2024

**Outcome:** Approved

#### 4.8 Risk Report and Hazards Register Six-monthly Review

The paper was taken as read and the Audit & Risk Committee Chair reported back on their discussion. The Committee was satisfied with the risk report and risks profiles identified.

The Board discussed the following matters:

- Risk 6 regulator reputation remains unchanged as a high risk given the significant pieces of work that are currently underway.
- Pg 252 hazard register – Building Problems: what is being done to mitigate this risk given the possible impact on business continuity. Quarterly inspections and tests are conducted as part of our rental agreement to ensure facilities are functioning well.
- Flexible working legacy from Covid-19 and staff in the office. The CE confirmed flexible working is highly valued by staff and our flexible by default policy does not specify a minimum number of days required in the office and we operate on a case-by-case basis, based on the need to WFH.
- Knowledge base continues to be area of focus with new CAC members and improving access to knowledge base through SEP

##### Recommendations

It was recommended that the Board:

- a. **Note** the Risk Report and Register, and Hazard Register, and the verbal advice from the Audit & Risk Committee and provide any feedback.

**Outcome:** Noted

#### 4.9 Lunch Break

## 5. Board Papers for noting

### 5.1 Regulatory Services Team Paper

The paper was taken as read and [REDACTED] invited comments or questions from the Board.

The Board discussed the following matters:

- Latest numbers on the CPD Audit: cancellation letters sent in early March. 104 people have not completed CPD and have not responded to REA's letter. 24 licensees have done 8.5 hours but not Te Kākanō. This number is expected to reduce as more make contact with REA.
- The key reasons for non-completion of CPD include:
  - Not understanding CPD requirements, particularly new licensees
  - CPD trainers have made errors in reporting (eg licensee numbers). These are raised with providers as they come to light. It is part of ATP contracts to keep accurate records and provide us with correct data.
  - Personal circumstances or illness meaning CPD completion was not prioritised or possible. Deferrals granted in a range of cases.
- The Board noted the data analysis on licensee tenure in relation to complaints.
- Discussed the impact on licence cancellations because of non-completion of CPD, should REA not be successful in their judicial review defence.

#### 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

The paper was taken as read and the following points were highlighted:

- [REDACTED]

#### Recommendations

It was recommended that the Board:

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

**Outcome:** Noted

### 5.3 Systems Enhancement Project (SEP) Update

The paper was taken as read and questions and comments were invited from the Board. The following points were highlighted:

- [REDACTED]

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## Recommendations

It was recommended that the Board:

- a. **Note** the progress update of the Systems Enhancement Project.

**Outcome:** Noted

## 5.4 Property Management Regulation & REAA Amendments Update

The paper was taken as read and the following points were highlighted:

- Select Committee is now expected to report back in August.
- CE and Head of RST recent presentation to the Tenancy Advocacy Group was positive and gave REA connection with a number of tenancy groups.
- REA is still not yet in a position to recruit for establishment team, as certainty of direction is not yet confirmed.

The Board discussed the following:

- Important that property managers use trust accounts.
- the rationale for a 5 year rather than 10-year prohibition was to ameliorate the harshness of a 10-year ban in the REAA.
- Proposal of 3 members of board to have real estate and/or property management experience was to enable a good spread along with 6 non sector board members.

## Recommendations

It was recommended that the Board:

- a. **Note** this report.

**Outcome:** Noted.

## 6. Other Business

### 6.1 General Business

There was no general business discussed.

## 7. Close Meeting

### 7.1 Closing Karakia followed by CIP Milestone Celebration

The meeting was closed with a Karakia.

### 7.2 Close the meeting

**Next meeting:** REA Board Meeting 22 May 2024 - 22 May 2024, 9:00 am

Unuhia, unuhia

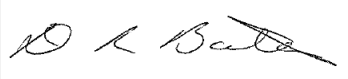
*Draw on, draw on,*

Unuhia ki te uru tapu nui

*Draw on the supreme sacredness*

**Kia wātea, kia māmā, te ngākau,** *To clear, to free the heart,*  
**te tinana, te wairua t e ara takatā** *the body and the spirit of mankind*  
**Koia rā e Rongo, whakairia ake ki runga** *Rongo, suspended high above us (i.e. in 'heaven')*  
**Kia tina! TINA! Hui e! TĀIKI E!** *Draw together! Affirm!*

**Signature:**



**Date: 22/05/2024**