

CONFIRMED MINUTES

REA BOARD MEETING 21 FEBRUARY 2024



At the REA Board Meeting 28 March 2023 on 28 Mar 2024 these minutes were confirmed as presented.

Name:	Real Estate Authority
Date:	Wednesday, 21 February 2024
Time:	12:30 pm to 3:31 pm (NZDT)
Location:	REA Office , REA Office (Teams option)
Board Members:	Denese Bates KC (Chair), Vern Walsh, Brooke Loader, Mele Wendt, Liz Nidd, Tony Stack
Attendees:	Belinda Moffat, Victor Eng, Andrew Bulled, Herman Visagie, Josh Doherty, Marie Snell, Saara Fourie
Apologies:	Latham Lockwood
Guests/Notes:	[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 the Board were discussed with the Chief Executive. Actions were agreed.



1) Institute of Directors Diversity Event on 14 March.

Confirm the Board Training Budget can cover the cost of [REDACTED] attending Institute of Directors Diversity event on 14 March.

March: Saara has attended to this.

Due Date: 29 Feb 2024

Owner: [REDACTED]

1.3 Karakia

1.4 Confirmation of Agenda

The Senior Leadership Team (SLT) joined at 1.47pm and the agenda was confirmed.

1.5 Interests Register



2) Update the Interests Register

Update the Interests Register to reflect the following changes:

- [REDACTED] declared two new interests for adding to the register.
 - [REDACTED]
 - [REDACTED]
- [REDACTED] declared one new interest:
 - [REDACTED]
- [REDACTED] advised that she has stepped down from the [REDACTED] effective from December 2023.

Due Date: 29 Feb 2024

Owner: [REDACTED]

1.6 Confirm Minutes

REA Board Meeting 5 December 2023 5 Dec 2023, the minutes were confirmed as presented.



Minutes were approved as true and correct records.

All minutes were approved as written.

Decision Date: 21 Feb 2024

Outcome: Approved

2. Actions from Previous Meetings

2.1 Action Item List

Due Date	Action Title	Owner
20 Dec 2023	1) CPD Email Reminders Status: Completed on 14 Feb 2024	Belinda Moffat
20 Dec 2023	2) Kia Toipoto Report Status: Completed on 14 Feb 2024	Belinda Moffat
22 Dec 2023	3) Future Director Nomination Status: Completed on 14 Feb 2024	Belinda Moffat
22 Dec 2023	4) Review of Board and CAC Fees Status: Completed on 14 Feb 2024	Belinda Moffat
21 Feb 2024	5) Updates to Interests Register Status: Completed on 14 Feb 2024	[REDACTED]
21 Feb 2024	6) Board and CAC Fees - Annual Review Status: Completed on 14 Feb 2024	Belinda Moffat
21 Feb 2024	7) Consider options for greater use of regulatory positions guidance in early 2024. Status: Completed on 14 Feb 2024	[REDACTED]
21 Feb 2024	8) Annual review of regulatory positions paper Status: Completed on 14 Feb 2024	Belinda Moffat
21 Mar 2024	6) Board Governance assessment to be undertaken by an external provider to include 360 review. Status: In Progress	Belinda Moffat

Due Date	Action Title	Owner
21 Mar 2024	7) SLT leadership programme to also include CE and SLT member 360 review. Status: In Progress	Belinda Moffat
21 Mar 2024	8) RST Case Themes Status: Completed on 14 Mar 2024	[REDACTED]
21 Mar 2024	9) Review of Offshore Regulatory Settings Status: In Progress	[REDACTED]
31 Mar 2024	12) Consider delivery methods of D&I topic in early 2024 Status: In Progress	Belinda Moffat
31 Mar 2024	13) Review and improve Board workplan layout. Status: Completed on 14 Mar 2024	[REDACTED]
31 May 2024	14) Update the Board Handbook to define requirements for a quorum Status: Not Started	[REDACTED]
30 Jun 2024	16) Māori Engagement Framework - Board Marae Visit Status: In Progress	Belinda Moffat

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

- Belinda has reached out to [REDACTED] from the Māori Heritage Council Board and will update the Board once they have connected.

3. Strategic Matters for Board Discussion and CE Report

3.1 CE Report

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

- Board Workplan: a revised layout was presented to the Board following feedback at the last meeting. The Board supported the revised layout and requested that this be included at the beginning of all future Board packs.
- Board 360 Governance Assessment: feedback was invited from the Board on suggested providers. Management was given feedback on options and will now look at cost and availability providers. Members recommended management also consider Boardroom Practice.
- Letter from Minister of Finance regarding fiscal sustainability: the Board was invited to provide feedback on points to include in the letter of response. The Board supported the key points proposed noting that REA has always maintained a focus on fiscal sustainability and prudent spending. The Board agreed to note that REA has an IT transformation project underway [REDACTED].
- Initial meeting with the new Associate Minister: a BIM and quarterly report have been provided and a meeting request has been extended to her office. We are awaiting response.
- Future Director Programme: discussed diversity of candidates that have come through, and noted that interviews will now be arranged.
- Real Estate Leaders Forum on 7 March: Confirmed Board attendance by [REDACTED].
- CPD Audit: Results were discussed. Overall a very positive completion rate.
- OIAs: looking to put a management plan in place for our repeat requester due to the pressure it is putting on REA resources to fulfil these bulk requests. [REDACTED]
- IAG candidates: confirmed there is Māori representation among the candidates with three identifying as Māori on applications.
- Diverse Communities initiatives: discussed resourcing requirements for delivering these. Members suggested that rather than focus on just the Asian Business Association,

staff engage with a wider Asian/Pan-Asian network. Further consideration to be given to engagement for initiative 1.

- Highlights: reduction in attrition, reduction in privacy breaches, reduction in EAP usage, successful delivery of our first internship.

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.



10) Add Board workplan at the beginning of future Board packs and to BoardPro

Include Board workplan at the beginning of future Board packs for easy reference and add to BoardPro.

Due Date: 28 Mar 2024

Owner: [REDACTED]



3) Circulate bios of REA's summer interns to the Board

Circulate bios of REA's summer interns to the Board.

March: [REDACTED] has attended to this.

Due Date: 29 Feb 2024

Owner: [REDACTED]



15) Broaden engagement scope for the first diverse community initiative

Broaden engagement scope for the first diverse community initiative (action assigned to [REDACTED])

March: under consideration by EIE

Due Date: 1 Jun 2024

Owner: Belinda Moffat

3.2 Changes to Strategic Environment

There were no new strategic risks or issues for discussion that have not already been covered in the papers.

4. Board Papers for Approval or Discussion

4.1 Select Committee Questions and Responses

Management provided an overview of the key changes to previous questions and highlighted questions 143, 152 and 153 for discussion.

The Board noted the comprehensive response and considerable work required to respond to the question. The Board requested the following changes:

- change to the response to Question 153 to "...and possible extension of mandate..."
- Question 59 typographical error.

The Board discussed the following:

- The review process is resource intensive and queried whether other Crown entities that are also levy funded face the same level of reporting requirements. Management responded that this is part of the Crown Entities Act requirements and facilitates transparency and accountability to the public. Management noted the Select Committee work to refresh scrutiny processes that was reported to the Board last time.
- It was noted that there is no hearing for REA this year, but the information provided will be made publicly available once considered by the Select Committee.



Recommendation was approved subject to the requested changes.

Recommendations

It was recommended that the Board:

- a. Approve** the responses to the Select Committee Annual review questions.

Outcome: Approved subject to the requested changes.

Decision Date: 21 Feb 2024

Outcome: Approved

4.2 Financial Forecast 30 June 2024

The paper was taken as read and management highlighted the following:

- Bulk renewals are commencing which will better inform our licensee levels for the year ahead. Current expectation is a reduction in 200 licensees.
- Forecast is better than budget, reflecting REA's focus on fiscal sustainability and prudent cost management.

The Board discussed the following:

- What is the projected level of legal expenditure in the next financial year? Management noted the increase in complex cases requiring additional expertise and external resourcing to work through these cases. Members asked that the budget for 2024/25 reflect the need for increased legal expenditure, given the important role of legal advice in complaints, tribunal and other regulatory matters.
- Management emphasised the unpredictable nature of forecasting and the importance of the quarterly review process.

- [REDACTED]

Recommendations

It was recommended that the Board:

- a. Note** the revised Financial forecast for the year ending 2023/24 and the projected cash position.

Outcome: Noted.

4.3 Systems Enhancement Project (SEP) RFP Update

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

- [REDACTED]

- [Redacted]

[Redacted]

- [Redacted]

- [Redacted]

- [Redacted]

[Redacted]

- [Redacted]

- [Redacted]

- [Redacted]

[Redacted]



[Redacted]

Recommendations

It was recommended that the Board:

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

[Redacted]

[Redacted]

Outcome:

[Redacted]

Decision Date: 21 Feb 2024
Outcome: Not Approved



[REDACTED]
[REDACTED]
March: Complete and Board decision confirmed.

Due Date: 29 Feb 2024

Owner: [REDACTED]

4.4 Formal Warning Policy

The paper was taken as read and the General Counsel, [REDACTED] noted the following points:

- This policy is closely aligned with REA's Prosecutions Policy. While connected to that policy but is a standalone policy.
- A warning is an important regulatory tool for dealing with conduct that may be the subject of offences, that might otherwise be prosecuted in the Courts. It can help to stop misconduct and prevent harm effectively.
- The warning option is not currently available to CAC's but further analysis is being undertaken to determine if it could be extended to CACs.

The Board discussed the following:

- [REDACTED]
[REDACTED] Management referred to the Solicitor-General's Guidelines which notes prosecution is the least preferred option if other regulatory responses are available. It assists with ensuring the court process is reserved for the appropriate cases and affords the opportunity to correct behaviour in an expedient and proportionate way.
- A warning can only be used once REA has completed an investigation.
- Warnings may be published on REA's website without identifying those involved. There are a range of publication options that are noted in the policy and would be considered depending on the facts of the case.
- The policy can apply to unlicensed trading or trust account offences, but not to complaints going through the CAC process.
- A reference to this policy will be added to the Prosecutions Policy under the CE's delegation to make administrative changes to policies to ensure the two are aligned.
- Decision making: In the unlikely scenario where the CE and General Counsel disagree on whether a warning should be issued, it would be escalated to the Board.



Recommendation approved.

Recommendations

It was recommended that the Board:

- Approve** the Formal Warnings Policy.

Outcome: Approved.

Decision Date: 21 Feb 2024

Outcome: Approved

5. Board Papers for noting

5.1 Regulatory Services Team Paper

The paper was taken as read. The Board did not have any questions or comments.

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 Update

The paper was taken as read and the following points where noted:

- 
- Parties continue to be more litigious with complaint volumes increasing, and more appeals being pursued. It was noted that there has not been an increase in CAC or Registrar decisions being overturned, indicating that decisions continue to be robust and of high quality.

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 People and Capability Quarterly Report (Q2)

The paper was taken as read.

The Board discussed the following:

- Exit interview comments: all comments came from the one exit interview and most areas of improvement already have work underway.
- Performance reviews and KPIs: REA encourages informal 1:1 meetings with staff, and holds mid-year reviews and annual reviews for all staff.
- The Board asked that management ensure that this process is articulated in the select committee questions.

Recommendations

It was recommended that the Board:

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

Outcome: Noted



11) Add values to Strategic Framework one-pager

Add values to strategic framework one-pager if possible.

March: In progress but may be too cluttered, so will be incorporated into the SOI and SPE in another place.

Due Date: 28 Mar 2024

Owner: [REDACTED]



5) Check performance review references in select committee responses (Questions 132, 186).

Check performance review references in select committee responses (Questions 132, 186).

March: completed

Due Date: 29 Feb 2024

Owner: Belinda Moffat

5.4 PMO Report on Projects and Key Initiatives

The paper was taken as read. The Board did not have any questions or comments.

Recommendations

It was recommended that the Board:

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

Outcome: Noted.

5.5 Complaints Improvement Project Update

The paper was taken as read. The Board did not have any questions or comments.

Recommendations

It was recommended that the Board:

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

Outcome: Noted.

5.6 Property Management Regulation & REAA Amendments Update

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

- Select Committee submissions were heard on Monday 19 February. Key submission themes were summarised for the Board, including references to existing community housing regulatory framework, desire for a landlords register, and strong support for the bill to proceed.
- A number of submitters expressed concern about the unregulated state of the sector, and harm to renters.
- REA continues to be available to provide advice to HUD on any matters that may be raised by the Select Committee for guidance.

The Board did not have any questions or comments.

Recommendations

It was recommended that the Board:

- a. **Note** this report.

Outcome: Noted.

6. Other Business

6.1 General Business

The Board was pleased to see existing staff progressing into new positions which retains institutional knowledge and experience.

7. Close Meeting

7.1 Closing Karakia

The meeting was closed with a Karakia at 3.31pm.

7.2 Close the meeting

Next meeting: REA Board Meeting 28 March 2023 - 28 Mar 2024, 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: 28 March 2024