

# CONFIRMED MINUTES

## REA BOARD MEETING - OCTOBER 2024



At the **REA Board Meeting - December 2024** on **4 Dec 2024** these minutes were **confirmed as presented**.

<b>Name:</b>	Real Estate Authority
<b>Date:</b>	Thursday, 24 October 2024
<b>Time:</b>	9:00 am to 2:41 pm (NZDT)
<b>Location:</b>	REA Office , REA Office (Teams option)
<b>Board Members:</b>	Denese Bates KC (Chair), Brooke Loader, Latham Lockwood, Liz Nidd, Mele Wendt, Tony Stack, Vern Walsh, Shirley McLeod
<b>Attendees:</b>	Belinda Moffat, Victor Eng, Andrew Bulled, Josh Doherty, Katie Solomon, Marie Snell, Andrew Tringham, 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

The Board confirmed the CE’s performance grade for 2023/24.

The Board requested that a meeting be arranged with the Associate Minister, and if appropriate the Minister of Housing, to discuss property management and AML in the real estate sector.

[REDACTED]

The Board also noted that the move to SharePoint will be a substantial change for staff and needs to be well managed.

#### 25) Arrange a meeting with Ministers on AML and Housing

Arrange a meeting with Ministers on AML and Housing

**Due Date:** 28 Feb 2025

**Owner:** Belinda Moffat

#### 1.3 Karakia

The Senior Leadership Team (SLT) joined at 10.13am and the meeting was opened with a Karakia.

██████████ was introduced to the Board and welcomed as the new General Counsel joining the Senior Leadership Team.

## 1.4 Confirmation of Agenda

The agenda was confirmed.

## 1.5 Interests Register

No new interests or conflicts were declared.

## 1.6 Confirm Minutes

**REA Board Meeting - September 2024 19 Sept 2024**, the minutes were confirmed with the following changes:

*Confirmed subject to one typographical amendment.*



**Minutes from the 19 September 2024 Board Meeting were approved, subject to one correction.**

Minutes from the 19 September 2024 Board Meeting were approved as a true and correct record, subject to one correction.

**Decision Date:** 24 Oct 2024

**Outcome:** Approved

## 2. Actions from Previous Meetings

### 2.1 Action Item List

Due Date	Action Title	Owner(s)
21 Aug 2024	2) Code of Conduct <b>Status:</b> Completed on 17 Oct 2024	Belinda Moffat
30 Sept 2024	Submit Board Governance Report to the Minister <b>Status:</b> Completed on 17 Oct 2024	Denese Bates KC
24 Oct 2024	12) Implement the recommendations made in ██████████ ██████████ complaints management advice. <b>Status:</b> Completed on 16 Oct 2024	Belinda Moffat
24 Oct 2024	13) Protected Disclosures Policy to be reviewed following the recommendations from ██████████ <b>Status:</b> Completed on 17 Oct 2024	██████████
24 Oct 2024	14) Engage ██████████ to conduct protected disclosures training with the Board in October <b>Status:</b> Completed on 17 Oct 2024	██████████
24 Oct 2024	15) Regulatory Tools and Responses Framework <b>Status:</b> Completed on 17 Oct 2024	██████████
24 Oct 2024	16) Add the draft style guide to the supplemental papers folder for the Board's optional review. <b>Status:</b> Completed on 17 Oct 2024	██████████
24 Oct 2024	Regulatory Tools & Responses Framework <b>Status:</b> Completed on 17 Oct 2024	Belinda Moffat
31 Oct 2024	20) AI Guidance Summary Document <b>Status:</b> Completed on 17 Oct 2024	██████████

Due Date	Action Title	Owner(s)
20 Nov 2024	4) Annual Research Results: Improvements to the Complaints Survey <b>Status:</b> Completed on 20 Nov 2024	[REDACTED]
3 Dec 2024	5) Strategy Session Content <b>Status:</b> Completed on 28 Nov 2024	Belinda Moffat
4 Dec 2024	6) Review of Offshore Regulatory Settings <b>Status:</b> On Hold	[REDACTED]
4 Dec 2024	25) Add CIP improvements to the PMO Schedule. <b>Status:</b> Completed on 17 Oct 2024	[REDACTED]
20 Dec 2024	14) Present updated 2025 dates and workplan in October and December <b>Status:</b> In Progress	Belinda Moffat
23 Dec 2024	15) Consider inviting a housing specialist [REDACTED] to speak to the Board. <b>Status:</b> In Progress	Belinda Moffat
23 Dec 2024	16) Review NZ Information Security Manual to ensure ICT Acceptable Use Policy compliance <b>Status:</b> In Progress	[REDACTED]
31 Dec 2024	17) Engagement with Māori Housing entity [REDACTED] <b>Status:</b> In Progress	Belinda Moffat
28 Feb 2025	24) Māori Engagement Framework - Board Marae Visit <b>Status:</b> In Progress	Belinda Moffat
20 Mar 2025	27) Progress engagement with Lawyers, Banks and Mortgage Advisors to raise awareness of REA <b>Status:</b> Completed on 13 Nov 2024	[REDACTED]

The actions were taken as read and management highlighted the following actions:

- Action 21: Changes to the Complaints Survey are underway.
- Action 22: Speakers to be proposed within the Board Workplan in December.
- Action 26: Head of EIE is progressing stakeholder relationships with meetings arranged.
- December Board strategy session to include a discussion on stakeholder approach, including Board member stakeholder contact.

### 3. Chief Executive's Report

#### 3.1 CE Report

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

- Key risks, issues and mitigations in paragraphs 4-5: The Board was asked if there are any additional risks and/or mitigations to include. The Board requested the following addition:
  - Monitoring of licensee numbers: consider actions to be taken if licensee numbers were to reduce significantly e.g. changes to levies, staffing and service provision prioritisation.
- OIA request from [REDACTED] for correspondence with REINZ and MoJ on proposed changes to REAA was noted.
- [REDACTED] letter to the Minister regarding Bill to protect against Compelled Speech was noted. REA will acknowledge receipt of the letter and MoJ and the Minister will prepare a response, with REA providing advice as needed.
- [REDACTED] trial has once again highlighted importance of personal safety for lone workers.
- Three very good audit grades and publication of the Blind Low Vision resources were noted as achievements.

- Decision: The Board agreed with the recommendation not to undertake a full review of the Code of Conduct and noted opportunities to improve licensee understanding and awareness.
- There were no health and safety matters raised.
- Draft Select Committee responses will be circulated to the Board out of cycle for feedback in mid-November ahead of the 28 November submission deadline.
- The Board noted the Free and Frank Guidance from PSC.
- Decision: Publication of Barriers to Participation Research (either in full or abridged) was endorsed.
- Paragraph 49 on page 43 a correction was noted (positive variance should read \$183k instead of \$183m).
- The Board was briefed on correspondence received by the Minister and REA relating to the Te Kākano CPD topic (paragraph 20).
- The Board was advised that only a small number of number of licensees that have completed Te Kākano as an optional CPD topic this year.
- The Board noted the update on the *Cho* compensation High Court decision, and the potential for an increase in compensation referrals to the tribunal: REA is working on communication to the sector on what this case may mean for licensees and consumers.

## Recommendations

It was recommended that the Board:

- **Note** the contents of this report.
- **Provide guidance** as to any other mitigations REA ought to adopt to manage the internal and external risks identified at paragraphs 4-5.
- **Consider** any questions members may have regarding the [REDACTED] letter (paragraph 17).
- **Provide guidance** on whether it endorses the Chief Executive's intention not to pursue a formal review of the Code of Conduct or would prefer the recommendation to be the subject of a deep dive by the Board in December (paragraph 28).
- **Discuss** the health and safety update and provide feedback on any issues arising.
- **Endorse** the recommendation to publish the Barriers to Participation Research (paragraph 63).

**Outcome:** Noted, guidance was provided where requested, the Board endorsed the CE's recommendation not to do a formal review of the Code of Conduct, and the Board endorsed publication of the Barriers to Participation Research.



### 26) REA to provide a case update to the sector on the Cho decision on compensation referrals

REA to provide a case update to the sector on the Cho decision on compensation referrals.

**Due Date:** 28 Feb 2025

**Owner:** [REDACTED]

## 3.2 Performance Dashboard

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

- The dashboard was overall widely supported with some refinements suggested by the Board.

- Phone calls have reduced in part due to the additional renewal reminders meaning less calls are required to be made to licensees by the REA team.
- Clarification is needed in the dashboard around the number of outbound calls (i.e. the figure accounts for licensing and enquiry team calls but not complaints as these are not made in the call centre environment).
- Data could be spread over two pages to assist with visibility.
- Reasons for the variance in CPD started YTD compared with last year, likely due to Te Kāhano last year provided by separate provider
- It was noted the CPD annual timeline is based on calendar year not financial year.
- Consider adding a CPD not started data line. It was noted we may not be able to provide accurate data but consider a proportionate way of displaying this information. It was noted there are a number of licensees that do not need to complete CPD e.g. newly licensed, exemptions.
- Consider ways in which we can encourage earlier CPD completion e.g. incentivising through discounted registration before March.
- Complaints: include an explanation of E&J and CARR acronyms (Enquiries and Jurisdiction and Complaints Assessment, Referral and Resolution teams).
- Adding Health & Safety to the dashboard: the Board agreed Health & Safety is to remain in CE report.
- Where amber and red items are highlighted, where are actions/mitigations recorded? The CE confirmed these will be addressed within the cover paper or more in depth in specific papers where required.

## Recommendations

It was recommended that the Board:

- Note and provide feedback** on the content and format of the dashboard and raise any questions for discussion.
- Note** that the dashboard is not to be read in isolation but is provided in the context of the Chief Executive Report and other Board papers.

**Outcome:** Noted and feedback provided.



## 7) Performance Dashboard

- Make the requested adjustments to the performance dashboard.
- Performance dashboard to be produced monthly and uploaded to BoardPro whenever there is not a Board meeting scheduled.

**Due Date:** 4 Dec 2024

**Owner:** [REDACTED]

## 3.3 Changes to Strategic Environment

The following matters were discussed:

- Licensee numbers continued to grow in October. It would be useful to contact certificate 4 education providers to get some data on volumes of new licensees entering the industry.
- Concerns around early release of deposits contrary to s123 of the Act through an additional clause in Sale and Purchase Agreement.



### 19) EIE to approach certificate 4 providers to analyse volumes of new licensees.

EIE to approach certificate 4 providers to analyse volumes of new licensees.

**Due Date:** 19 Feb 2025

**Owner:** [REDACTED]



### 20) Consider REA's regulatory position on early release of deposits.

Consider REA's regulatory position on early release of deposits.

**Due Date:** 19 Feb 2025

**Owner:** Belinda Moffat

## 3.4 Committee Updates from 23 October People & Capability Committee Meeting

People & Capability Committee Chair provided an update on the 23 October 2024 People & Capability Committee meeting and highlighted the following focus areas for the Board:

- lower attrition and REA's retention focus
- decreasing pay gaps
- the T3 leadership programme
- staff wellbeing and equipping managers to support staff with mental health and wellbeing challenges
- flexible working arrangements
- Policies were reviewed and endorsed to come to the Board in December
- Agreement on the CE's KPIs

The CE acknowledged the Committee's recognition of the work and leadership by [REDACTED] to continue to grow REA's P+C capability.

## 4. Board Papers for Approval or Discussion

### 4.1 Accountability Reporting

This paper was taken as read and the Head of Corporate Services highlighted the following:

- A correction to recommendation 5 on the cover paper which should ask the Board to approve rather than note the audit fee increase by \$4,000.
- A correction to the annual report due dates.
- The Board acknowledged the three 'very good' audit grades and the efforts by management to work with the auditors and achieve these grades.

The Board discussed the following:

#### Annual Report

- The Board agreed the Annual Report was well-balanced across all sectors.
- The updated narrative for SPE measure 3.2 was noted.
- The Board supported the Board and Audit & Risk Chairs signing the representation letter.

### Audit Completion Report

- The Board queried the auditor's comments on pg. 102 around consistency of dates. The Head of Regulatory Services advised that these discrepancies were due to human data entry in which a date correspondence was received was recorded as the day it was processed. The systems enhancement project work should mitigate the risk of these discrepancies.
- The Board approved the increase in the Audit Fee.

### Business Plan:

The following changes were requested:

- Business Plan pg. 193: Under Key Issues, highlight Te Kākano and complaints timeliness as possible drivers of 'reduced buy-in/trust from the sector'.
- Consider adding in AI as an opportunity and/or risk (e.g. responsiveness to AI).

### Minister's report:

The following changes were requested:

- Add in RAG colours in the YTD column on pg. 220-221
- On pg. 205, add "Timeliness of complaints continues to be a challenge".
- Pg. 206 Governance and Operations: check the Future Director appointment date and take out if not in this quarter.
- Risk heat map needs to be corrected from the March to the September version.

### **Recommendations**

It was recommended that the Board:

- Note** the Chief Executive and head of Corporate Services' Representation Letter
- Approve** the Board Chair and the Audit & Risk Committee Chair signing the Representation Letter
- Approve** the 2023/24 Annual Report
- Note** the Audit Completion Report
- Approve** an increase in the Audit fee by \$4,000
- Approve** a delegation to Denese Bates KC and Vern Walsh to sign the Annual Report
- Approve** a delegation from Denese Bates KC and Vern Walsh to apply their signatures to the Annual Report
- Approve** a delegation to the Chief Executive to finalise the Annual Report.
- Approve** the 2024/25 Business Plan
- Approve** the Quarterly Report to the Minister

**Outcome:** All approved subject to discussed amendments to the Business Plan and Minister's Report.



### 13) Data Accuracy

Send a message reminding RST of the importance of data accuracy and taking care with recording dates.

**Due Date:** 5 Dec 2024

**Owner:** [REDACTED]



### 2) Update and finalise the 2024/25 Business Plan

Update and finalise the 2024/25 Business Plan

**Due Date:** 31 Oct 2024

**Owner:** Belinda Moffat



### 3) Update and finalise the Quarterly Report to the Minister

Update and finalise the Quarterly Report to the Minister

**Due Date:** 31 Oct 2024

**Owner:** Belinda Moffat

## 4.2 Risk Six-monthly Review

This paper was taken as read and the Board noted the risk report has been to the Audit and Risk Committee.

The Board had no additional questions.

### Recommendations

It was recommended that the Board:

- a. **Note** the Risk Report and Register.
- b. **Note** the new risk approach will be presented to the Board in December

**Outcome:** Noted.

## 4.3 CIP Implementation Paper

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

- We are progressing the actions to address high complaint volumes, with new facilitators being recruited.
- REA is tracking towards a record number of case closures in October although the number of new cases remains high.

The Board discussed the following:

- Complaint themes, noting focus on vendor expectations and disclosure, apartment sales and licensee knowledge around unit title pre-contract disclosures. There was discussion at the CPD train-the-trainer about whether it is a licensee's role to get involved in the provision of pre-contract disclosures or should that responsibility lie with the solicitor. Licensees need to be aware of these requirements and REA will consider including a segment on this in next industry pānui, including highlighting the MBIE information and CPD topic

- CIP report to also cover timeliness and improvements made
- Two additional fixed-term facilitators are being recruited to support higher complaints volumes.
- Realistic measures and timelines need to be set for the team to track improvement with complaint timeliness.
- Quality of decisions also needs to be monitored and sustained, and it was noted that quality remains robust.
- There is not yet any obvious lift in complaints from the demographics for whom guides have been translated. This will be monitored.

## Recommendations

It was recommended that the Board:

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

**Outcome:** Noted and feedback was provided.

*The Board held a working lunch at 12.15pm.*



### 21) Apartments and high-density living

Apartments and high-density living: Look at this further and what guidance we could be putting out to the sector.

**Due Date:** 19 Feb 2025

**Owner:** [REDACTED]



### 8) CIP Update: additional information

Include more detail around timeliness, staff targets and a timeline to see an improvement in the next update.

**Due Date:** 4 Dec 2024

**Owner:** [REDACTED]



### 9) Analysis of translated guides impacts in relation to complaints

Conduct analysis to determine whether the translated guides has had an impact on the increase in complaints.

**Due Date:** 4 Dec 2024

**Owner:** [REDACTED]

## 4.4 CAC Appointment Recommendation

This paper was taken as read. The Board noted [REDACTED] had reviewed and contributed to the updated appointment letter and terms of appointment documents.



### All recommendations were approved

#### Recommendations

It was recommended that the Board:

- Approve** the appointment of [REDACTED] to the CAC panel.
- Approve** the appointment of [REDACTED] to the CAC panel.
- Approve** the updated appointment letter and terms of appointment

**d. Approve** the use of the Board Chair's e-signature for appointment letters.

**Outcome:** Approved.

**Decision Date:** 24 Oct 2024

**Outcome:** Approved

## 4.5 Policies Review

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

### Information Management Policy

- Update paragraph 10 to be consistent with the Privacy Policy terminology around the definition of all staff (remove CAC members and consultants). we may just have to carry that language over to the Information Management Policy.

### Privacy Policy

- Approved as written.

### Regulatory Tools and Responses Framework

- Approved as written.

### AI Guidance

- Updated guidance was tabled at the meeting factoring in minor feedback received from REINZ after the Board pack was published.
- The updated guidance with the additional changes was approved.



**Recommendations were noted and approved - see full outcome below**

### **Recommendations**

It was recommended that the Board:

- Note** the contents of this report.
- Approve** the new Information Management Policy
- Approve** the retirement of the Information and Records Management Policy and the Information Handling Policy
- Approve** the updated Privacy Policy
- Approve** the Regulatory Tools and Responses Framework
- Approve** the AI Guidance for Licensees
- Note** the publication timeline for the Regulatory Tools and Responses Framework and AI Guidance.

**Outcome:** Noted and approved, subject to the amendment to paragraph 10(a) in the Information Management Policy. It is noted that the updated version of the AI guidance that was tabled at the meeting was the version approved.

**Decision Date:** 24 Oct 2024

**Outcome:** Approved

## 4.6 Speak Up Safely Training for Governors

██████████ and ██████████ m ██████████ joined the meeting and provided Speaking Up Safely Training the to the Board and SLT members.

In preparation for this session the Board was provided with a cover paper outlining the objectives from the session.

### Recommendations

It was recommended that the Board:

- a. **Note** the contents of this paper and attachments.
- b. **Prepare** any questions members may have as to their obligations arising under the Protected Disclosure Policy.

**Outcome:** Noted and questions were addressed during the session.



#### 1) Share the Speak Up Safely slides with the Board

Share the Speak Up Safely slides with the Board.

**Due Date:** 25 Oct 2024

**Owner:** ██████████



#### 22) Landmark cases of note to be circulated to the Board.

Landmark cases of note to be circulated to the Board ██████████  
██████████

**Due Date:** 19 Feb 2025

**Owner:** Belinda Moffat



#### 23) Deep-dive into Protected Disclosures/Internal Complaints Policies and other related policies

Consider scheduling a deep-dive into Protected Disclosures/Internal Complaints Policies and other related policies.

**Due Date:** 19 Feb 2025

**Owner:** Belinda Moffat

## 5. Board Papers for noting

### 5.1 PMO Report

The paper was taken as read. Management highlighted the withdrawal of the Prosecution Guidelines after the pack was published.

### Recommendations

It was recommended that the Board:

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

**Outcome:** Noted.

## 5.2 Legal Update

The paper was taken as read.

### Recommendations

It was recommended that the Board:

- a. **Note** that this paper is confidential and subject to legal professional privilege.
- b. **Note** the case updates on supervision and compensation and advise of any questions arising from the cases.
- c. **Provide advice** as to whether the Board would like to receive case data and summaries on the quarterly or 6 monthly basis or not at all.

**Outcome:** Noted and the Board agreed to receiving quarterly case data. The Board does not need to see the individual case summaries. The case summaries will be reported to the CE and SLT as part of management reporting.

## 5.3 Regulatory Policy Update

REA Senior Solicitor [REDACTED] joined the meeting via Teams.

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

- The key changes proposed under the Regulatory Systems Justice Amendment Bill and the intention for the Bill to be introduced before the end of the year was noted.
- REA considered that 8 months was required to prepare for implementation of the changes following Royal Assent, and the removal of the requirement for the Board Chair to be a lawyer could come into effect upon Royal Assent.
- No additional Government funding is available to implement the changes as we are solely levy-funded.
- The Board acknowledged [REDACTED] work on the proposed changes and the consultation process.

### Recommendations

It was recommended that the Board:

- a. **Note** the contents of this paper.
- b. **Note** the issue of the new Solicitor General Guidelines.
- c. **Note** the progress on the Statutes Amendment Bill and Regulatory Systems Justice Amendment Bill
- d. **Note** the regulatory policy priority areas.
- e. **Provide feedback** on any of the matters raised in this paper.

**Outcome:** Noted and the Board acknowledged the withdrawal of the Solicitor-General's Prosecution Guidelines.

## 5.4 Systems Enhancement Project (SEP) Update

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

[REDACTED]

[REDACTED]

[REDACTED]

## 5.5 Board Governance Assessment and 2025 Board Meeting Dates

The paper was taken as read and the Board was asked if there were any key points missed in the Governance Assessment Summary:

- Accountability, strategic, regulatory and operational reporting headings will feature in the Board workplan.
- The Board workplan will aim to highlight what we will report on at meetings and what items will be approved out of cycle (e.g. policies).
- Consider earlier meeting starts (8.30am) and some of these could entail breakfasts rather than dinners the night prior.
- Noting papers and the structure of agenda in BoardPro: include a cover paper highlighting the noting papers that are in BoardPro out of cycle and these can be raised by Board members for discussion if needed. Any papers that Board members feel merit discussion can be raised in Board alone time to discuss at the meeting.
- Noting papers to now be called discussion papers (cf decision papers)

The Board provided the following feedback:

- Change ARC and P&C meetings in April to 16 April.
- June Board meeting to remain on 18 June.
- Add industry stakeholder events that Board attend into the meeting schedule and SLT calendar, add the calendar into BoardPro and include the calendar in future Board packs.
- Add in an online Teams check-in meeting in May.

### Recommendations

It was recommended that the Board:

- a. **Discuss and approve** the proposed 2025 Board and Committee meeting dates.
- b. **Note** a detailed Board workplan will be provided and the December Board meeting for approval.

**Outcome:** Feedback was noted. The dates were approved subject to the April Committee changes and a full workplan will come back to the Board in December.



**10) Send calendar invitations to the Board for the confirmed Board/Committee meetings.**

Send calendar invitations to the Board for the confirmed Board/Committee meetings.

**Due Date:** 4 Dec 2024

**Owner:** [REDACTED]



**11) Board Attendance at 2025 Stakeholder Events**

Update the SLT calendar to include stakeholder events and confirm Board attendance at 2025 stakeholder events at the December Board meeting.

**Due Date:** 4 Dec 2024

**Owner:** Belinda Moffat



**18) Arrange Governance follow-up session for SLT with Richard Westlake**

Arrange a Governance follow-up session for SLT with [REDACTED]

**Due Date:** 28 Jan 2025

**Owner:** Belinda Moffat



**12) Include the 2025 Calendar in future Board packs.**

Include the 2025 Calendar in future Board packs.

**Due Date:** 4 Dec 2024

**Owner:** [REDACTED]

## 6. Other Business

### 6.1 General Business

- No general business was discussed.

### 6.2 Closing Karakia

The meeting was closed with a Karakia at 2.41pm.

## 7. Close Meeting

### 7.1 Close the meeting

**Next meeting:** REA Board Strategy Meeting December 2024 - 3 Dec 2024, 2:00 pm

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!*

A handwritten signature in black ink, appearing to read "D. R. Burt".

**Signature:**

**Date: 4 December 2024**