

**From:** Jayson Thomas <[Jayson.Thomas@rea.govt.nz](mailto:Jayson.Thomas@rea.govt.nz)>  
**Sent:** Tuesday, 5 April 2022 7:02 PM  
**To:** Belinda Moffat <[Belinda.Moffat@rea.govt.nz](mailto:Belinda.Moffat@rea.govt.nz)>  
**Cc:** Nadine Thomas <[Nadine.Thomas@rea.govt.nz](mailto:Nadine.Thomas@rea.govt.nz)>  
**Subject:** Draft CPD topic recommendation

Good evening Belinda,

Please find attached a draft/working copy of the CPD topic recommendation for your information and consideration prior to presenting to the Senior Leadership Team [here](#).

Please let me know if you would like to discuss.

Ngā mihi

**Jayson Thomas** | Education and Insights Manager

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[in](#)



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RE: Draft CPD topic recommendation



Belinda Moffat

To Jayson Thomas

Cc Nadine Thomas; Saara Fourie

You forwarded this message on 3/13/2023 11:45 AM.

Reply Reply All Forward

Wed 4/6/2022 6:51 AM

Excellent, nicely written and I support. We might get some discussion on AML, and whether this is best taught/addressed by DIA.

I've popped a few very minor suggestions in the link below. Please can you send your finalised paper across to Saara by COB tomorrow so she can include it in the SLT agenda for Tuesday.

I am really excited to see the D+I programme coming through – as we know that REINZ are also seeking to develop some Te tiriti and te reo content for their programme, I encourage you to get on the phone with Chris Campbell and find out what he is doing in this space. I would open to us collaborating on this, lets find out what they are proposing and who they are using to develop their content.

Rawe!

Belinda

**Belinda Moffat** | [\(she/her\)](#) | Chief Executive/Registrar  
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## Memo

To Senior Leadership Team  
From Jayson Thomas, Education, and Insights Manager  
Date 07 April 2022  
Subject Verifiable CPD topic recommendation for 2023

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### Background

1. On 24 February 2022, an internal workshop was held to gather insights from across REA's teams to provide additional context to the data being considered for determining the 2023 CPD topics.
2. The group discussed REA's Nielsen research, Annual Licensee Survey and CPD Monthly Survey, REA's complaint and enquiry data, real estate agent's disciplinary tribunal decisions (READC), top search terms on [rea.govt.nz](http://rea.govt.nz) and [settled.govt.nz](http://settled.govt.nz), insights from trainers and licensees and a review of key themes from 2021.
3. The key themes discussed were quite like those discussed in 2021. While some topics identified in 2021 were developed for 2022 (see point 2), there are continuing concerns reiterated in the following live topics:
  - a. Disclosure- understanding what they need to disclose, and a desire for guidance capturing both the licensee and consumer perspective
  - b. Agency agreements- poor behaviours, a lack of knowledge, understanding of the importance of this document and an inability to proactively talk the customer through the document (contract law)
  - c. Marketing & advertising- checking marketing content and paying attention to unconsented works
  - d. Sales process- the use of technical language for buyers, each agency has their own process, lack of buyer understanding, poor communication and buyer expectations of licensees
  - e. Conflict of interest- clarifying the rules for managing conflicts (how agencies are managing this differently); confusion created by agencies adopting different rules.
  - f. Discrimination- cultural differences, discrimination (vendors and agents), dealing with mental health, dealing with difficult people, social-economic and environmental issues, Te Tiriti, ESOL, the use of pronouns, ageism, racism, LGBTQ+ community; communication barriers and cultural expectations and understandings.
  - g. Other laws – issues related to the understanding of related laws, the connection to real estate activities and the consequences of non-compliance

4. The following 2022 topics were developed to address several identified issues:
  - a. Know the Property – addressing issues relating to misleading information and representations, research requirements on a property, key focus points when asking questions of the seller at listing time, implications of having insufficient knowledge about a property for the appraisal, listing and marketing stages and implications of having insufficient knowledge about a property in relation to disclosure obligations
  - b. Fiduciary Obligations –fairness to the buyer, legal obligations to parties to a real estate transaction, when establishing an agency relationship, when marketing a property and negotiating a sale and purchase agreement and after the sale and purchase agreement is signed
  - c. Supervision – addresses the agency’s/Agents’ obligations regarding the correct application of supervision over a Salesperson licensee, the correct management of salespersons and the supervision obligations expected of a designated supervisor. However, it does not cover the supervisee’s perspective.
5. On 9 March, the Continuing Professional Development Advisory Group (CPDAG) met under the guidelines set forth in the [CPDAG Terms of Reference](#) to:
  - a. Review and discuss numerous data sources including REA commissioned research, complaints data, industry feedback, website searches and the problems and issues that members of the CPDAG were seeing on the frontlines
  - b. Discuss and recommend the verifiable training topics for the Continuing Professional Development (CPD) programme in 2023 and any mandatory topic requirements
  - c. Agree to proposed changes to the Refresher training programme
  - d. Note the planned review of the CPD programme to take place in the second half of 2022.

### Areas of harm

6. Based on the REA internal workshop conversation, REA put forward several potential topics for consideration at the CPDAG meeting on 9 March and invited the CPDAG to also put forward their topic ideas for discussion.
7. At the conclusion of the group discussion, each representative was asked to vote on the topics they deemed most important to the industry and what they believed should be developed for the following CPD training year.
8. The table below summarises the topics considered and voted upon in the CPDAG, key discussion points and the author’s recommendation as to whether the topic should be developed for the 2023 CPD programme.

	CPDAG RECOMENDATION	COMMENTS	RECOMMENDATION
1.	Diverse Communities	Discrimination, professionalism, and behaviour	Highly recommended new topic for 2023 CPD
2.	Sale and Purchase Agreements	New Zealand Law Society (NZLS)/ADLS	Not recommended at this time for 2023 CPD
3.	Other Laws	List of other laws that sit in the qualifications: Consumer Guarantees Act 1993; Contract and Commercial Law Act 2017; Employment Relations Act 2000; Fair Trading Act 1986; Health and Safety at Work Act 2015; Human Rights Act 1993; Lawyers and Conveyancers Act 2006; Building Act 2004; Environment Act 1986; Historic Places Act 1993; Local Government Official Information and Meetings Act 1987; Local Government Act 2002; Privacy Act 2020;; Resource Management (Simplifying and Streamlining) Amendment Act 2009; Te Ture Whenua Maori Act 1993; Natural and Built Environments Act; Strategic Planning Act; Climate Change Adaptation Act.	Highly recommended new topic for 2023 CPD
4.	Agent and Branch Manager Focus	Focus Series for Level 5 and Level 6	Not recommended at this time for 2023 CPD
5.	Commercial	PPA and off-market transactions, land use, new PPA rules, GST and tax implications, emissions,	Recommended as a combined topic on PPA relevant to all sectors for CPD 2023
6.	Rural		

## Proposed new topics (working titles)

### Diversity and Inclusion Series

This topic will be presented as a series (one each year over the course of three years) and the series is proposed to cover:

1. **Te Tiriti o Waitangi** – improving the sector’s knowledge, understanding and awareness of te Tiriti, New Zealand’s land history, Māori culture and dynamics (whanau, hapu, iwi), whenua and its importance to Māori, other considerations (land sensitivities, disclosing sensitive issues etc). Practical steps licensees and agencies can take to establish connections with local iwi and improve their understanding and practices.
2. **New Zealand’s diverse population Part 1** – improving the sector’s knowledge, understanding and awareness of cultural differences, New Zealand’s ethnic make-up, language barriers, discrimination (vendors and agents), disabilities, ageism, the use of pronouns, LGBTQIA+ (rainbow community). Communication barriers and cultural expectations and understandings. Opportunity to tap into existing unit standard content including principles under the Human Rights Act 1993.
3. **New Zealand’s diverse population Part 2** – improving the sector’s knowledge, understanding and awareness of mental health, dealing with difficult people, social-economic and environmental issues. Practical information on REA’s expectations of licensees, to deal fairly with all parties, ensuring consumers know to seek legal and technical advice and not take advantage of a person’s inability to understand relevant documents. Communication skills.

Relevant rules:

- 6.2. A licensee must act in good faith and deal fairly with all parties engaged in a transaction
- 6.3. A licensee must not engage in any conduct likely to bring the industry into disrepute
- 9.7. Before signing a contractual agreement, a licensee must recommend that the person gets legal, technical, or other advice and allow that person a reasonable opportunity to obtain that advice
- 9.8. A licensee must not take advantage of a prospective client’s, client’s, or customer’s inability to understand relevant documents where such inability is reasonably apparent.
- General principle of raising trust and confidence in the sector, and demonstrating strong ethical behaviour towards consumers

## Proposed new topics (working titles)

### Recommendation

In 2021, there was unanimous agreement amongst the CPDAG that this topic is relevant, timely and important. However, there was concern about the delivery method and whether verifiable CPD is the right channel to deliver this learning using REA's approved providers.

This is an ongoing concern in 2022. It is essential that the right organisation and the appropriate facilitators deliver the material for it to be successful.

*One of REA's strategic priorities over the next three years is to inform consumers across New Zealand's diverse communities to confidently engage in real estate transactions without harm. This topic was timely and relevant last year and has become even more so this year. REA could potentially fall behind the curve on bringing these issues to the forefront and on tackling discrimination and unethical community engagement.*

*It is recommended that we conduct an RFP for the **development and delivery** of Diversity and Inclusion training, separate from the Skills contract, to be delivered over the next three years to support REA's strategic priority through to the end of 2025. Given the importance of the series, it is recommended that we prescribe the series as mandatory, meaning all licensees must complete the topic set down for the year. In addition, it is recommended that no exemptions are granted for this series<sup>1</sup>.*

*Note: As this content will be delivered by a specialist provider, we will need to capture this in the new training provider delivery agreements for 2023 – 2026.*

### OTHER LAWS

This topic is proposed to cover:

- Various, applicable laws that affect a licensee or real estate business and the consequences of non-compliance

Relevant rules:

- A licensee must have a sound knowledge of the Act, regulations, rules issued by the Authority, and other legislation relevant to real estate agency work.

### Recommendation

This topic would be useful to support a better understanding of laws related to real estate, real estate business and licensee responsibilities under those laws and the consequences of non-compliance. 'Other laws' is the highest reason selected by the general enquiries team for licensees contacting REA.

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<sup>1</sup> Note, this step was undertaken in 2019 when the new AMLCFT requirements came into effect for the Real Estate Sector. All licensees were required to complete Anti-Money Laundering- Your Compliance Requirements as a 'selective mandatory' topic, meaning no exemptions were granted. Note the term 'Selective Mandatory' is not an official term.

### Proposed new topics (working titles)

We are hoping this topic will help to reduce the number of enquiries related to other laws to free frontline teams up to concentrate on important business-related enquiries.

*For this reason, it is recommended that this topic be developed as part of the 2023 CPD programme as an elective topic.*

#### **BUSINESS BROKING, COMMERCIAL AND RURAL – PURCHASE PRICE ALLOCATION**

This topic is proposed to cover:

- Important changes to the Income Tax Act 2007
- A licensee needs to know checklist, enforcement, and non-compliance
- Introducing a buyer where there is a general agency, particularly off-market transactions
- Land use, GST and tax implications and emissions

Relevant rules:

- Income Tax Act 2007

#### **Recommendation**

To show our continued commitment to ensuring that CPD is relevant across all sectors, *it is recommended that we develop a unique topic this year addressing a common education need in business broking, commercial and rural.*

Whilst REA does not see a lot of harm through complaints about the business broking, commercial and rural sectors, there have been several groups in all three sectors stating that there is confusion around purchase price allocation as there are new rules in place from 2021.

*It is for this reason, that this topic is recommended for development for the 2023 programme as an elective topic.*



### PROPOSED ADDENDUM TOPICS

#### **DISCLOSURE**

This addendum is proposed to cover:

- Managing competing interests, conflicts of interest, misrepresentations, dishonesty, skill and care, professionalism and competition, unnecessary pressure on the buyer and consequences for misconduct.
- **Disclosure – vendor discussions**
- Empathy (Soft skills section)
- NZLS/ADLS

Relevant rules:

- 132 *Disclosure of information as to transaction and conflicts of interest*
- 144 *Offence to provide false or misleading information*



### **Recommendation**

Disclosure continues to be one of the leading concerns with real estate professionals.

Licensees are falling short of their obligations and this issue is contributing to decreased confidence and trust in the sector. It is proposed that this topic covers several categories that fall under disclosure including a focus on misleading or misrepresenting information, a review of new cases and outcomes and clear demonstrations of action and consequence.

*This topic is recommended as an addendum to be taught alongside the existing disclosure elective for the 2023 programme as an elective topic. Additionally, a high-level review to check for any inaccuracies should be undertaken of the current 'Disclosure: obligations to your client and customer' will be undertaken as this was last reviewed in 2019.*

### **PROPOSED TOPIC MAINTENANCE**

#### **AML – DUE DILIGENCE**

This topic maintenance is proposed to cover:

- Refresher of the AMLCFT content including the AMLCFT Act 2009, undertaking due diligence, recent sector findings, obligations, and reporting requirements.

Relevant rules:

- 5.2. A licensee must have a sound knowledge of the Act, regulations, rules issued by the Authority, and other legislation relevant to real estate agency work.
- Anti-Money Laundering and Countering Financing of Terrorism Act 2009

### **Recommendation**

Following the recent fine from DIA against a real estate agency, and the real estate sector findings, the CPDAG discussed whether we should re-visit AMLCFT and cover areas where there is visible weakness in understanding or inconsistencies in the industry.

There was an acknowledgement by the group that real estate brands manage their AML obligations in different ways, so it is difficult to justify further action other than maintenance.

The AML topic is currently under review by DIA who will suggest any additions and/or updates to this topic.

Given the training effort that has been invested by REA into AML/CFT obligations in the last two years, *this topic is recommended for review for the 2023 CPD programme and Refresher Course.*

#### **CODE OF CONDUCT**

This topic maintenance is proposed to cover:

- a refresher of the Code of Conduct that will focus on the obligations of licensees to the sector.
- provide further guidance for how all real estate professionals should conduct themselves in their dealings with parties to a property transaction
- a review of new cases with a focus on consequences for non-compliance.

Relevant rules:

- *Practice Rules* Section 14(1)(2)(3) Code of professional conduct and client care. A licensee must have a sound knowledge of the Act, regulations, rules issued by the Authority, and other legislation relevant to real estate agency work.
- The Real Estate Agents Act (Professional Conduct and Client Care) Rules 2012

### Recommendation

The Code of Conduct outlines a licensee’s core obligations. It is important that REA consistently support licensee knowledge of the rules by recapitulating the general rules and regulations as well as duties and moral obligations of a real estate professional.

A significant number of new licensees have joined the sector in the last couple of years, so it is timely refresh of their core foundation knowledge to support them to meet their obligations and new salespeople should be strongly encouraged to complete this topic.

*It is for this reason, that this topic is recommended for review for the 2023 CPD programme and Refresher Course.*

### Recommendation Summary

1. It is recommended that we plan to develop three new verifiable training topics. A working quote the Skills Organisation has been used to determine what is achievable within REA’s budget.

### Verifiable training topics for 2023- new, addendum and maintenance

Type	Topic theme	Approximate length/material source	Mandatory or elective
New	<b>Diversity and Inclusion topic one. (Te Tiriti o Waitangi educating the sector)</b>	TBD	Selective Mandatory
New	<b>Other laws</b>	1-1.5hrs	Elective
New	<b>Business Broking, Commercial and Rural- Purchase Price Allocation</b>	1-1.5hrs	Elective
Addendum	<b>Disclosure</b>	1-1.5hrs	Elective
Maintain	<b>AML Due Diligence</b>	1.5hrs	Elective
Maintain	<b>Code of Conduct</b>	1.5hrs	Elective

### Refresher training programme

It is recommended that the Refresher Training for 2021 be carried through to 2022 and the enhancements of the Refresher Training be developed alongside the CPD training for the coming years. This is, in part, because the development of the Refresher Training does not reach industry until mid-year and places additional work on licensing to track refresher training as it is on a different timeline; this would streamline all training year-on-year.

2020 Refresher (10hrs)	2021 Refresher (10hrs)	2022 Refresher (10hrs)	2023 Refresher (10.5hrs)
Code of Conduct Overview (1.5hrs)	Code of Conduct Overview (1.5hrs)	Code of Conduct Overview (1.5hrs)	Code of Conduct Overview <b>2023 Update with review</b> (1.5hrs)
Disclosure and misrepresentation (2hrs)	Disclosure: Obligations to your client and customer (2hrs)	Disclosure: Obligations to your client and customer (2hrs)	Disclosure <b>2023 Update with addendum</b> (2hrs)
Agent agreements: Professional competence and ethics (1hr)	Agency Agreements (1.5hrs)	Agency Agreements (1.5hrs)	Agency Agreements (1.5hrs)
AML: Your compliance requirements (2019) (1.5hrs)	AML: Your compliance requirements (2019) (1.5hrs)	AML: Your compliance requirements (2019) (1.5hrs)	AML: Due Diligence <b>2023 Update with review</b> (1.5hrs)
Physical Property Inspection (2.5hrs)	Physical property inspection (1.5hrs)	Physical property inspection (1.5hrs)	Know the Property (2hrs)
Sale and purchase contractual obligations (1.5hrs)	Ethics (2hrs)	Ethics (2hrs)	Ethics (2hrs)

## Appendix

- [CPD Advisory Group pre-meeting pack](#)
- [CPD Advisory Group presentation](#)
- [CPD Advisory Group outcomes presentation](#)
- [CPD Topic Review Plan 2022](#)

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## The Real Estate Authority Board Report of the Chief Executive

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### Board Meeting – 14 April 2022

AGENDA ITEM	PAPER TITLE	AUTHOR	DATE OF PAPER
No. 3.2	Report of the Chief Executive	Belinda Moffat	14 April 2022

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RECOMMENDATION(S)	ACTIONS SOUGHT	BOARD ACTION TAKEN
Recommendation 1	<b>Note</b> the contents of this Report	Yes/No
Recommendation 2	<b>Discuss and provide feedback</b> on the matters raised in this report where indicated.	Yes/No

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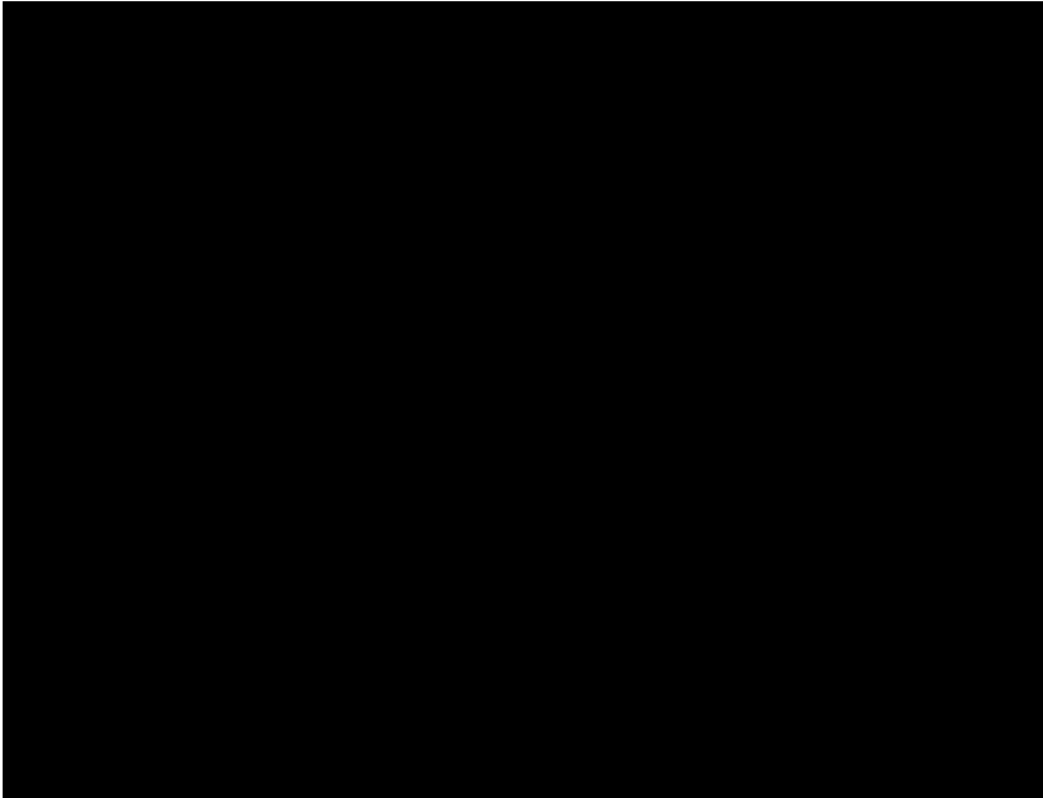
## Significant Developments and Initiatives

### CPD and education programme

36. Following the CPD Advisory group meeting on 9 March and further internal consideration, the education team have recommended and SLT have endorsed the development of three new CPD topics, the maintenance of three existing CPD topics and the development of one new addendum for the 2023 CPD programme. The proposed topics are set out in the below.
37. Consistent with our strategic priorities to engage across NZ's diverse communities, The 2023 CPD programme will include the launch of a Diversity and Inclusion series to the sector. The series will be made up of one topic each year over the course of three years, in alignment with the REA strategy. We intend to engage a specialist provider to support the development and delivery of this series. We will also engage with REINZ, as I have since become aware from my discussion with Jen Baird that they are also considering development of topics in this area. The three topics in this series are broadly:
- Year 1- Te Tiriti o Waitangi and associated issues
  - Year 2- New Zealand's diverse population part 1- improving the sector's knowledge, understanding and awareness of cultural differences, NZ's ethnic make-up, language barriers, discrimination, disabilities, ageism and the rainbow community
  - Year 3- New Zealand's diverse population part 2- improving the sector's knowledge, understanding and awareness of mental health, dealing with difficult people, social-economic and environment issues, practical information on REA's expectations of licensees to deal fairly with all parties.
38. We **invite** the Board's feedback on the proposed topics, and **in particular whether** the Board anticipates any risks or issues with the proposed Diversity and Inclusion programme.

**Table 1**

Topic theme	New topic, new addendum for an existing topic or maintenance of existing topic	Elective or mandatory in 2023
Diversity and inclusion series	New topic	Tbc
Other laws	New topic- 1.5 hours	Elective
Purchase Price Allocation (non-residential sector)	New topic- 1.5 hours	Elective
Disclosure	Addendum- 1 hour	Elective
Disclosure	Maintenance- 2 hours	Elective
AML Due Diligence	Maintenance- 1.5 hours	Elective
Code of Conduct	Maintenance- 1.5 hours	Mandatory

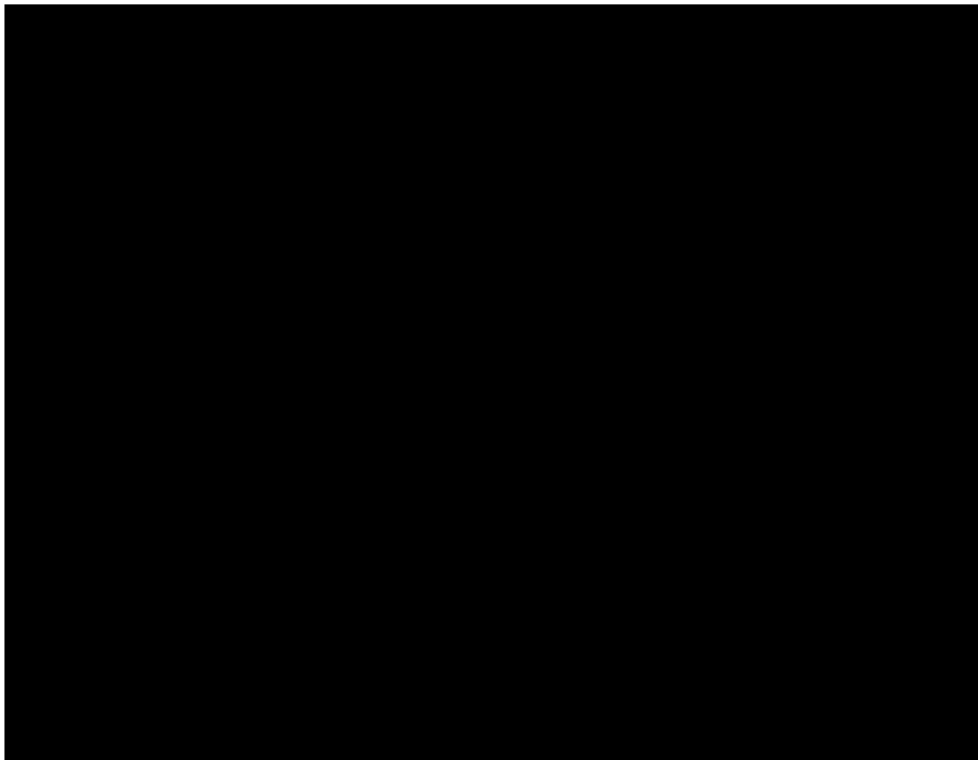


## CONFIRMED MINUTES BOARD MEETING 26 APRIL 2022

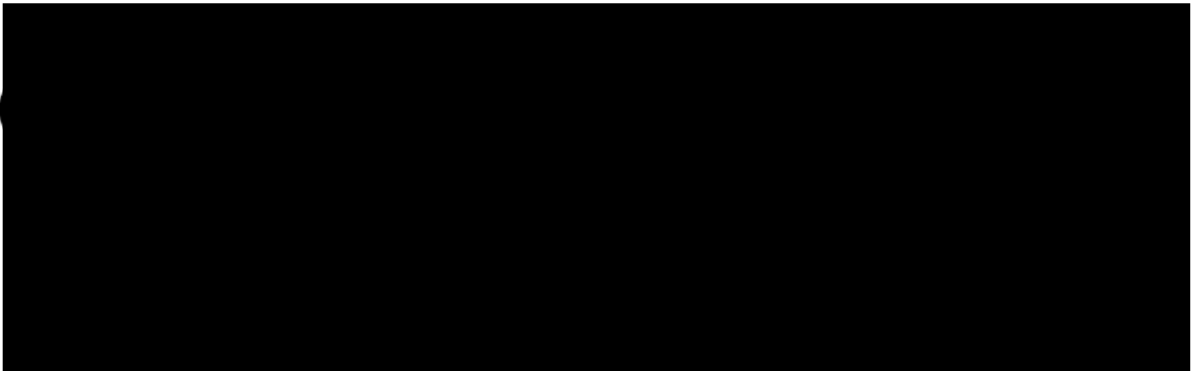
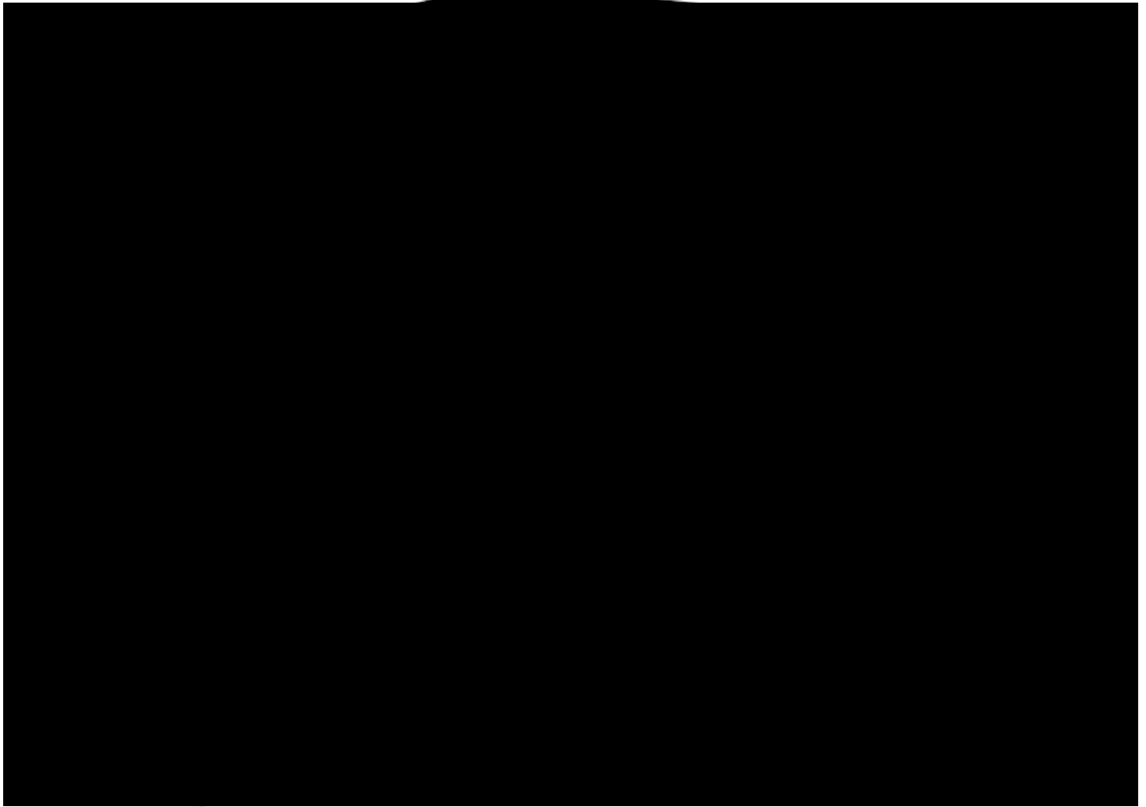


At the **Board Meeting 21 June 2022** on **21 Jun 2022** these minutes were **confirmed as presented**.

<b>Name:</b>	Real Estate Authority
<b>Date:</b>	Tuesday, 26 April 2022
<b>Time:</b>	9:00 am to 12:22 pm
<b>Location:</b>	REA Office and Zoom, office and online
<b>Board Members:</b>	Latham Lockwood, Tony Stack, Liz Nidd, Vern Walsh
<b>Attendees:</b>	Belinda Moffat, Phirak Appleton, Josh Doherty, Andrew Bulled, Nadine Thomas, Saara Fourie, Victor Eng
<b>Apologies:</b>	Denese Bates QC (Chair), Mele Wendt
<b>Guests/Notes:</b>	[REDACTED]







The Board discussed the following matters:



- CPD Topics: The Board supported the Diversity and Inclusion programme and agreed Te Tiriti o Waitangi should be a mandatory topic although expressed uncertainty about delivering online and the level of engagement with licensees. Belinda notes this is an opportunity for leadership and selecting a strong provider with a fit-for-purpose course is key. The Board endorsed all recommended topics.

