

CONFIRMED MINUTES

REA BOARD MEETING 24 MAY 2023



At the **REA Board Meeting 20 June 2023** on **20 Jun 2023** these minutes were **confirmed with the following changes:**

Approved subject to several minor amendments.

Name:	Real Estate Authority
Date:	Wednesday, 24 May 2023
Time:	8:30 am to 2:30 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, Nadine Thomas, Sarah Graydon, Saara Fourie
Apologies:	Brooke Loader, Herman Visagie
Guests/Notes:	██████████, Public Services Commission; ██████████ and ██████████ ██████████ BDO Auditors

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.

1.3 Karakia

The Senior Leadership Team joined and the meeting was opened with a Karakia at 9.45am.

1.4 Confirmation of Agenda

The agenda was confirmed.

1.5 Interests Register

- ██████████ declared for the Interests Register that he is a member of the National Party.
- ██████████ has indicated her intention to stand down from the REA Board until after the election.
- ██████████ will recuse himself from discussions relating to Retirement Villages.

- The Board agreed that if any conflicts are identified in the future that may affect a Board member, they will be advised ahead of a meeting that they may need to recuse themselves from discussions relating to those matters.
- For the Board's awareness, [REDACTED] have all engaged in or are actively engaged in real estate transactions and these disclosures have been recorded in REA's interests register.
- The [REDACTED] has also disclosed a [REDACTED] relationship with commercial property manager which has been recorded in the REA interest register.
- It was noted that Board members should declare any possible interests, including business or personal relationships with licensees that could be perceived as a conflict and consider listing their REA Board membership on their online biographies.



5) Board Members to declare personal engagements with Real Estate Agents in the last 12 months

Board members to advise of any personal engagement with Real Estate Agents in the last 12 months for noting in the Declaration of Interests Register. This is to include the name of the agent, relationship, and relevant dates.

Due Date: 20 Jun 2023

Owner: [REDACTED]



6) Update the Interests Register with any new interests declared by Board members

Update the Interests Register with any new interests declared by Board members.

Due Date: 20 Jun 2023

Owner: [REDACTED]

1.6 Political Neutrality

[REDACTED] from the Public Services Commission (PSC) joined the meeting and provided a presentation on the Public Service Act, trust and confidence in the public sector, it takes three principles and political neutrality.

The Board and SLT discussed a range of issues with the PSC attendees including:

- Board/leader expectations and obligations in an election environment.
- Trust and Confidence – public confidence, accountability and withstanding public scrutiny.
- Political neutrality at Board and senior levels is critical and flows from the principle of maintaining trust and confidence. It must be demonstrated across advertising, relationships and statements
- CE plays a key role in maintaining trust and confidence in an entity
- Entities must demonstrate that they can and will serve the government of the day and future governments.
- Trust and confidence is demonstrated through transparency and high standards of conduct: sensitive expenditure, addressing Parliamentary Questions transparently, managing conduct and integrity issues
- The public is at the centre of all public service activities, and service is strengthened where agencies are working together and connected. Agencies must demonstrate value and impact for New Zealanders.
- Public Service Act principles are a guide.

- Ensuring a sound appointment process while avoiding any political motivation is important. The process of putting appointees forward needs to demonstrate the appointment is based on merits.
- Crown Entities Act 2004 'it takes three' relationship. Minister, monitoring department, and Crown entity.
- Practical steps for strengthening Māori Crown relationships - PSC Board Chairs meeting will have a focus on strengthening Māori/Crown relationships in the near future. Would be useful for CEs to also participate in this meeting.
- The PSC Code of Conduct has rarely been part of the induction processes for new Board members, in the experience of one REA Board member.
- More emphasis is needed in induction processes supported by appointing Ministries to ensure obligations and responsibilities are clear early in the appointment. Specific training/guidance for governors is supported.

Good monitoring documents will be sent through with some examples and guidance on political neutrality.



7) Political Neutrality - Share PSC Resources

Share PSC slides and resources with the Board and SLT when available.
June: Resources provided in June Supplemental Papers folder in BoardPro.

Due Date: 20 Jun 2023
Owner: Belinda Moffat

1.7 Confirm Minutes

REA Board Meeting 29 March 2023 29 Mar 2023, the minutes were confirmed as presented.



Minutes from 29 March 2023 were approved.

On motions duly made and seconded, it is proposed that the minutes of 29 March 2023 be approved as true and correct.

Decision Date: 24 May 2023
Mover: [REDACTED]
Seconder: [REDACTED]
Outcome: Approved



Minutes from the out of cycle paper - Kia Toipoto Action Plan and Draft 2023/24 SPE - were approved

On motions duly made and seconded, it is proposed that the minutes of 27 April 2023 be approved as true and correct.

Decision Date: 24 May 2023
Mover: [REDACTED]
Seconder: [REDACTED]
Outcome: Approved

2. Actions from Previous Meetings

2.1 Action Item List

Due Date	Action Title	Owner
1 Apr 2023	2) Attendance at licensee event to be included in Gift Register Status: Completed on 11 Apr 2023	[REDACTED]

Due Date	Action Title	Owner
1 Apr 2023	3) Record declaration of interest in interest register Status: Completed on 11 Apr 2023	Belinda Moffat
1 Apr 2023	4) Confirm REA's support for the MPP housing strategy and action plan Status: Completed on 18 May 2023	Belinda Moffat
24 May 2023	5) Auditors BDO to be invited to meet with the Board in May. Status: Completed on 18 May 2023	
31 May 2023	8) Licence Expiry Reminders Status: Completed on 18 May 2023	
31 May 2023	1) Transaction Reports Status: In Progress	
31 May 2023	3) Consider translating final values to te reo Māori. Connect with [REDACTED] on this. Status: Completed on 13 Jun 2023	Belinda Moffat
20 Jun 2023	RST to explore range of channels for CAC appointees including Māori and Pacific networks Status: In Progress	
20 Jun 2023	12) Sensitive Expenditure and Conflicts Policies to be reviewed & brought back to the Board Status: Completed on 12 Jun 2023	
30 Jun 2023	13) Prepare Terms of Reference for the Board Advisory Committee - Regulation of Property Management Status: Completed on 13 Jun 2023	Belinda Moffat
30 Jun 2023	Finalise a plan for rolling out project management training to all staff and Board. Status: In Progress	Belinda Moffat
30 Jun 2023	Māori Engagement Framework - Board Marae Visit Status: In Progress	Belinda Moffat
31 Jul 2023	18) Flexi by Default review Status: In Progress	
31 Jul 2023	19) Develop a leadership programme for SLT and Tier 3 Leaders Status: In Progress	
31 Jul 2023	20) Prepare proposal for Board member project management training Status: Completed on 18 May 2023	Belinda Moffat
31 Jul 2023	21) Management to review CAC and Board fees frameworks Status: Completed on 14 Jun 2023	Belinda Moffat
31 Jul 2023	22) REA Emails for Board Status: In Progress	
31 Jul 2023	23) Separation of aged cases Status: In Progress	
31 Jul 2023	20) [REDACTED] to oversee CE Role Sizing. Status: In Progress	
23 Aug 2023	Bring policy for dealing with difficult people to Board Status: In Progress	Belinda Moffat
31 Aug 2023	25) Invite the REINZ Board Chair to a future REA Board meeting. Status: In Progress	Belinda Moffat

Actions were taken as read and the following updates were given:

- Action 7 - REA emails: Some but not all board members are using their REA email accounts. [REDACTED] to assist to resolve issues faced by those not yet connected.
- Action 10 – Property Management Terms of Reference are with the Board Chair with a view to presenting to the Board in June.
- Action 12 – Translation of Values: ongoing. [REDACTED] to share with the CE the details of a Palmerston North contact that does workshops.

- Action 18 - Board marae visit: [REDACTED] to assist with arranging this for a possible Board meeting at a Marae in August.



2) Translation of Values - share details of Palmerston North contact

[REDACTED] to share contact details of the Palmerston North contact with the CE.

Due Date: 31 May 2023

Owner: [REDACTED]

3. Chief Executive's Report

3.1 CE Report

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

- Minister feedback on the 2023/24 SPE has been received. Final budget adjustments may need to come to the Board out of cycle if necessary to meet the 30 June deadline.
- The Board Chair and CE have a meeting with the new Associate Minister, Dr Deborah Russell, on 31 May.
- Regulatory Policy function and compliance with ever-changing new legislation: the Board discussed communicating changes in legislation with the sector.
- The Chief Executive gave a verbal update on the review of Retirement Villages Act. [REDACTED] was recused at 11.05am while the Board was updated [REDACTED] returned to the meeting at 11.15am.
- [REDACTED] gave an overview of how Occupation Right Agreements (ORAs) work within the retirement village context to inform the Board.
- The Board's feedback and approval was sought on the proposed Project Governance change for the Systems Enhancement Project. The CE is to be sponsor, Head of Corporate Services is Business Owner.
- RELF in May saw some great feedback and insights, although the CE highlighted mixed views that were aired about the mandatory CPD topic *Te Kākano*. Technical challenges with pausing and group viewings are being worked through to enhance the user experience.
- RELF leaders have requested further meetings which REA is now exploring. REA will consider a shorter (one hour) online option although these would have to be very focused discussions in such a short timeframe. A recommendation will come to the Board once this has been worked through.
- Conversation with REA will be held in Napier on 15 June and [REDACTED] will be the Board representative at this event. A focus for this will be on learnings from natural disasters and understanding LIMs, knowing your property, and disclosure.

The Board discussed the following matters:

- The Board queried whether REA is seeing a reduction now that we are past bulk renewals. [REDACTED] advised that Regulatory Services are seeing more suspensions than usual and also seeing a lower number of new applications.
- Te Kākano subtitles in Chinese: [REDACTED] advised that this is not a priority but it is something we would like to offer in the future.
- The Board acknowledged the formation of the Rainbow Group and saw this as a very positive development for REA.

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.



Project Governance change for the Systems Enhancement Project was approved

The Board's feedback and approval was sought on the proposed Project Governance change for the Systems Enhancement Project. The CE is to be sponsor, Head of Corporate Services is Business Owner.

Decision Date: 24 May 2023

Mover: [REDACTED]

Seconder: [REDACTED]

Outcome: Approved



Delegation to ARC to approve the insurance programme for 2023/24 was approved

All of Government Insurance cluster: the Board was asked to approve a delegation to the Audit & Risk Committee to approve the insurance programme for 2023/24.

Decision Date: 24 May 2023

Mover: [REDACTED]

Seconder: [REDACTED]

Outcome: Approved

3.2 Break

4. Committee Updates

4.1 People & Capability Committee Update

The People & Capability Committee Chair, [REDACTED], gave a brief overview of the People & Capability Meeting on 21 April. Key discussion items included:

- People & Capability Quarterly Report (Jan to March – Q3) was presented and discussions touched on attrition and CIP entering implementation stage. Presented today.
- Kia Toipoto progress update, including volatility of pay gap data.
- Several People & Capability Committee Policies were reviewed and have been referred to the Board to approve today. Changes were made to the Family Violence Policy in particular, following discussions and these are reflected in the policy provided today.
- People & Capability 90 Day Plan – review of Q3 and plan for Q4.
- Flexible by Default policy is to be reviewed.
- Chief Executive had her mid-year review.

4.2 Audit & Risk Committee Update

The ARC Chair, [REDACTED], gave an overview of the Audit & Risk Committee meeting on 21 April. Key discussion items were:

- Proposed Audit fee increase and negotiations.
- Election year and political neutrality, prompting PSC's visit today to discuss the Board PSC guidance on elections.
- 2023/24 SPE and Budget and the change in revenue assumptions to be more conservative. The updated SPE subsequently went to the Board for approval out of cycle and was provided to the Minister's office.
- An action was raised to consider what variable costs could be reduced constrain costs and this will come to the Board in due course.
- Risk Report and Register – only minor changes since the March Board review.
- Q3 performance report to the Minister was approved subject to minor editorial updates.
- Insurance renewal programme was noted and the delegation to ARC to approve has been sought and subsequently now approved in item 3.1 - CE report.
- Carbon Neutral Government Programme (CNGP) update – getting an auditor had been challenging as at the date of the meeting. Next step is the reduction target plan.

4.3 Pre-Audit Meeting with BDO

[REDACTED] from BDO were welcomed to the meeting and highlighted the following key points around the audit plan and proposal for the 2022/23 year:

- The executive summary on pg. 1 lists the 5-6 key areas of focus for the 2022/23 year audit.
- There is no audit on climate reporting this year. REA advised that Toitu has now been appointed for REA's Carbon Neutral Government Programme reporting and their advice is to take our baselines from this current year. Toitu will be on site on 3 August to verify emissions for the year to June and will provide their report by December.
- Interim audit dates and final audit dates were confirmed.
- The Board Chair asked whether the audit covers areas of non-financial controls e.g. breaches of privacy. BDO looks at REA's approach to compliance with legislation at a high level to scan for red flags but does not specifically delve into these non-financial control areas. REA does an internal legislative compliance survey.

5. Board Papers for Approval or Discussion

5.1 Policies Review



All policies were approved, subject to amendments to the Interests and Managing Conflicts Policy

The following eight policies have been reviewed by their respective Committees and are presented to the Board for discussion and approval. The key changes were to the Delegations Policy and Family Violence Policy following consideration by Committees and these changes have been outlined in the cover paper.

Recommendations

It was recommended that the Board:

- **Approve** the Delegated Authority Policy
- **Approve** the Family Violence Policy

- **Approve** the Health & Safety Policy
- **Approve** the Employee Assistance Policy
- **Approve** the COVID-19 Vaccination Policy
- **Approve** the Organisation Change Policy
- **Approve** the Disciplinary Policy
- **Approve** the Disclosure of Interests and Managing Conflicts of Interests Policy

The Board agreed that all policies should be on a 2 year review cycle unless it is necessary to bring the policy for earlier change.

Decision Date: 24 May 2023

Mover: [REDACTED]

Seconder: [REDACTED]

Outcome: Approved



Amend the Declaration of Interests and Managing Conflicts Policy

Pg 5 of the Declarations of Interests Policy only refers to staff. Adapt the policy to incorporate Board members, contractors, CAC members, whom this policy applies to. Also add in political or positional interests.

Due Date: 30 Jun 2023

Owner: [REDACTED]



8) Review Policies every two years unless there is a need for changes earlier

Review Policies every two years unless there is a need for changes earlier.

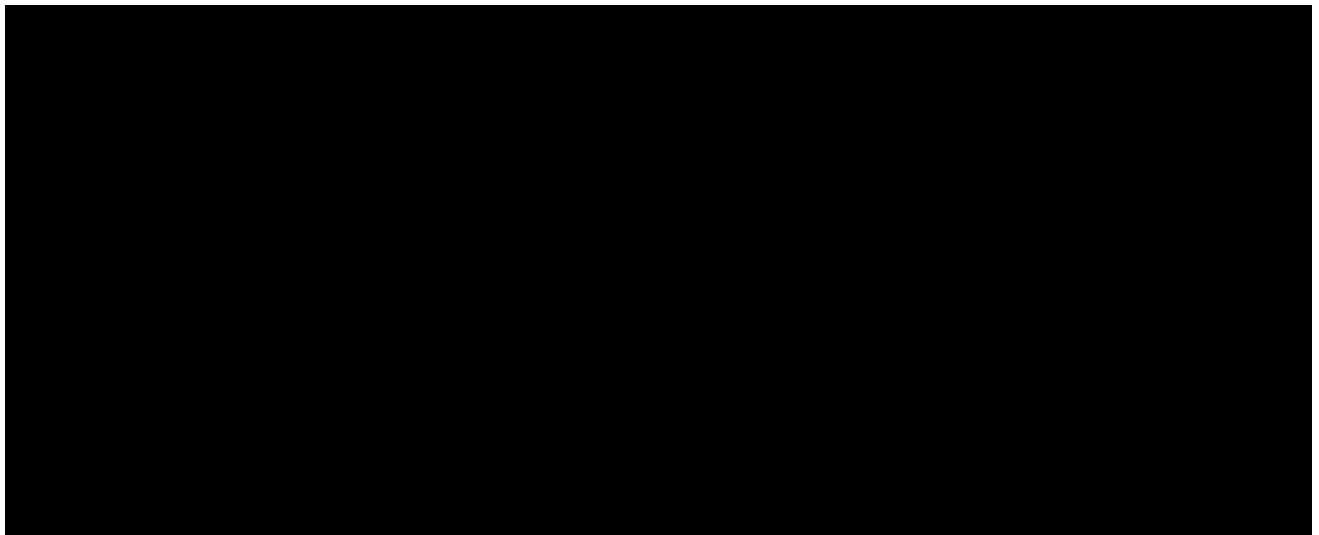
Due Date: 20 Jun 2023

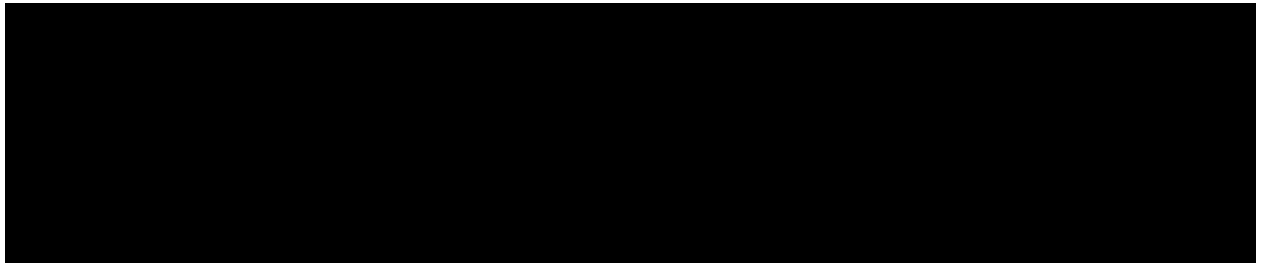
Owner: [REDACTED]

5.2 Research Report on Barriers to Participation in Real Estate Transactions

The paper was taken as read and [REDACTED], Head of Engagement, Insights and Education, invited feedback from the Board on the issues identified in the paper and the options outlined in paragraph 15. She highlighted the fact that this report was focused on participants who had at least one element of their real estate transactions that had not progressed smoothly. They do not fairly represent those who have had good experiences, but this was the focus of the research as framed.

The Board discussed the following:





- [REDACTED] advised we would look at forming a diverse communities focus group comprising members from the revamped Industry Advisory Groups.
- The Board considered whether it needs to send a stronger message to the sector that REA is really looking at this area as a focus (diversity and inclusion lens).
- The report highlights the ongoing importance of our strategy to continue to raise awareness of REA particularly in the communities featured in this research
- Discussion was held on whether the research methodology/purpose was sound given it only sought views of those with issues.
- [REDACTED] presented a proposed context setting introduction for the report.
- [REDACTED] noted that further work on the report is required to make it ready for use.
- A workshop on the Code of Conduct will be taking place with staff at the staff offsite on 1 June where issues of fairness, bias and discrimination will be explored.
- Board asked management to present an action plan for how we can effectively use the research as an internal resource without publication

Recommendations

It was recommended that the Board:

- **Note** the contents of the draft research report.
- **Discuss and provide feedback** on the issues identified in the report and this paper.
- **Discuss and provide feedback** on the options outlined in paragraph 15.

Outcome: Noted and feedback provided.



Present action plan to the Board relating to Barriers Faced by Diverse Consumer Groups Research

Staff to work with research company to finalise report and incorporate introduction and present an action plan to the Board in June as to how it can be used.

June: presented in EIE report at June Board meeting

Due Date: 20 Jun 2023

Owner: [REDACTED]

5.3 Education Update

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

- Technical difficulties with Te Kāhano are being worked through.
- The Board is asked to reconfirm that the second Diversity & Inclusion topic should be mandatory (working with New Zealand's Diverse Population).

The Board discussed the second Diversity & Inclusion (D+I) topic and agreed that it should be mandatory along with the other mandatory topic noting:

- It is important to properly position the D+I topic with the sector to demonstrate its relevance
- REA should work with REINZ to ensure they understand and support the value of the topic

The Board noted the Education Strategy and noted only:

- Pg 237 change to d. as NZ Society has already changed and continues to change. We are already diverse so reconsider the wording within that paragraph in the strategy.



Recommendations were approved subject to an amendment to a paragraph in the Education Strategy.

Recommendations

It was recommended that the Board:

- **Note** the contents of this paper and provide feedback on any matters raised
- **Reconfirm** approval for two mandatory CPD topics in 2024.
- **Endorse** the Education Strategy.

Decision Date: 24 May 2023

Mover: [REDACTED]

Seconder: [REDACTED]

Outcome: Approved

6. Board Papers for noting

6.1 Regulatory Services Team Paper

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

- Bulk renewals have concluded.
- Inconsequential findings year to date (July 2022-May 2023) are at 22 out of 220.
- 105 cases did not go to a CAC
- 21 cases have been received and triaged, but not yet assigned
- Seeing a shift in the number of cases going to CACs.

The Board requested further analysis on why there has been an increase in cases to CACs.

Recommendations

It was recommended that the Board:

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

Outcome: Noted



24) Conduct further analysis on increase in CAC referrals

Conduct further analysis on why there has been an increase in CAC referrals and bring to the Board.

June: year end results to be presented to the Board in August.

Due Date: 23 Aug 2023

Owner: [REDACTED]

6.2 Legal Team Paper

██████████ *Legal Services Manager, attended for this paper.*

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

- The Board was pleased to hear the Legal Team is now at full compliment.
- Updates on key decisions regarding knowing the property, ██████████
- Regulatory and policy function is now included in the team which will enhance the legal team's capability.

Recommendations

It was recommended that the Board:

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

Outcome: Noted

6.3 Property Management Regulation Update

The paper was taken as read with no key developments to highlight this month as REA is awaiting further guidance from HUD on budget outcomes and adjusted timelines for introduction of the Bill.

The Board noted that if funding is not provided we cannot use real estate levy funding and there will be challenges to meet obligation to be ready in time.

The Board noted the update.

Recommendations

It was recommended that the Board:

- **Note** this report

Outcome: Noted.

6.4 PMO Report on Projects and Key Initiatives

██████████ *joined the meeting for this paper.*

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

- Number one priorities remain the Complaints Improvement and System Enhancement Projects.
- Discussed the SEP upgrade required ██████████
- ██████████ have confirmed they can offer a Project Governance two-hour session which could be included in a future Board meeting. The Board was supportive of this.

Recommendations

It was recommended that the Board:

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

Outcome: Noted.



10) Increase the font size on PMO schedule

Increase the font size on PMO schedule ([REDACTED] to action)

Due Date: 20 Jun 2023

Owner: [REDACTED]



26) Organise Board Project Governance Training at a future Board meeting

Organise Project Governance Training for the Board with [REDACTED] for a two-hour session at a future Board Meeting.

June: proposal with Board and ARC Chairs for approval. This duplicates previous action so will now be closed.

Due Date: 24 Oct 2023

Owner: Belinda Moffat

6.5 Complaints Improvement Project Update

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

- A workshop was held with the Regulatory Services Team this week to discuss the implementation phase and the future state.
- [REDACTED] has been engaged to work with the Project Team on the change management process, particularly the impact on roles under the new process.
- Consultation will commence shortly.
- All job descriptions will be looked at and updated or reconfirmed as a part of this process.

The Board discussed the following:

- Whether any staff have left because of this project? Staff advised no.
- Could the disestablishment of roles emphasise the establishment of new roles? Staff confirmed yes.

Recommendations

It was recommended that the Board:

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

Outcome: Noted.



11) Upload presentation slides from the CIP workshop to BoardPro and the Intranet.

Upload presentation slides from the CIP workshop to BoardPro and the Intranet.

Due Date: 20 Jun 2023

Owner: [REDACTED]

6.6 Quarterly People and Capability Report (Jan - March 2023)

The paper was taken as read and [REDACTED] Head of People & Capability, highlighted the following:

- P&C Committee discussion focused on attrition which is higher than we like but not as high as what we are seeing in data from Korn Ferry relating to other Government Entities.

The Board did not have any questions relating to the report.

Recommendations

It was recommended that the Board:

- **Note** the contents of this paper and P&C quarterly report.

Outcome: Noted.

7. Other Business

7.1 General Business

The Board was given an overview of the content for REA's staff offsite on 1 June.

7.2 Closing Karakia

The meeting was closed with a Karakia at 1.57pm.

8. Close Meeting

8.1 Close the meeting

Next meeting: REA Board Meeting 20 June 2023 - 20 Jun 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>

Signature:



Date: 20/06/2023