

CONFIRMED MINUTES

REA BOARD MEETING 17 OCTOBER 2023



At the **REA Board Meeting 5 December 2023** on **5 Dec 2023** these minutes were **confirmed as presented**.

Name:	Real Estate Authority
Date:	Tuesday, 17 October 2023
Time:	9:00 am to 12:50 pm (NZDT)
Location:	REA Office and Zoom, office and online
Board Members:	Latham Lockwood, Mele Wendt, Tony Stack, Vern Walsh
Attendees:	Belinda Moffat, Victor Eng, Andrew Bulled, Josh Doherty, Nadine Thomas, Marie Snell, Saara Fourie
Apologies:	Denese Bates KC (Chair), Herman Visagie
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 Board were discussed with the Chief Executive.

1.3 Karakia

The Senior Leadership Team (SLT) joined and the meeting was opened with a Karakia at 10.02am.

1.4 Confirmation of Agenda

The agenda was confirmed.

1.5 Interests Register

- No new interests were declared for the register.
- [REDACTED] declared his acquaintance with [REDACTED] who is named in the legal paper. The disclosure was noted and [REDACTED] is to be excused from any discussion relating to that case.

**5) Note [REDACTED] declared a conflict [REDACTED].**

Note [REDACTED] declared a conflict in the [REDACTED]. Record in disclosures register and litigation schedules.

Due Date: 31 Oct 2023

Owner: [REDACTED]

1.6 Confirm Minutes

REA Board Meeting 19 September 2023 19 Sept 2023, the minutes were confirmed as presented.

The notes from the Board Strategic Stocktake meeting on 18 September and the minutes from the Board meeting on 19 September were confirmed as written.

2. Actions from Previous Meetings**2.1 Action Item List**

Due Date	Action Title	Owner
18 Sept 2023	1) Promotion of translated guides Status: Completed on 6 Oct 2023	[REDACTED]
18 Sept 2023	2) Follow up on the REINZ online magazine Status: Completed on 6 Oct 2023	[REDACTED]
19 Sept 2023	3) Use of consumer protection principle statement in our regulatory work Status: Completed on 11 Oct 2023	[REDACTED]
20 Sept 2023	4) Discuss approval protocols (moving and seconding) at the next Board meeting. Status: Completed on 11 Oct 2023	[REDACTED]
30 Sept 2023	5) Develop a leadership programme for SLT and Tier 3 Leaders Status: Completed on 11 Oct 2023	[REDACTED]
30 Sept 2023	6) Board Members to declare personal engagements with Real Estate Agents in the last 12 months Status: Completed on 10 Oct 2023	[REDACTED]
30 Sept 2023	7) Prepare the Governance Self-Assessment letter for approval by the Board Status: Completed on 6 Oct 2023	Belinda Moffat
30 Sept 2023	8) Invite the REINZ Board Chair to a future REA Board meeting. Status: Completed on 10 Oct 2023	Belinda Moffat
17 Oct 2023	9) Legal Report Appendix A - Include case summaries for context Status: Completed on 11 Oct 2023	[REDACTED]
17 Oct 2023	10) Conflict of Interest: [REDACTED] Status: Completed on 11 Oct 2023	Belinda Moffat
17 Oct 2023	1) Conduct analysis on CAC remuneration against the 2021 Cabinet Fees Framework Status: Completed on 28 Nov 2023	[REDACTED]
17 Oct 2023	12) Invite [REDACTED] to present the draft business case at the next Board meeting Status: Completed on 11 Oct 2023	[REDACTED]
17 Oct 2023	13) Terms of Reference for the refreshed IAGs Status: Completed on 6 Oct 2023	[REDACTED]
18 Oct 2023	14) Finalise Board workplan and send out placeholders for 2024 Meetings. Status: Completed on 11 Oct 2023	[REDACTED]

Due Date	Action Title	Owner
18 Oct 2023	15) CACs Status: Completed on 10 Oct 2023	[REDACTED]
31 Oct 2023	16) Flexi by Default review Status: Completed on 10 Oct 2023	[REDACTED]
31 Oct 2023	3) Finalise a plan for rolling out project management training to all staff and Board. Status: Completed on 28 Nov 2023	Belinda Moffat
31 Oct 2023	4) Bring policy for dealing with difficult people to Board Status: Completed on 28 Nov 2023	Belinda Moffat
31 Oct 2023	20) REA presence at REINZ Awards Status: Completed on 10 Oct 2023	Belinda Moffat
30 Nov 2023	10) Transaction Reports Status: Completed on 28 Nov 2023	Belinda Moffat
30 Nov 2023	11) Explore the feasibility of hosting a CIP webinar for compliance managers on Teams in November. Status: Completed on 28 Nov 2023	Belinda Moffat
30 Nov 2023	23) REA Emails for Board Status: Completed on 11 Oct 2023	[REDACTED]
5 Dec 2023	12) Provide final versions of the funding agreement, TOR & MOU to the Board once finalised Status: Completed on 28 Nov 2023	Belinda Moffat
15 Dec 2023	14) Opportunities for Board workshops (discuss in Board strategy session) Status: Completed on 28 Nov 2023	Belinda Moffat
31 Dec 2023	15) Conduct data analysis on the increase in complaints to look for trends/drivers Status: Completed on 28 Nov 2023	[REDACTED]
31 May 2024	18) Update the Board Handbook to define requirements for a quorum Status: Not Started	[REDACTED]
30 Jun 2024	19) Māori Engagement Framework - Board Marae Visit Status: In Progress	Belinda Moffat

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

- Action 17 Marae visit: This work is ongoing. [REDACTED] may be able to help progress the marae visit in 2024.
- Action 18 governance project management: [REDACTED] has proposed Tuesday 20 February for the Board workshop.
Action 24 RPM funding agreement: has been signed by HUD and REA and will be uploaded to BoardPro.
- Action 25 Board workshops: Agreed to extended Board meetings from 9am – 3pm in 2024 to enable strategic discussions. There will also be two strategy sessions in February and November.
- Action 26 Analysis of complaint themes: to come to the Board in December or as a future deep dive topic once analysis is complete.
- Action 11 CAC fees framework: review of Board and CAC fees under the 2022 framework is to come to the Board in December.



6) Confirm afternoon project governance session on 20 February

Confirm afternoon project governance session on 20 February with [REDACTED]
[REDACTED] send out placeholder and add to draft 2024 Board Workplan.

December: Complete, this is scheduled for 1.30pm - 4.30pm on 20 February 2024 at REA Offices in Wellington.

Due Date: 31 Oct 2023
Owner: Belinda Moffat



7) Upload final RPM funding agreement to BoardPro

Upload the final RPM funding agreement to BoardPro.

December: Complete. See RPM Committee Governance Papers on BoardPro

Due Date: 31 Oct 2023

Owner: Belinda Moffat

3. Chief Executive's Report

3.1 CE Report

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

- Updated Board dates were confirmed and calendar invites can now be sent. Microsoft Teams will be used for for online attendance.

- [REDACTED]
- The Chair of the People & Capability Committee, [REDACTED] gave an overview of the main Committee meeting items, including recruitment and onboarding, leadership development plan and flexible by default policy which will come to the Board in December for approval.
- The Committee agreed that specific parts of the Kia Toipoto report will come to the full Board in December but not the full report.
- An update on CPD completions was provided and it was noted that reminders would be sent to those who have not yet completed in October, November and December
- The final CPD non-completion rate will be known in mid-January. It is anticipated that as last year, people may not complete as they intend to leave the sector.
- It was noted that unless an exemption or deferral has been granted, non-completion of CPD requires REA to cancel a licensee's licence.
- High numbers of non-completion can impact REA's budget. Management reforecast revenue monthly, based on changing licensee numbers.
- Approximately 80-100 exemptions or deferrals were granted last year. The Board supported the publication of the exceptional circumstances guidance to support licensees to understand the criteria for a CPD exemption or deferral.
- The Chief Executive recognised the work of [REDACTED] who is leaving REA this week for a new role. The Board thanked [REDACTED] for her tireless work and numerous achievements during her time with REA.
- The Board congratulated the REA team for their successful delivery of Train-the-Trainer in Auckland on 3 October.
- *Settled* visits had significantly increased which is largely due to digital marketing. The Board acknowledged that this is a positive result.
- Post-election reflections were shared and there is some uncertainty currently about the future of RPM, so recruitment will be held until further information is known.
- The possibility of a third D&I CPD topic was discussed, and it was noted that delivery must be done well. Consideration was given to whether it could be achieved via an online prerecorded seminar by a specialist provider. Further consideration to be given to whether to proceed with the third D+I topic once feedback from the advisory group is received. The Education team should observe the presentation of the 2025 diversity topic early in 2025 to assist the decision on delivery of any further topics.
- Board supported a Board/staff morning tea on 5 December and arrangements for a Board dinner were discussed.

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.



8) Send out calendar invitations for December Board events

Send out calendar invitations for a staff morning tea with the Board in December and update the Board meeting and dinner invites once arrangements have been confirmed.

Due Date: 31 Oct 2023

Owner: [REDACTED]



17) Consider delivery methods of D&I topic in early 2024

Consider delivery methods of D&I topic in early 2024.

December: To be discussed with internal and external CPD advisory group and Approved Training Providers ahead of recommendation of topics to the Board in March

Due Date: 31 Mar 2024

Owner: [REDACTED]

3.2 Break

The Board took a 10-minute break at 10.45am and recommenced at 10.55am.

4. Board Papers for Approval or Discussion

4.1 Policies Review

The Travel Expenditure Policy was presented to the Board for discussion and approval.

The Head of Corporate Service, [REDACTED] highlighted the key changes to meal allowances and Koru memberships on a case-by-case basis.

Travel Expenditure Policy

- Koru Membership: add in '...travel regularly enough on REA business'.

Protected Disclosure Policy

- The Protected Disclosures Policy had been reviewed by People & Capability team and no changes were recommended for the Board to consider. This policy will be reviewed again in two years.

Recommendations

It was recommended that the Board:

- Approve** the updated Travel Expenditure Policy.
- Note** there are no changes to the Protected Disclosure Policy

Outcome: Noted and approved unanimously, with one agreed change to the travel expenditure policy.

4.2 Accountability Documents: 2022-23 Annual Report and Audit

The paper was taken as read and the Chief Executive acknowledged the contribution of [REDACTED] on the work that went into pulling together the Annual Report.

2022-2023 Annual Report

- The design version was provided in the supplemental BoardPro folder.
- The Board had no additional comments or queries.

Audit Representation Letter

- The Board had no issues to raise.

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 2022/2023 annual report
- Approve** a delegation to [REDACTED] to sign the Annual Report
- Approve** a delegation from [REDACTED] to management to apply their e-signatures to the Annual Report
- Approve** a delegation to the Chief Executive to finalise the 2022/23 Annual Report.

Outcome: All recommendations were noted and approved.

4.3 Risk Report and Register

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

- Key updates from the September Audit & Risk Committee meeting are highlighted in yellow.
- An outcome from the post-strategy meeting debrief was that there is no need for risks on watch to be reported monthly, and only key issues and mitigations are to be flagged in

these monthly reports (a “snapshot in time”) going forward, with the full risk register to be presented to the Board six-monthly.

The Board discussed the following:

- [REDACTED]

Recommendations

It was recommended that the Board:

- a. **Note** the risk report and register and provide any feedback
- b. **Note** the Hazard Register and provide any feedback.

Outcome: noted

4.4 Systems Enhancement Project (SEP) Update

The paper was taken as read and the Chief Executive introduced [REDACTED] to the Board.

[REDACTED] presented the business case for change, which includes looking at future requirements and aiming for a suite of systems that are supported into the future and that link well with each other. Key discussion points include:

- Governance and the PMO are important in this process.

- A 36-month period is anticipated for this project, with an aim to [REDACTED] June 2024.

The Board raised the following matters:

- Will the SEP programme impact progress with CIP? The CE confirmed there will be some disruption with implementing the new CRM in terms of testing, migration and training, however the RST team can work perfectly well with the current system in the interim.

- Financial ramifications and budget allocation: [REDACTED] There are also anticipated savings over time when factoring in our current costs with our existing vendors.

The CE reminded the Board and Management that REA is entering into a procurement process so there is a need to be mindful of contact with potential vendors.

Recommendations

It was recommended that the Board:

- a. **Note** the progress update of the Systems Enhancement Project
- b. **Endorse** the Business Case
- c. **Approve** a delegation to the Chief Executive to issue an RFP for the Systems Enhancement Project.

Outcome: Noted, endorsed and approved.



2) Procurement rules to be circulated to the Board and SLT.

Procurement rules to be circulated to the Board and SLT.

December: Circulated by CE on 27 October to Board and SLT

Due Date: 20 Oct 2023

Owner: Belinda Moffat

5. Board Papers for noting

5.1 Regulatory Services Team Paper

The paper was taken as read. [REDACTED] highlighted key points in the paper relating to licensee numbers, impact of CIP and SEP on the team, and that there are [REDACTED] to be assigned. [REDACTED] invited questions from the Board.

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 Team Paper

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

- CIP case management approach and impacts for CACs.
- Unlicensed trading case: note that a warning policy is being developed.
- New Legal Services Manager [REDACTED] is starting next week.

The Board discussed where property developers, contractors, employees of developers etc fit in the unlicensed trading space. It was noted that this is where areas of concern may arise and is a focus area for REA.

Recommendations

It was recommended that the Board:

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

Outcome: Noted

5.3 PMO Report on Projects and Key Initiatives

The paper was taken as read and the Chief Executive invited questions or comments from the Board.

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.

5.4 Complaints Improvement Project Update

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

- Monday 16 October marked a big milestone in this project with the new complaints process going live. This was celebrated with a staff morning tea.
- Recruitment remains a key priority to support the roll-out of the new process.

The Board discussed the following:

- Key skills REA is looking for in its recruitment:
 - o Complaint management skills
 - o knowledge of regulation and communicating to a regulatory audience
- Complaint facilitator and complaints officer remuneration.
- It is important to celebrate the milestones of this project. Management advised that regular celebrations are held as we reach project milestones, alongside using the rewards and recognition framework to acknowledge individual and collective successes as the new processes are embedded.
- The Board acknowledged the great work done by [REDACTED] and the project team to get to this stage of the project.

Recommendations

It was recommended that the Board:

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

Outcome: Noted.



16) Arrange celebration for CIP once fully implemented and benefits are starting to be realised

Arrange an appropriate celebration once CIP is fully implemented and benefits are starting to be realised.

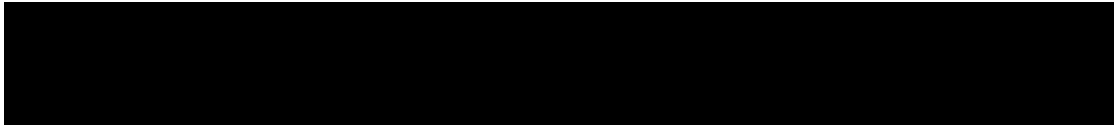
December: Scheduled for March 2024 to mark end of Phase D and closure of Project and October 2024 to mark 1 year since implementation.

Due Date: 1 Mar 2024

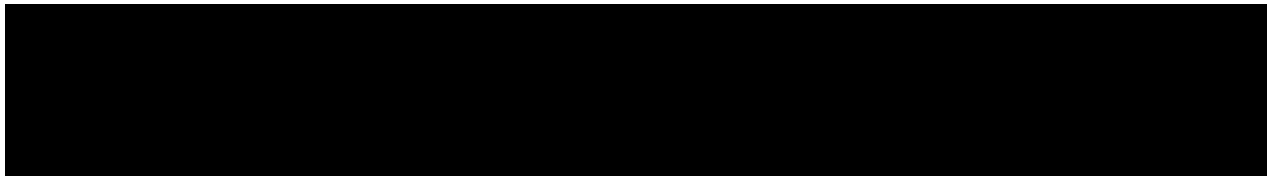
Owner: [REDACTED]

5.5 Property Management Regulation & REAA Amendments Update

The paper was taken as read. The Chief Executive highlighted that:



The Board discussed the following:



Recommendations

It was recommended that the Board:

- a. **Note** this report.

Outcome: Noted.



9) Finalise date for next Property Management Regulation Committee meeting

Finalise date for next Property Management Regulation Committee meeting.

December: By agreement we did not hold a Committee meeting in November. Meetings for the Committee in 2024 are proposed to be held in March, May, August and November (and cancelled if not needed). Dates TBC, via [REDACTED] with members.

This action will now be closed.

Due Date: 1 Nov 2023

Owner: Belinda Moffat

6. Other Business

6.1 General Business

- Management will provide an update on the internship programme in December.
- The Board formally acknowledged the service of [REDACTED] and her departure from REA.



13) Provide the Board with an update on internships in the next P&C update

Provide the Board with an update on internships in the next P&C update.

December: Internship programme commenced. Update provided in CE December Report.

Due Date: 5 Dec 2023

Owner: 

7. Close Meeting

7.1 Closing Karakia

The meeting was closed with a Karakia at 12.07pm.

7.2 Close the meeting

Next meeting: REA Board Meeting 5 December 2023 - 5 Dec 2023, 9:00 am

Unuhia, unuhia *Draw on, draw on,*

Unuhia ki te uru tapu nui *Draw on the supreme sacredness*

Kia wātea, kia māmā, te ngākau, *To clear, to free the heart,*

te tinana, te wairua t e ara takatā *the body and the spirit of mankind*

Koia rā e Rongo, whakairia ake ki runga *Rongo, suspended high above us (i.e. in 'heaven')*

Kia tina! TINA! Hui e! TĀIKI E! *Draw together! Affirm!*

7.3 Lunch 12.50pm

Signature: _____

Date: _____