

CONFIRMED MINUTES

BOARD MEETING 22 MARCH 2022



At the **Board Meeting 26 April 2022** on **26 Apr 2022** these minutes were **confirmed as presented**.

Name:	Real Estate Authority
Date:	Tuesday, 22 March 2022
Time:	9:00 am to 1:25 pm
Location:	Zoom meeting, Online
Board Members:	Denese Bates QC (Chair), Liz Nidd, Mele Wendt, Tony Stack, Vern Walsh
Attendees:	Andrew Bulled, Belinda Moffat, Josh Doherty, Nadine Thomas, Phirak Appleton, Saara Fourie, Victor Eng, Marie Snell
Apologies:	Latham Lockwood
Guests/Notes:	<p>██████████, Education and Insights Manager (Research Plan and Proposal)</p> <p>██████████ Acting Communications and Awareness Manager (REA Digital Marketing Update)</p>

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.



9) CE to arrange for an economist to present to the Board.

CE to arrange for an economist to present to the Board.

April 2022: Michael Gordon presenting to the Board at the 26 April meeting.

Due Date: 27 Apr 2022

Owner: Belinda Moffat



5) Review the Board reporting approach and refresh feedback from ██████████

Review the Board reporting approach and refresh feedback from ██████████

April 2022: CE engaged with ██████████ who confirmed advice was to remove duplication, streamline management reporting and focus on forward looking risks and issues. Agreed with removal of performance report, and avoiding duplication across Audit and Risk.

Revised reporting approach discussed with Board and ARC Chair. New reporting approach presented in April for feedback.

Due Date: 26 Apr 2022
Owner: Belinda Moffat

1.3 Karakia

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

1.4 Confirmation of Agenda

The agenda was confirmed.

1.5 Interests Register

No new interests were declared and no conflicts were identified for the meeting.

1.6 Confirm Minutes

Board Meeting 15 February 2022 15 Feb 2022, the minutes were confirmed as presented.



On motions duly made and seconded, it is proposed that the minutes of 3 February 2022 be approved.

Minutes approving REA's draft report to the Minister for Q2 by Written Procedure 3 February 2022.

Decision Date: 22 Mar 2022
Mover: [REDACTED]
Seconder: [REDACTED]
Outcome: Approved



On motions duly made and seconded, it is proposed that the minutes of 5 March 2022 be approved.

Minutes Approving the Responses to Additional Select Committee Questions by Written Procedure 5 March 2022.

Decision Date: 22 Mar 2022
Mover: [REDACTED]
Seconder: [REDACTED]
Outcome: Approved



On motions duly made and seconded, it is proposed that the minutes of 15 February 2022 be approved.

Minutes from the Board Meeting – 15 February 2022.

Decision Date: 22 Mar 2022
Mover: [REDACTED]
Seconder: [REDACTED]
Outcome: Approved

2. Actions from Previous Meetings

2.1 Action Item List

Due Date	Action Title	Owner
31 Jan 2022	1) Monitor [REDACTED] and update CE and Chair on next steps Status: Completed on 15 Mar 2022	[REDACTED]
10 Mar 2022	2) Make amendments to Select Committee responses as discussed. Status: Completed on 15 Mar 2022	[REDACTED]
22 Mar 2022	3) Workforce Management Paper Status: Completed on 15 Mar 2022	[REDACTED]
22 Mar 2022	1) SPE Narrative Status: Completed on 13 Apr 2022	Belinda Moffat
31 Mar 2022	2) Explore the use of Instagram in the REA digital marketing approach. Status: Completed on 23 Mar 2022	[REDACTED]
31 Mar 2022	3) Qualifications FAQs and Website Information Status: Completed on 23 Mar 2022	[REDACTED]
31 Mar 2022	4) Te Tiriti o Waitangi session with [REDACTED] Status: Completed on 13 Apr 2022	Belinda Moffat
27 Apr 2022	12) Complaints Improvement Project Update to be provided at the April Board Meeting. Status: Completed on 20 Apr 2022	[REDACTED]
30 Apr 2022	13) Meeting with REINZ Status: In Progress	Belinda Moffat
30 Apr 2022	14) Property Management Regulation Status: In Progress	Belinda Moffat
30 Apr 2022	15) REA Emails for Board Status: In Progress	[REDACTED]
30 Apr 2022	16) Programme Manager reporting to be captured in the performance [REDACTED] [REDACTED]	[REDACTED]
30 Apr 2022	17) Awareness, Communication and Stakeholder Engagement Strategy Status: In Progress	[REDACTED]
31 May 2022	18) Fit and Proper Guidelines Status: Completed on 20 Apr 2022	[REDACTED]
30 Jun 2022	20) Flexi by Default review Status: In Progress	[REDACTED]
30 Jun 2022	21) Review statutory guides and effective production and best practice use principles for sector Status: In Progress	[REDACTED]
30 Jun 2022	19) Supervision Status: In Progress	[REDACTED]
30 Jun 2022	22) Māori Engagement Strategy Approach Status: In Progress	Belinda Moffat
30 Jun 2022	23) Provide an update on ethnicity and tenure pay parity. Status: In Progress	[REDACTED]

Actions were taken as read and the following actions were discussed:

- The CE noted an action from the Audit and Risk Committee meeting relating to Te Tiriti will be carried over to the Board actions to reduce duplication.
- Action 10): Te Tiriti workshop with [REDACTED] will be held this Friday and can be closed.

- Action 11): Setting up Board members on the REA email system has been put on hold until after the Audit & Risk and Board meetings as it involves a number of systems changes including BoardPro. This will be progressed shortly.

3. Chief Executive's Report

3.1 CE Report

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

- Paragraph 13 relates to the Programme Management Office and the CE advised the Board that the Audit & Risk Committee received a presentation from Programme Manager [REDACTED] at their meeting yesterday.

The Board discussed the following matters:

- Staff morale in the current COVID environment: [REDACTED] confirmed there have been some additional pressures in teams due to illness and challenges with working from home, however REA has been doing incredibly well to support staff as needed and keep connected. Culture Club continue to deliver great initiatives to maintain connectivity and people leaders are keeping in touch with their staff to monitor wellbeing and provide support as needed.
- Managing work expectations when staff have been impacted by COVID: Belinda confirmed that REA's key messages are that family and wellbeing come first and SLT will support staff to manage those demands with their workload as needed. REA's business continuity plan is in place to manage backfilling roles as required.
- The CE advised that there are strong networks within REA. Managers at all levels are very approachable as well as the People & Capability Team.
- The Chair acknowledged the level of enthusiasm displayed by staff during the Te Ao Māori/Tikanga sessions in 2021 and found that level of engagement encouraging.
- The Board acknowledged the level of support REA is providing staff through care packages and proactive provision of rapid antigen tests.
- Rent review timeframe: [REDACTED]
- Diverse communities: key output will be translations of our guidance.

Recommendations

It was recommended that the Board:

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

Outcome: Noted.

3.2 Update from the Audit & Risk Committee

- The Board received an update from the Audit and Risk Committee (ARC) Chair on the outcomes from the meeting held on 21 March 2022.
- ARC Terms of Reference are due for review and the Committee agreed there is no need to have any particular delegations. They will continue to provide advice to the Board on risk, controls and finance and do the deep dives into these issues and policies presented for review and make recommendations to the Board.
- The performance report will now go directly to the Board.

3.3 Break

Break from 10:30-10:40am.

4. Board Papers for Approval or Discussion

4.1 Official Information and Proactive Release Policy

The paper was taken as read and [REDACTED], General Counsel, invited questions and comments from the Board.

The Board discussed the following:

- Operationalising the policy: [REDACTED] confirmed it is already operationalised in practice. The Legal Team provides regular staff training and REA has OIA champions across the various teams.
- The ARC Chair advised the Board that the Committee endorsed the policy yesterday, with discussion held around charging for time and resources used to compile responses to large requests and also the length of the document due to it being a single policy and procedure resource for staff.
- The Board agreed the policy was comprehensive and robust.



Official Information and Proactive Release Policy was approved.

It was recommended that the Board:

- **Provide feedback** on the proposed amendments and subject to any feedback, **approve** the Official Information and Proactive Release Policy.

Decision Date: 22 Mar 2022
Mover: [REDACTED]
Seconder: [REDACTED]
Outcome: Approved

4.2 Health and Safety Policy Review

Head of People & Capability, [REDACTED] introduced this paper and highlighted the following:

- Following consideration by the Audit and Risk Committee on 21 March, amendments have been made and the revised policy was added to BoardPro for the Board to consider overnight. The adjustments were to paragraphs: 10, 11, 12, 20, 40 and 41.
- Approval of the revised policy is now sought from the Board.

The Board supported the recommended changes to the draft policy approved implementation of the policy.



The amended Health and Safety Policy was approved.

Recommendation: It is recommended that the Board:

- **Provide feedback** on the proposed amendments and subject to any feedback, **approve** the Health and Safety Policy.

Decision Date: [REDACTED]
Mover: [REDACTED]
Seconder: [REDACTED]
Outcome: Approved

4.3 2022/23 Statement of Performance Expectations and Financial Forecast

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

- The introduction is being prepared and will be presented to the Board in the next version in April.
- REA is likely see a change in the number of licensees next year so forecasts are being prepared for this and other scenarios.
- Licensee numbers are still looking high as the bulk renewal period continues although we will have a clearer picture after bulk renewals conclude.
- Belinda invited questions and comments on the SPE.

██████████ Head of Corporate Services, made the following additional comments:

- The Budget has a break even focus with a view to maintaining healthy cash reserves, given the uncertain environment.
- Invited the Board to comment on scenario planning and what levers should we push and pull.
- The Audit and Risk Committee had commented on personnel costs and pay restraints. ██████████ noted the budget does accommodate an increase in FTEs as we will need to ensure we can recruit to meet demand.
- Once we have completed the discovery phase for complaints and licensing project we will have more information to hand on needs going forward.
- Investment in software: The budget allows for some system improvements. REA is hesitant to use bespoke software as previously done with ██████████ whereby REA's processes were adapted to fit the software. REA is exploring software and cloud based systems rather than on premises server infrastructure
- ██████████ highlighted pg 84. paragraph 28 and 29 refers to the reappointment of BDO as REA's auditors. The Board agreed to authorising the Board Chair to sign this letter.

The Board discussed the following:

- The Audit and Risk Committee Chair a reminded the Board that this is the first draft and the Committee was supportive of progress to date.
- The Board queried whether cultural capability references should be more apparent throughout the SPE. Belinda directed the Board to pg. 93, bullet point 3, which covers this and again under the first output.



Recommendations approved with one amendment to recommendation 2 in bold.

Recommendation: It is recommended that the Board:

- **Discuss and provide feedback** on the draft SPE and budget, and approve the delivery of the draft to the Ministry of Justice for review by 31 March 2022.
- **Approve** the proposal of appointment of BDO as auditor and authorise the Chair to sign the proposal letter **using her e-signature**.
- **Approve** the recommendation to maintain the Litigation Reserve at ██████████ for the purpose outlined in this paper to be recorded in a litigation reserve policy.

Decision Date: 22 Mar 2022

Mover: ██████████

Seconder: ██████████

Outcome: Approved



10) Sign and return the Audit Proposal Letter to BDO.

E-sign the audit proposal letter on behalf of the Board Chair and return to BDO.

April 2022: Complete.

Due Date: 27 Apr 2022

Owner: [REDACTED]



6) Draft a Litigation Reserve Policy.

Draft a Litigation Reserve Policy.

April 2022: draft policy to be presented to Board for approval 26 April 2022.

Due Date: 26 Apr 2022

Owner: [REDACTED]

4.4 CAC Candidates for Appointment

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

- REA is seeking the Board's approval to appoint the five candidates put forward at the last Board meeting.
- Conflicts of interest checks have been undertaken. There are no issues arising.
- Police checks have all come back clear.
- Candidates have been contacted about start dates which are reflected in the recommendations.

The Board had no queries or comments.



All recommendations were approved.

Recommendation: It is recommended that the Board:

- **Approve** the appointment of Fale (Andrew) Lesa as a CAC panel member, effective from 1 April 2022.
- **Approve** the appointment of Nigel Fletcher as a CAC panel member, effective from 1 April 2022.
- **Approve** the appointment of [REDACTED] as a CAC panel member, effective from 1 April 2022.
- **Approve** the appointment of Natalie Small as a CAC panel member, effective from 1 September 2022.
- **Approve** the appointment of [REDACTED] as a CAC panel member, effective from 1 November 2022.

Decision Date: 22 Mar 2022

Mover: [REDACTED]

Seconder: [REDACTED]

Outcome: Approved



11) Notify CAC candidates of appointments and effective dates.

Notify CAC candidates of appointments and effective dates.

Complete.

Due Date: 27 Apr 2022

Owner: [REDACTED]

4.5 Fit and Proper Standard

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

- The draft guidance reflects principles developed by the court and in previous cases.
- Consideration has been given to addressing consideration of safety concerns eg risks of actual or threatened violence: [REDACTED]
[REDACTED]
- Belinda invited the Board to comment on whether REA consult with the sector only or the public as well. The Board agreed that public consultation was appropriate.
- The Minister is interested in this and will be kept informed of progress but the standard will not be released to him in advance to ensure independence from the process.
- Proposed amending the recommendation wording to read:

“Approve the scope of the proposed internal guidance and draft Fit and Proper Standard.”

The Board discussed the following:

- The assessment should include inquiry into what an applicant has done since time of offending and application (eg no further charges or convictions, good employment record, positive references in recent period). particularly if there had been a significant time lapse.
[REDACTED]
- There was sufficient clarity and transparency in the guidance.
- Capturing safety elements and violent offending is critical. Licensees need to be equipped to deal with high stress and high pressure without a potential disposition to physical or verbal abuse
- There was consensus that the guidance should be issued by the Registrar not the Board.
- Where there is offending involving addiction, the Board queried whether REA seeks specific assurance that supports that addition is no longer an issue for that person. [REDACTED] advised that relevant health reports or therapy records are sought, particularly around alcohol and drug additions and gave some examples of how these guide decision-making.
[REDACTED]
- The Board thanked [REDACTED] for her work with [REDACTED] on this paper.
- The next step is to finalise the timeline and bring this back to the Board then before consultation in May/June.



Recommendation approved subject to one amendment underlined below.

Recommendation: It is recommended that the Board:

- **Approve the scope** of the proposed internal guidance and draft Fit and Proper Standard.

Decision Date: 22 Mar 2022

Mover: [REDACTED]

Seconder: [REDACTED]

Outcome: Approved



7) Fit and Proper Guidance

Prepare the next iteration of Fit and Proper guidance and plan for consultation.

April 2022: Fit and proper guidance presented to the Board for approval

Due Date: 26 Apr 2022

Owner: [REDACTED]

4.6 Research Plan and Proposal

[REDACTED] *Education and Insights Manager*, and [REDACTED] *Acting Communications and Awareness Manager*, joined the meeting for items 4.6 and 4.7.

[REDACTED] introduced [REDACTED] to the Board and [REDACTED] highlighted the following aspects of the paper:

- At the Board meeting in December, the Board agreed that SPE 3.2 research should focus on barriers to participation so the Board's endorsement is sought on that today.

The Board discussed the following:

- All research areas were endorsed. The Board did not identify any areas that need more detail.
- Research on supervision: there needs to be a deep dive into offices where you are concerned about supervision but also offices where supervision is really adequate. [REDACTED] confirmed that we are eager to explore both ends of the spectrum when conducting this research.
- Sub-brands taking over the main brands: often presentation of the sub-brand does not reflect the main brand and this gives the impression of trading as a separate entity. It is interesting that some main brands allow this to happen.

Recommendation: It is recommended that the Board:

- **Note** the planned research activities for the 2022 calendar year.
- **Endorse** the proposed research topic for SPE 3.2.

Outcome: Noted and endorsed.

4.7 REA Digital Marketing Update

[REDACTED] introduced [REDACTED] to present this paper.

- [REDACTED] highlighted the key figures and noted 2020 campaigns were very successful, particularly the videos.
- REA is keen to be using the website as more of a regulatory tool as well as providing consumer advice.
 - Advice or insights are sought on communities to reach.

The Board discussed the following:

- The investment put into building, advertising and raising awareness through settled.govt.nz was significant and it had a huge impact. Do we risk losing some of our initial investment if we reduce marketing spend now? [REDACTED] does not anticipate a significant drop but will watch the analytics.
- Reduction in users: there is a direct correlation between spend and reach. In next year's budget there needs to be adequate spend to sustain engagement. Budget was reduced by [REDACTED] in March 2021 and had shown an impact. The CE noted that investment was reduced to test impact and there was a clear impact. EIE continues to work on the rest of the communications and engagement strategy and they are looking at investing in translations and other areas to increase our reach to diverse communities.
- The Board agreed there is a need to continue or increase investment in the online space to reach New Zealanders and it will cost to target and reach diverse communities. It will cost more to lift the website profile again if awareness and engagement drops to a low level.

- Social media suggestions included Instagram, Facebook and TikTok.
- YouTube was paused longer than intended and this is being looked at with Uprise.
- Consider what mix of investment and exposure we need to target, and whether REA has the right channels running.
- Media relations: REA has nurtured relationships with various media channels and outlets resulting in a lift in media enquiries. With a permanent Media Relations and Stakeholder Engagement Manager recently appointed, there is an increased focus on this area.

Recommendations: It is recommended that the Board:

- **Note** the performance of our digital channels in 2021.
- **Discuss and provide feedback** on the future role of digital channels in delivering the REA strategy.

Outcome: Paper and presentation noted and feedback provided for consideration by the EIE team.

4.8 Break

Break from 12:15-12:20pm.

5. Board Papers for noting

5.1 January-February 2022 Performance Report

The paper was taken as read and [REDACTED] Head of Corporate Services, highlighted to the Board that the Audit and Risk Committee also received this report.

The Board made the following comments:

- From an Audit and Risk Committee perspective, given the environment REA is working in, the organisation is performing well.

Recommendations

It was recommended that the Board:

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

5.2 Six-monthly Risk Report

The paper was taken as read and the Board noted the changes to items on watch. There was no additional feedback.

Recommendations

It was recommended that the Board:

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

Outcome: Noted

5.3 People and Capability Report

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

- There is an additional section on workforce planning.
- Three temps were brought on board to support the bulk renewals process. There are often opportunities for temps join our permanent workforce and this is part of our retention strategy.
- Wellbeing is a key focus area at present.
- Incident management team has been managing COVID cases and close household contacts by providing care packs and proactively making rapid antigen tests available to staff.
- REA's Culture Club is creating a staff wellbeing portal using the Te Whare Tapa Whā methodology.

The Board discussed the following:

- REA reaching optimum capacity: [REDACTED] believes we will get there but this may take weeks or months to achieve. There have been challenges with filling some critical roles e.g. [REDACTED] but there is a lot of work being done to bring teams to capacity. There are obvious challenges with recruitment in a remote COVID environment and with a tight labour market.
- Productivity impacts: [REDACTED] noted REA consists of small teams so when one role is vacated in the EIE team, as an example, that is 10% of team. Wellbeing and living circumstances also need to be factored in. In the current environment there are almost daily changes to staffing circumstances so this does have some impact on productivity. REA's business continuity plan does cover backfilling of roles and responsibilities to ensure ongoing operations. Productivity impact is managed through leaders setting clear priorities, use of external providers and management oversight.
- REA has done incredibly well in terms of delivery in very challenging times, however the Board invited SLT to consider whether they need to make any adjustments to expectations during this COVID environment.
- [REDACTED] to help with the Fit and Proper Standard work is an example where REA has sought the appropriate level of support to help keep up with deliverables. REA has pulled back on some pieces of non-critical work to ensure our people know where priorities lie.
- The Board expressed interest in seeing the results of the financial wellbeing survey.
- Belinda also advised the Board that the annual Pulse Survey will be conducted again in May which will give SLT some insights into the wellbeing of staff.

- The Board emphasised the importance of having the necessary resources to deliver REA's statutory function and responsibilities.
- The Board acknowledged SLT's evident passion for REA's people, particularly in the midst of yet another challenging year and facing an economic shift.

Recommendations

It was recommended that the Board:

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

Outcome: Noted



8) Provide the Board with key learnings from the staff financial wellbeing survey once available.

Provide the Board with key learnings from the staff financial wellbeing survey once available.

April 2022: themes reported in CE report, themes will shape the financial wellbeing programme offered by P+C and Culture Club via Westpac and Retirement Commission.

Due Date: 26 Apr 2022

Owner: [REDACTED]

5.4 Regulatory Services Paper

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

- Bulk renewals are tracking well and are ahead of levels at the same time last year.
- Some improvements to the portal last year helped streamline the process.
- Final numbers will be available in April to better inform the budget.
- Reduction in cases over 90 days was noted.

The Board had no additional comments or queries.

Recommendation: It is recommended that the Board:

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

Outcome: Noted

5.5 Legal Team Paper

The Legal Team Paper was taken as read and [REDACTED] General Counsel, highlighted the following:

Recommendation: It is recommended that the Board:

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

Outcome: Noted

6. Other Business

6.1 General Business

There was no additional general business for discussion.

6.2 Closing Karakia

The meeting was closed with a Karakia at 1.25pm.

7. Close Meeting

7.1 Close the meeting

Next meeting: Board Meeting 26 April 2022 - 26 Apr 2022, 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: _____