

CONFIRMED MINUTES

BOARD MEETING 18 OCTOBER 2022



At the **Board Meeting 6 December 2022** on **6 Dec 2022** these minutes were **confirmed with the following changes:**

Amended bullet point three under item 5.1 to read "...REA's celebration of the various Pacific Peoples Weeks..."

Name:	Real Estate Authority
Date:	Tuesday, 18 October 2022
Time:	9:00 am to 1:28 pm (NZDT)
Location:	REA Office and Zoom, office and online
Board Members:	Denese Bates KC (Chair), Vern Walsh, Latham Lockwood, Liz Nidd, Tony Stack, Mele Wendt
Attendees:	Andrew Bulled, Belinda Moffat, Josh Doherty, Nadine Thomas, Phirak Appleton, Victor Eng, Marie Snell, Saara Fourie
Guests/Notes:	[REDACTED] 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 9.40am.

1.4 Confirmation of Agenda

The agenda was confirmed.

1.5 Interests Register

- The Board noted that [REDACTED] updates from the last meeting have now been made to the interests register.
- The Board noted [REDACTED] potential move to another licensee.

1.6 Confirm Minutes

Board Meeting 13 September 2022 13 Sep 2022, the minutes were confirmed as presented.

**The minutes of 13 September were approved as true and correct.**

On motions duly made and seconded, it is proposed that the minutes of 13 September be approved as true and correct.

Decision Date: 18 Oct 2022
Mover: [REDACTED]
Seconded: [REDACTED]
Outcome: Approved

2. Actions from Previous Meetings

2.1 Action Item List

Due Date	Action Title	Owner
21 Jun 2022	1) REA Emails for Board Status: In Progress	[REDACTED]
30 Jun 2022	2) Provide an update on ethnicity and tenure pay parity. Status: In Progress	[REDACTED]
14 Sep 2022	3) Approach REINZ about the Real Estate Conference in October. Status: Completed on 10 Oct 2022	Belinda Moffat
30 Sep 2022	4) Finalise the Board Governance Self-assessment for the Minister. Status: Completed on 10 Oct 2022	Belinda Moffat
10 Oct 2022	5) Joint REINZ/REA Board Lunch Meeting 26 October Status: Completed on 10 Oct 2022	Belinda Moffat
13 Oct 2022	6) REINZ Real Estate Conference in Auckland 13 October Status: Completed on 10 Oct 2022	Belinda Moffat
18 Oct 2022	3) Flexi by Default review Status: In Progress	[REDACTED]
18 Oct 2022	8) Update Interests Register Status: Completed on 10 Oct 2022	[REDACTED]
18 Oct 2022	10) 2023 Board Dates and Work Plan Status: Completed on 11 Oct 2022	[REDACTED]
18 Oct 2022	11) Send a placeholder for the stakeholder event and Board dinner in Auckland on 5 December Status: Completed on 10 Oct 2022	Belinda Moffat
19 Oct 2022	9) Update the Board on Values in October. Status: Completed on 11 Oct 2022	[REDACTED]
31 Oct 2022	4) License Expiry Reminders Status: In Progress	[REDACTED]
28 Feb 2023	23) Māori Engagement Framework - Board Marae Visit Status: In Progress	Belinda Moffat

Actions were taken as read and the updates were noted.

3. Chief Executive's Report

3.1 CE Report

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

- Paragraph 11 and attachment 3.1.b refer to the proposed 2023 Board dates and the possibility of hosting the February meeting at [REDACTED]. This is subject to availability at the marae.
- Corrections were made to the May and June Board dates to 23 May and 20 June respectively.

- Cyber and Crimes Insurance request to delegate this approval to the Audit and Risk Committee on pg. 33-34.
- SPE measure 2.6 on formal complaint resolution will report the annual number (excluding aged cases) with a footnote of overall improvement for all cases.

The Board discussed the following matters:

- 2023 Board Calendar and Work Plan and requested a change of dates for February, and that April ARC and P&C meetings be held on Zoom to reduce travel.
- Property management regulation timeframes for announcement. CE is liaising with HUD to ensure staff can be advised as soon as the announcement is made. [REDACTED]
- OIA request received around the cost of producing the translated guides.
- Reporting of timelines on aged cases: noted that aged cases will be ringfenced and timeline for resolution of new cases will be reported.
- Projects and progress against the business plan was noted. The board noted the importance of progressing the IT upgrade work. Management noted that this work had been identified as a risk in risk reports and planned work to upgrade IT systems was also scoped in the ISSP which was approved by the Board in April. The IT upgrade will follow confirmation of business requirements identified through the complaints and licensing improvement project.



The Board noted and approved the recommendations

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
- **Provide feedback** and/or **approve** the Board Meeting Plan for 2023
- **Approve** a delegation to the Audit & Risk Committee to review and approve the Cyber and Crimes insurance programme for 2022/23
- **Discuss and provide feedback** on any other matters raised in this report where indicated.

Decision Date: 18 Oct 2022

Mover: [REDACTED]

Seconder: [REDACTED]

Outcome: Approved



5) 2023 Board Dates

Board members to advise of any dates in February 2023 they are not available to find a new meeting date.

December: Complete. 16 February the new confirmed February Board meeting date.

Due Date: 1 Nov 2022

Owner: Belinda Moffat

4. Committee Updates

4.1 People and Capability Committee Update

The Board Chair gave an update on the matters discussed at the People and Capability Committee meeting held on Monday 17 October 2022:

- Pay restraints remain a challenge.
- Values refresh update and connecting with strategic priorities is a focus.
- Committee noted the focus on CLIP efficiencies and the reputational risk arising from this work.
- Committee noted high volume of work and discussed the need to consider what priorities can be deferred to focus on the most important areas such as CLIP and IT upgrade.

- The Board queried whether REA is being held back from making changes in other business areas while work is underway on finalising the CLIP future state. The CE advised that process and people changes have been identified that can be made in the shorter term, and the team is close to finalising the optimal state which will inform future IT enhancements. IT workstream updates will come to the Board in the CLIP reports once that commences.
- ISSP is REA's roadmap of what is planned in the information and systems space and CLIP is a subset of that plan.



13) Consider whether to bring forward the ISSP review from March 2023

Consider whether to bring forward the ISSP review from March 2023

Due Date: 6 Dec 2022

Owner: [REDACTED]



22) CLIP Future State and Plans for IT Upgrade - Information Session

Arrange an information session for the Board on CLIP future state and plans for IT upgrade.

Due Date: 31 Jan 2023

Owner: Belinda Moffat



14) CE Report to reflect top of mind projects in the introduction

Ensure CE Report reflects top of mind projects in the introduction.

Due Date: 6 Dec 2022

Owner: Belinda Moffat

4.2 Break

Break at 10.57am

5. Board Papers for Approval or Discussion

5.1 Accountability Reporting

The paper was taken as read and Belinda Moffat, Chief Executive, highlighted the key changes from the last Annual Report iteration. She then outlined the next steps for sending the Report to the Minister to table in Parliament and the distribution plan once published.

The Board discussed the following matters:

- Fraud Assessment and representation letter - no concerns were raised by the Board.
- Management confirmed that there is a process for monitoring and maintenance of systems as discussed in the representation letter on a regular basis.
- The Board suggested adding a reference to REA's celebration of the various Pacific Peoples Weeks under the people section of the Annual Report.



Approved a recommendation that the Assessment be signed by the Board Chair and Chief Executive.

It was recommended that the Board:

- **Approve** a recommendation that the Assessment be signed by the Board Chair and Chief Executive and then provided to BDO.

Decision Date: 18 Oct 2022

Mover: [REDACTED]

Secunder: [REDACTED]

Outcome: Approved

- **Note** the Chief Executive and Head of Corporate Services' Representation Letter



Approved the Board Chair and the Audit & Risk Committee Chair signing the Representation Letter

- **Approve** the Board Chair and the Audit & Risk Committee Chair signing the Representation Letter

Decision Date: 18 Oct 2022

Mover: [REDACTED]

Secunder: [REDACTED]

Outcome: Approved



Approved the 2021/22 Annual Report

- **Approve** the 2021/22 Annual Report

Decision Date: 18 Oct 2022

Mover: [REDACTED]

Secunder: [REDACTED]

Outcome: Approved



Approved a delegation to [REDACTED] and [REDACTED] to sign the Annual Report

- **Approve** a delegation to [REDACTED] and [REDACTED] to sign the Annual Report

Decision Date: 18 Oct 2022

Mover: [REDACTED]

Secunder: [REDACTED]

Outcome: Approved



Approved a delegation to management to apply e-signatures to the Annual Report

- **Approve** a delegation from [REDACTED] and [REDACTED] to management to apply their e-signatures to the Annual Report

Decision Date: 18 Oct 2022

Mover: [REDACTED]

Seconder: [REDACTED]

Outcome: Approved



Approved a delegation to the CE to finalise the 2021/22 Annual Report

- **Approve** a delegation to the Chief Executive to finalise the 2021/22 Annual Report

Decision Date: 18 Oct 2022

Mover: [REDACTED]

Seconder: [REDACTED]

Outcome: Approved



6) Accountability Reporting : Sign and send assessment and representation letter

Sign and send approved assessment and representation letter.

Due Date: 31 Oct 2022

Owner: [REDACTED]



7) Accountability Reporting: Amend and finalise the Annual Report

Amend and finalise the Annual Report.

Due Date: 31 Oct 2022

Owner: Belinda Moffat

5.2 Auditors - BDO

BDO Auditor [REDACTED] joined the meeting at 11.08am and the Senior Leadership team were excused for the discussion between the auditor and the Board.

The Chair reported that there were no issues of concern raised, and management was commended for the three very good grades achieved in the Audit.

5.3 COVID-19 Vaccination Policy

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

- This is the third revision of this policy and the Board has previously seen the earlier versions.
- Educate, encourage and support approach now being adopted.
- The amendments were supported by the People and Capability Committee at their meeting on 17 October 2022.
- Workplace guidelines are being updated and these will be circulated to the Board once available.
- The staff care package approach will be revisited with a view to SLT members managing staff wellness packages on a case-by-case basis.

The Board discussed the following matters:

- Unanimous support was given for the revised policy.
- The Board recognised that this may need to be updated again in the future.
- Hygiene protocols: still need to be clear about ongoing expectations in terms of symptoms that could be attributed to hayfever or allergies and management agreed this could be a good discussion with the CE Leadership Forum on Thursday.



The Board approved the updated COVID-19 Vaccination Policy

Recommendations

It was recommended that the Board:

- **Approve** the updated COVID-19 Vaccination Policy.

Decision Date: 18 Oct 2022

Mover: [REDACTED]

Seconder: [REDACTED]

Outcome: Approved



8) COVID-19 Vaccination Policy

Sign and circulate the updated COVID-19 Vaccination Policy

Due Date: 31 Oct 2022

Owner: Belinda Moffat

5.4 Stakeholder Engagement

The paper was taken as read and [REDACTED], Head of Engagement, Insights and Education highlighted the following points:

- Proposing to update the Terms of Reference and name to better reflect the role of the group.
- Recommended that the Board appoints a couple of representatives for future forums, noting that the full Board is welcome but the idea is to ensure at least two Board members can participate.
- Suggested one licensee Board member and one independent Board member but this was presented for discussion.

The Board discussed the following aspects:

- [REDACTED] would both like to attend as licensee representatives and will do so when available.
- [REDACTED] to be the independent representative with [REDACTED] as a back-up.
- Typographical and formatting changes were noted.
- Discussion was held around conduct in the commission-based selling landscape as a possible RELF agenda item (also seen in insurance and car sales environments).
- Use the RELF to gauge support for the Tiriti CPD and diversity and inclusion approach.

• [REDACTED]



Approved the name change of the Regulator's Forum to Real Estate Leaders Forum (RELf)

- **Approve** the name change of the Regulator's Forum to Real Estate Leaders Forum (RELf)

Decision Date: 18 Oct 2022

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



Approved the updated Terms of Reference for the RELF

- **Approve** the updated Terms of Reference for the RELF

Decision Date: 18 Oct 2022
Mover: [REDACTED]
Seconder: [REDACTED]
Outcome: Approved



Appointed board members as representatives on the RELF for 2023

Appointee(s): [REDACTED] (will also provide opening comments), [REDACTED] and [REDACTED] as respective licensee and independent representatives with an open invitation to rest of Board.

Decision Date: 18 Oct 2022
Mover: [REDACTED]
Seconder: [REDACTED]
Outcome:



11) Add AndCo/Lowe and Co to the RELF membership list

Add AndCo/Lowe and Co to the RELF membership list when reviewing the membership list.

Due Date: 5 Dec 2022
Owner: [REDACTED]



12) Circulate and seek feedback from the Board on the RELF agenda.

Circulate and seek feedback from the Board on the RELF agenda.
Provided to Board in week commencing 28 November 2022

Due Date: 5 Dec 2022
Owner: [REDACTED]



10) Finalise the RELF Terms of Reference.

Amend and finalise the Terms of Reference.

Due Date: 15 Nov 2022
Owner: [REDACTED]

5.5 Quarterly Report to the Minister (Q1 - July - September 2022)

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

- an update paper with the finalised September financials that were circulated out of cycle before the meeting.

The Board provided the following feedback:

- Report is comprehensive and fairly reflects REA work, risks and issues
- Typographical errors noted for correction.



Quarterly Report was approved subject to corrections highlighted by the Board

It was recommended that the Board:

- **Review and provide feedback** and subject to feedback, **approve** the Quarterly Report to the Minister

Decision Date: 18 Oct 2022

Mover: [REDACTED]

Secunder: [REDACTED]

Outcome: Approved



Approved the September financial results for inclusion in the Minister's Report

New recommendation following circulation of final September financial results:

- **Approve** the September financial results for inclusion in the Minister's Report.

Decision Date: 18 Oct 2022

Mover: [REDACTED]

Secunder: [REDACTED]

Outcome: Approved

5.6 Six-monthly Risk Report

The paper was taken as read and [REDACTED] and Belinda Moffat highlighted the following recommendations for discussion and approval



Fit and Proper Risk recommended to be removed from watch.

- Fit and Proper Risk recommended to be removed from watch.

Decision Date: 18 Oct 2022

Mover: [REDACTED]

Secunder: [REDACTED]

Outcome: Approved

- Regulator reputation: the Board queried whether management has seen any increase in scrutiny on SLT in terms of sensitive expenditure and should that be on watch. No scrutiny at this stage but auditors did actively look into care packages and approval processes there. The Board agreed that this is managed in BAU so this will not be added as a new risk.



Reputational risk rating to be raised to high.

- The Board approved recommendation to raise the reputational risk rating to high.

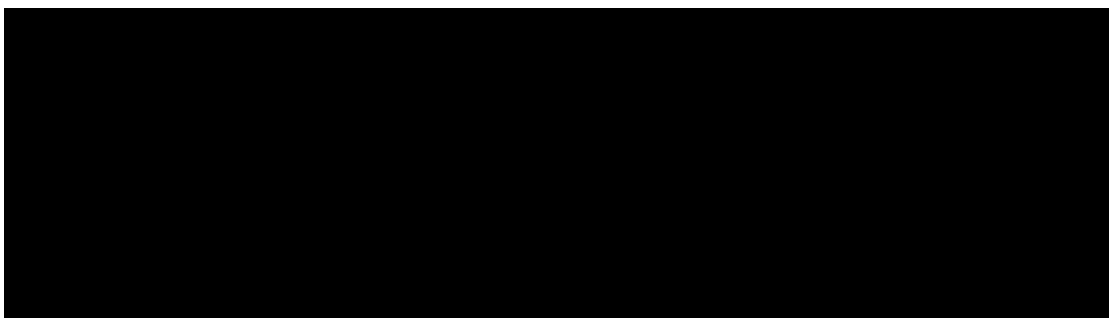
Decision Date: 18 Oct 2022

Mover: [REDACTED]

Secunder: [REDACTED]

Outcome:

- ICT risk was discussed and the following points were noted:





COVID-19 impact (external) risk to be reduced to medium

- COVID-19 Impact (external): the Board supported reducing the COVID-19 external impact to medium.

Decision Date: 18 Oct 2022

Mover: [REDACTED]

Secunder: [REDACTED]

Outcome: Approved



COVID-19 Impact (internal) risk to be reduced to medium.

- COVID-19 Impact (internal): the Board supported reducing the COVID-19 internal impact risk to medium.

Decision Date: 18 Oct 2022

Mover: [REDACTED]

Secunder: [REDACTED]

Outcome: Approved



Business Continuity to be removed from watch.

- Business Continuity: The Board agreed to remove Business Continuity from watch.

Decision Date: 18 Oct 2022

Mover: [REDACTED]

Secunder: [REDACTED]

Outcome: Approved

Recommendations

It was recommended that the Board:

- **Note** the Risk report and Register and provide feedback on the items identified.

Outcome: Noted and feedback provided.

5.7 Public Records

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

- External provider [REDACTED] met with functional teams and conducted this piece of work for REA.
- Purpose is to ensure compliance with Archives recordkeeping standards.

The Board discussed the following points:

- Approximately [REDACTED] was spent on preparation of the report and consultation process.
- Board papers and records are to be retained for 10 years.



Approved the draft appraisal report and disposal schedule for submission to Archives New Zealand.

It was recommended that the Board:

- **Approve** the draft appraisal report and disposal schedule for submission to Archives New Zealand.

Decision Date: 18 Oct 2022

Mover: [REDACTED]

Seconder: [REDACTED]

Outcome: Approved

5.8 Break

6. Board Papers for noting

6.1 Regulatory Services Team Paper

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

- Volumes were quieter in September.
- The RST team is still seeing sick leave and vacancies so not at full capacity.
- A CAC member resigned last week. Further CAC recruitment will be required in the near future.
- Investigations team are at full capacity and being supported by contractor.
- Active licences remain above the level budgeted for which is positive for revenue. Licence numbers are tracking at 16,888 as at date of meeting.
- Licensee trend will be clearer in April 2023 following bulk renewals process.

The Board made the following comments:

- TMR case referrals were discussed, particularly those cases not being able to come to resolution.
- There was general support for requiring licensees to prepare post sale transaction reports. Discussion was held on whether REA could develop a suite of forms/templates for smaller agencies. Belinda reinforced the need to be mindful about being a principles-based regulator vs a prescriptive one.

Recommendations

It was recommended that the Board:

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

Outcome: Noted



15) Separation of aged cases

Separate aged cases from current cases from 1 July and report SPE outcomes in 2 categories.

Due Date: 6 Dec 2022

Owner: [REDACTED]



16) Transaction Reports

Consider whether REA should promote transaction report for all transactions.

Due Date: 6 Dec 2022

Owner: [REDACTED]

6.2 Legal Team Paper

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

- Continuing recruitment and welcomed a new team member.
- REAA list of improvements is in the supplemental folder. The Board was invited to provide feedback on whether there was anything missing on the list.

The Board discussed the following:

- List of legislation improvements was very comprehensive. Next steps will be consultation on the list and discussion with the Minister to flag improvements that are needed. The Board will receive a paper on this down the track.

Recommendations

It was recommended that the Board:

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

Outcome: Noted



17) Review of the Real Estate Agents Act

Prepare a plan of steps for the review of the Act, to include: engagement with MoJ, refinement of priority issues, and approval from Board to progress.

Recommendations included in the CE report for the December board meeting.

Due Date: 7 Dec 2022

Owner: [REDACTED]

6.3 PMO Report on Projects and Key Initiatives

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

- Project Essentials Training had been delivered to 10 staff by Tregaskis Brown as a pilot and was well received.
- Fit and Proper next steps: operationalising the guidelines which is being treated as a project with the licensing improvements project
- Future project work will come out of the recently approved Data and Insights Strategy.

The Board did not have any additional comments.

Recommendations

It was recommended that the Board:

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

Outcome: Noted.



18) Priorities Review

Management to report back on the outcome of the priorities review in December, including any recommendations of work to be stopped or deferred.

Priorities and planning tool has been developed. Decisions on pause and stop pending SLT completion of review of their projects and initiatives.

Due Date: 6 Dec 2022

Owner: [REDACTED]

6.4 Education Update

The paper was taken as read and [REDACTED], Head of Engagement Insights and Education, highlighted the following:

- Five workstreams in the education space, including development of the 2023 CPD programme, the diversity & inclusion series, review of CPD programme, recruitment of training providers, and education strategy which EIE is aiming to bring to the Board in December.
- The review of the CPD programme may be deferred to next year
- The Board was invited to provide any comments or raise queries.

The Board discussed the following:

- The tender process for the Tiriti CPD provider. [REDACTED] advised that four providers had been invited to tender.
- Quality control for the Te Tiriti topic is important. If we cannot identify a good provider, then we may need to delay delivery of this training until the following year. The Board will be kept apprised.



9) Recirculate the link the joint REINZ/REA CE podcast.

Recirculate the link the joint REINZ/REA CE podcast.

Due Date: 31 Oct 2022

Owner: [REDACTED]



19) Te Tiriti CPD Proposal Review

Consider Kathy Irwin either as peer review of Te Tiriti proposals (an iwi peer review to support our selection) or potential provider if RFP results are unsatisfactory.

Due Date: 6 Dec 2022

Owner: [REDACTED]



20) Key Messages for Board

Provide the Board with key messages on why REA is delivering a Te Tiriti/Diversity & Inclusions programme.

Due Date: 6 Dec 2022

Owner: [REDACTED]



21) Consider deferral of CPD review to 2023/24

Consider deferral of CPD review to 2023/24

Due Date: 6 Dec 2022

Owner: [REDACTED]

7. Other Business

7.1 General Business

- EIE staffing: senior communications roles will be addressed once the consultation on the EIE structural changes have been finalised.
- Real Estate NZ Conference from REINZ went well. REA's sponsored speaker from the disabled community, [REDACTED], was very well received and demonstrated REA's commitment to our diversity and inclusion work. For many attendees, [REDACTED] was a

highlight from the conference. She prompted discussion around tools for change like advertising where stairs are present at a property viewing.

- Learning needs within the licensee population, particularly with CPD (e.g. dyslexia). Consider whether this is something that needs further consideration from REA.

7.2 Closing Karakia

8. Close Meeting

8.1 Close the meeting

Next meeting: Board Meeting 6 December 2022 - 6 Dec 2022, 8:30 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: 6 December 2022