

Board Resolution

REA Board 15 November 2022

Name:	Real Estate Authority
Date:	15 November 2022
Time:	2pm
Location:	Zoom
Board Members:	Denese Bates (Board Chair), Mele Wendt, Vern Walsh, Tony Stack, Liz Nidd, Latham Lockwood
Apologies:	Nil
Attendees:	Belinda Moffat, Andrew Bulled

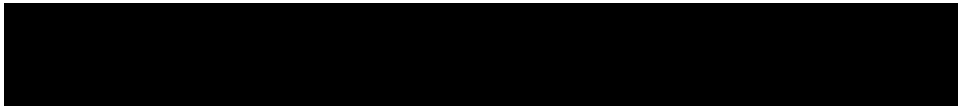
1.1 Public Sector Pay Adjustment

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The Board considered contents of a special paper outlining the Public Service Commission's (PSC) Public Service Pay Adjustment Process (PSPA) and management's recommendation of whether REA should opt into the PSAP process. The Board heard from the Chief Executive with a further revised recommendation not to participate in the PSPA process at this stage.

1.2 Discussion

1. The Board were advised that the question for consideration was whether or not REA should opt in to the PSPA process. If REA opted into the process, it would have the ability to opt out if the settlement terms were not acceptable.
2. The CE noted that REA was in a unique situation that made entering into a pay settlement that resulted from a collectively bargained process between a union and lead negotiator from the Public Service highly unusual. REA's unique situation included:
 - All of REA's staff are on individual employment agreements (IEAs)
 - REA does not have a relationship with the Unions, and does not have any collective agreements.
 - REA is fully funded by real estate licensees, through levies, fines and other income (purchase of guides and interest) and does not rely on Government funding
 - REA does not currently have any baseline funding pressures holding healthy reserves which would enable it to improve staff pay once the PSC pay restraints are removed. Remuneration increases can be funded through our existing equity reserves.
 - REA is facing labour market and retention and attraction challenges due to pay restraints.
 - REA has an independent board which has governance responsibilities under the Real Estate Agents Act and Crown Entities Act.

3. The Board considered the above and noted further:
 - a. Board shared management's desire to reward staff fairly
 - b. However, the Board raised concerns about opting into the process. These concerns included:
 - REA has no obvious ability to influence the terms of any PSPA settlement or certainty of those terms.
 - The unknown impacts upon REA's relationship with staff from opting into a collectively bargained process with unions.
 - There is no certainty of the likely outcome of the PSC pay guidelines review.
 - The importance of the governance responsibilities of our independent board in relation to fair and equitable treatment of staff including obligations towards fair and equitable pay. The Board has historically made remuneration decisions as a prudent and responsible entity in line with Crown Entities Act and good employer obligations, guided by our remuneration policy.
 - REA and its Board need to be empowered to address the retention and attraction challenges it face. It is unclear whether the settlement will resolve REA's pay challenges over the proposed two-year settlement period.
 - REA did not require additional funding to improve pay.
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4. On consideration of the above points, it was determined that REA did not currently have sufficient information to make an informed decision on whether we should opt in or opt out of the PSPA process.
5. The board asked that Management continue to monitor the PSPA progress and keep the Board informed of developments.
6. Management to obtain further legal advice on whether the Board can exercise its independent decision-making responsibilities with regard to staff pay.

1.3 Resolution

The Board resolved not to opt into the PSPA process and instructed the Chief Executive to inform the Public Service Commission of its position and the key drivers for the decision reached.



Signed:

Date: 6 December 2022

Denese Bates KC, Board Chair