

Tauākī Whakamaunga Atu Statement of Intent

2021–2025





NZBN 9429041917718

Presented to the House of Representatives
Pursuant to section 139 of the Crown Entities Act 2004

© This work is licensed under the Creative Commons Attribution 3.0 New Zealand Licence. To view a copy of this licence, visit <https://creativecommons.org/licenses/by/3.0/nz/>

Contents – Ngā ihirangi

1. Statement from the Board	4
2. Functions and operations	7
3. Strategic operating environment.....	9
4. Strategic framework – our performance story.....	12
Strategic framework	13
4.1 What do we intend to achieve?	14
Impact 1: Informed consumers across New Zealand’s diverse communities confidently engage in real estate transactions without harm	14
Impact 2: Licensees fulfil their obligations and are capable, trusted, and professional	15
Impact 3: Awareness of and confidence in REA as the conduct regulator is increased across New Zealand’s diverse communities	16
Impact 4: Standard of conduct by licensed real estate professionals is increased	17
5. Performance assessment	18
6. Organisational health and capability	20

1. Statement from the Board – Te tauākī mai i te Poari

This Statement of Intent (SOI) sets out what the Real Estate Authority – Te Mana Papawhenua (REA) intends to achieve or contribute to over the next four years and how it will manage its functions and operations to meet its intentions.

In signing this statement, we acknowledge that we are responsible for the information contained in this SOI. This SOI has been produced in accordance with sections 138–149 of the Crown Entities Act 2004.

This SOI is presented to the House of Representatives in accordance with Part 4 of the Crown Entities Act 2004.

This SOI has been written in the context of a global pandemic and a highly pressured real estate market. In this context, the role of regulators is critically important. At REA, we have the dual purpose of promoting and protecting the interests of consumers and also promoting public confidence in the performance of real estate agency work. We must equally support consumers to navigate the real estate environment, whilst also overseeing a regulatory framework that sets clear expectations for the standards of conduct and integrity expected of licensed real estate professionals (licensees) and hold those who fail to meet the standards expected to account. In delivering our services, we support licensees to meet their obligations through robust licensing and a focused education programme. We provide information and guidance to enable licensees to operate at a high standard. We also oversee the complaints and disciplinary processes that respond to allegations of breach of the standards by licensees. For consumers, we provide accessible, clear and independent information about real estate transactions to assist them to navigate the risks and issues that may arise. We deliver this through our communications approach, our stakeholder network and our consumer-focused website settled.govt.nz.

A refreshed strategy

This SOI reflects our refreshed strategy through to 2025 and the direction REA intends to take to continue to be an effective conduct regulator with a clear consumer protection focus. Our previous strategy focused on empowering consumers and supporting increased professionalism in the real estate sector. This strategy served us well, with the launch of settled.govt.nz to provide increased consumer information, and saw a reduction in complaints to an all-time low. In the last year, the impact and uncertainty of COVID-19 increased pressures in the real estate market, and changes to the licensed real estate population and real estate business models have highlighted the important role REA has to deliver benefits for consumers and the industry. We will do this by continuing to provide quality information to consumers, which has been a major focus for the last few years. We will balance this work with increasing our focus on using all of our regulatory tools effectively to benefit consumers by supporting the industry to meet high standards of conduct.

This SOI sets out the framework for our refreshed strategy, setting out what we intend to achieve to contribute to New Zealand, how our activities contribute to our impacts and how we will measure our performance

COVID-19 – remaining resilient in the face of uncertainty

As New Zealand faces the challenges and ongoing uncertainty presented by COVID-19, REA must remain resilient and ensure we can deliver our services effectively and efficiently. The ongoing impacts of the COVID-19 pandemic on the property market, our country, our

economy and our people are uncertain, yet we know that the impact will be profound and recovery may take some time.

The residential property market has remained buoyant in the wake of COVID-19. While prices are climbing, stock is low and competition for property is fierce. This places pressure on New Zealanders who are buying and selling property and on licensees who are competing for a smaller number of listings.

Despite declining complaint numbers in previous years, we have seen an increase in complaints and enquiries to our frontline services since the end of the 2020 COVID-19 lockdown. In the context of a pressured housing market, it is important that we ensure that all of New Zealand's diverse communities are aware of our services and able to access them and that our regulatory services are effective. Also, we are seeing an increase in the range and complexity of issues being brought to us. This indicates that we must continue our analysis and understanding of risk in the sector and how we and the sector can respond to and mitigate these risks.

In the wake of the pandemic, we have also seen a sharp increase in the number of licensees joining the sector. We need to be responsive to these new entrants but also manage our resources carefully if licence numbers reduce, which in turn reduces our income. Our operating context is uncertain and exposed to some volatility, and our strategy and areas of focus are designed in this context. We believe that the strategy outlined in this SOI will serve us well over the next four years.

Looking ahead

In the coming four years, we will build on our data and insights-led approach to identifying risks of harm. We will concentrate our attention on initiatives and work programmes designed to set clear rules, standards and guidelines that support licensees to fulfil their regulatory obligations and increase their standard of conduct. We will use the range of regulatory tools available to us to prevent harm, including through engagement and education, and respond proportionately to actual or potential harm that may arise. We will hold licensees to account where their conduct falls short. An important aspect will be to continue to deepen our understanding of the drivers of risk, the causes of potential harm arising from real estate agency work and how we are best to respond to that risk.

This includes reviewing and introducing standards that provide clear guidance for licensees and increasing our proactive efforts to engage with agencies and individual licensees who present the most risk. We will undertake a review of the guidance and information provided to licensees and consumers and of our continuing professional development programme to ensure it is fit for purpose and effective. We will also provide clarity on what is required to meet the fit and proper requirements for a real estate licence.

In the coming years, we will grow our knowledge-transfer capabilities to ensure licensees have a strong understanding of the rules, standards and guidance. We will also ensure meaningful and precedent-setting decisions or complaint outcomes are communicated effectively to licensees and consumers. We will communicate transparently with all New Zealanders and proactively communicate outcomes of public interest.

We will continue to provide information for consumers to enable them to confidently engage in real estate transactions. We will ensure that our consumer information service on settled.govt.nz remains current, accurate and a trusted independent source of information for buyers and sellers. Our particular focus in the next four years is to reach New Zealand's diverse communities across age, ethnicity, gender identification and ability.

Importantly, we aim to raise awareness of REA as the real estate conduct regulator so that all New Zealanders are aware of the services that we offer and can access them.

Our regulatory stewardship efforts will be system-focused, with a clear understanding of the role REA plays in the wider property system and the regulatory impact of our work on the wellbeing of New Zealanders. We will take steps to provide advice and guidance on issues within our scope to other private and public sector entities and policy makers as required. In particular, we remain ready, willing and able to assist and provide advice on any policy that is being developed, including consideration of whether REA may be a suitable entity to have oversight of property management regulation. REA must be flexible and accommodating of any changes to the nature and scope of our regulatory responsibilities in the coming four years.

As an organisation, we aim to better demonstrate our commitment to te Tiriti o Waitangi, including increasing our own cultural capability and deepening our engagement with Māori consumers and helping to shape acceptable conduct with licensees. We aim to achieve our strategic objectives by ensuring that we have capable and engaged teams working together to deliver our impacts. Through all that we do, we aim to increase the wellbeing of New Zealanders and to increase trust and confidence in REA and the real estate sector.

In the next four years, we will implement the improvements identified through our efficiency and effectiveness review to ensure we are dedicating our resources to responding appropriately to drivers of risk, providing an accessible and timely disciplinary process and supporting licensees to meet their regulatory obligations.

REA is primarily funded by levies from real estate licensees. We receive no government funding. Accordingly, this source of funding is a focus for us, particularly in the current environment where we expect to see fluctuations in licensee numbers.

While our current financial situation is stable with healthy cash holdings, we are aware of the need for fiscal restraint in the current environment. We are exercising caution until the impact of COVID-19 on licensee numbers is known.



Denese Bates QC
Chair
Real Estate Authority
17 June 2021

2. Functions and operations – Ngā mahi me ngā whakahaerenga

The Real Estate Agents Authority

The Real Estate Agents Authority, operating as the Real Estate Authority – Te Mana Papawhenua (REA), is a Crown agent established under the Real Estate Agents Act 2008. We work to promote and protect the interest of consumers in real estate transactions and to promote public confidence in the performance of real estate agency work. We are governed by an independent Board, and our staff team is led by our Chief Executive.

We are the real estate industry conduct regulator responsible for licensing and regulating real estate salespeople, branch managers and agents, raising industry standards and providing accountability to those standards by overseeing a complaints and disciplinary process that is independent, transparent and effective. We set and uphold high professional standards of conduct expected from licensed real estate professionals (licensees) through rules, standards and guidelines and oversee a code of conduct. We also oversee a programme for continuous professional development for all licensees to ensure they maintain the level of skill and knowledge expected from a regulated profession. We also develop consumer information on matters relating to real estate transactions and issue guides on agency agreements and sale and purchase agreements. We host consumer information website settled.govt.nz.

Governance

Our Board of up to seven members is appointed by the Minister of Justice. The Board works to:

- set the strategic direction of REA
- ensure we carry out our legislative functions effectively
- monitor performance
- recruit and monitor the performance of the Chief Executive.

The Board reports directly to the Associate Minister of Justice.

Contribution to Government priorities

REA supports the Government priorities to improve the wellbeing and living standards of New Zealanders through sustainable and inclusive growth, keeping New Zealanders safe from COVID 19, accelerating the economic recovery and laying the foundations for a better future.

REA also supports the Ministry of Justice's vision for safer communities with increased trust in the justice system, for the wellbeing of everyone as a core priority for the justice system and for the integrity of its constitutional arrangements to be maintained.

REA contributes to the Government's priorities and the Ministry's vision by building integrity and public trust in the real estate industry.

We contribute to the wellbeing of New Zealanders who purchase and sell property by providing valuable information and guidance, by increasing professionalism and by licensing and enforcing standards in the real estate industry to help reduce consumer harm.

This means that we are focused on ensuring that consumers engaging in real estate transactions have the information that they need to make sound decisions on property purchased. When considering the issue of affordable housing, it is important to also consider the ongoing financial and maintenance costs incurred in homeownership. Ensuring fairness and good disclosure in real estate transactions is important for the longer-term wellbeing of

those entering the market, who need to be able to sustain and maintain the cost and obligations that come with homeownership.

Functions and operations

REA is responsible for regulating licensed real estate professionals, raising standards and providing accountability for high standards of conduct and integrity through a complaints and disciplinary process. We also protect and promote the interests of consumers engaged in real estate transactions.

REA achieves its objectives by delivering a range of functions and operations, including:

- licensing people and companies working in real estate
- maintaining a code of conduct that licensees must follow
- developing standards and guidance to support licensees to meet their obligations
- managing a continuing professional development programme
- providing a fair, independent, transparent and effective disciplinary process that is accessible to all New Zealanders
- dealing with complaints about licensee conduct through early resolution and Complaints Assessment Committee (CAC) processes
- investigating and initiating proceedings in relation to offences under the Act
- managing a public register of real estate agents that includes information about any disciplinary action in the previous three years
- providing independent information and tools to support consumers who are buying and selling property, including approved guides on agency agreements and sale and purchase agreements
- operating REA in an efficient and effective way with great people and quality systems working together.

REA manages its functions and operations effectively by identifying strategic issues facing licensees and real estate consumers and by responding appropriately to drivers of risk across REA's regulatory environment. REA ensures it has the optimal capacity and capability to deliver on its strategic objectives.

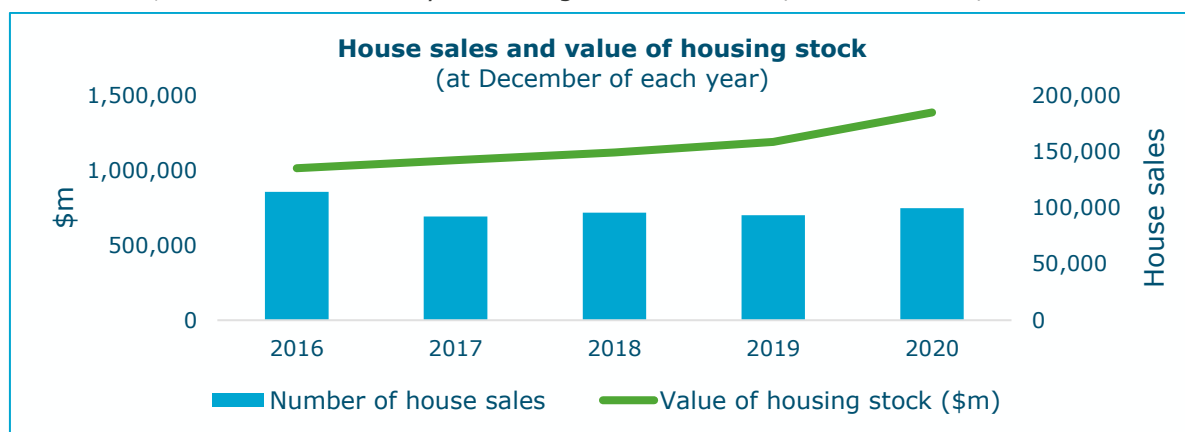
3. Strategic operating environment – Tō mātou horopaki rautaki

Current environment

This SOI has been prepared as the global community responds to the COVID-19 pandemic, which has required us to change the way we work and engage with each other. The ongoing impact of the pandemic on the property market, our country, our economy and our people is uncertain, yet we know that the impact will be profound and recovery may take some time.

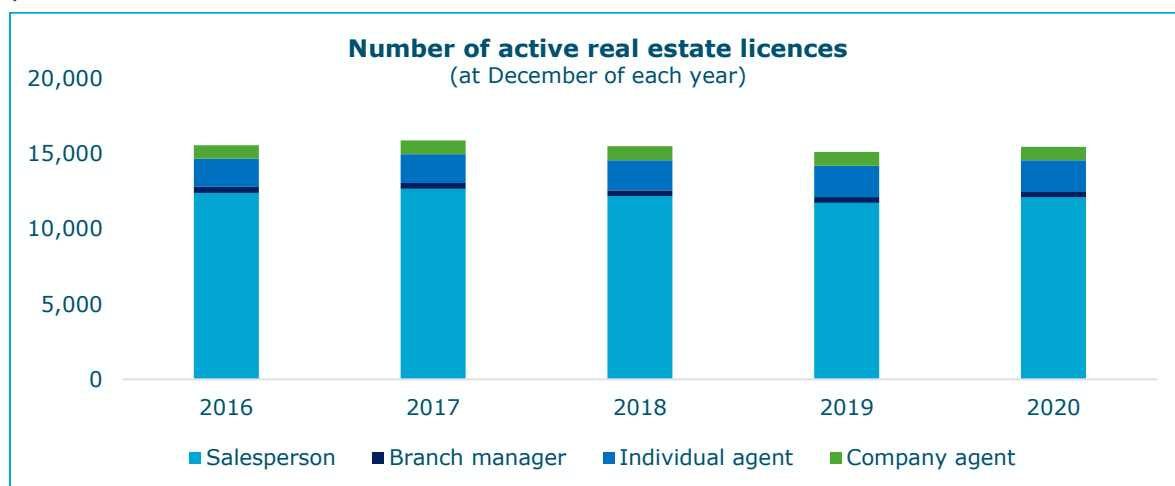
The New Zealand real estate market and real estate professionals

The value of New Zealand’s housing stock in residential real estate continues to increase to more than \$1.385 trillion. In the year ending December 2020, there were 99,668 house sales.



Source: Reserve Bank

There are four classes of licence: salesperson, branch manager, individual agent and company agent. As at 31 December 2020, there were 15,462 active licences, up 2.3% from the previous year.



Source: Real Estate Authority

The property market is pressured, and the outlook is uncertain

The COVID-19 pandemic is likely to significantly impact the property market for at least the first period of this SOI. While the residential property market bounced back strongly following the national lockdown in March and April 2020, the outlook remains uncertain.

REA's scope includes residential, commercial, business and rural real estate transactions and licensees. Economic shifts that could impact these markets include changes in market fundamentals (sales volumes, property values), changes to economic conditions (interest rates, unemployment, immigration) and consumer confidence.

Economic challenges in the wake of COVID-19 have placed pressure on the Government to take action on affordable housing. The policy settings may impact the market and the sector during the period of this SOI.

Rising prices, low stock and market uncertainty place pressure on both consumers and licensees

Buying and selling property is one of the most significant financial decisions New Zealanders make. There are many risks, and when issues occur with a real estate transaction, the financial and emotional impact on consumers can be significant and long lasting.

In a hot property market, competition for homes may place pressure on buyers to make big decisions quickly, without seeking appropriate legal or financial advice. REA has a role to play in protecting consumers by providing them with information about the property transaction process and reminding them of the importance of carrying out due diligence – particularly those vulnerable consumers who have less knowledge and are more likely to experience a problem or issue. Licensees have a role to play in providing clear information and managing the expectations of sellers navigating a dynamic market.

Social issues and housing inequality

Significant increases or decreases in property values that make real estate more unaffordable for buyers or create negative equity risks for property owners places pressure on homeowners, buyers and sellers. These are some examples of the social impact of changes to New Zealand's economic situation. Negative shock could mean heavily indebted households are no longer able to service their mortgage. This risk is heightened by the economic impact of COVID-19.

According to Stats NZ, homeownership peaked in the 1990s at 73.8% of households, but by 2018, homeownership had fallen to 64.5% of households. Homeownership rates have fallen in every region since 1991, and the proportion of people living in their own home was the lowest in almost 70 years at the time of the 2018 Census. Low homeownership rates affect wealth inequality and social stability. Stats NZ data also shows there is inequity across cultural groups, with Pacific peoples and Māori less likely to own their home and more likely to live in public housing.

REA must remain mindful of these matters in our wider operating context and understand how this impacts our work and particularly our engagements with New Zealand's diverse communities.

New Zealand's diverse population has diverse needs and challenges

Real estate transactions are occurring in languages other than English, and there is a need for more diverse language skills and understanding of a wide range of cultural differences in our communications to both consumers and licensees. We also need to be accessible to people with disabilities or those who may face challenges navigating the real estate environment or regulatory system. To best serve all New Zealand's diverse communities in our consumer and licensee populations, REA's complaints and disciplinary processes must be fair, independent, transparent and accessible, and our information and guidance must be accessible to all.

The licensee population is changing, and numbers are unpredictable

As at 31 March 2021, we saw new applications for licences climb 31% on the previous 12-month period and the overall number of licensees increase from 15,512 to 16,195. Many experienced agents and branch managers are expected to retire in the next 5–10 years, posing a succession planning challenge for the industry. We must be conscious of the changing makeup of the licensee population and provide guidance to those who are new to the sector to help them to meet their regulatory obligations.

The COVID-19 pandemic is a risk to sales prices, sales volumes and licensee numbers in the short term. The extent of this impact is not yet clear. A slowdown in the real estate industry in this SOI period may reduce the total number of active real estate professionals. This would impact REA revenue and work volumes. Conversely, we may see more people joining the profession if there are redundancies in other industries due to COVID-19. A higher number of overall licensees operating in a market with low stock drives up competition for listings between licensees.

Complaints and enquiries on the rise

Following a reduction in complaints in 2019/20, complaints have risen by 6% over the period July to March 2021 and complaint enquiries have risen by 32%. The average number of cases before the Real Estate Agents Disciplinary Tribunal has remained stable at 29.

Changes in real estate business operating models

Changes to real estate industry operating models (employment models, franchises, online entities, buyers' agent models, private sales) and increasing compliance costs (AML) may cause consolidation in the industry that impacts REA revenue and work volumes, drivers of risk and harm to consumers.

Understanding and addressing drivers of risk

We use data analysis, insights and intelligence to identify and understand risks and the causes of consumer problems and issues.

Increasingly, REA is looking to understand and address systemic property market issues to inform our regulatory response and to work with the sector to reduce these problems. This includes a deeper understanding of the drivers of risk, including the sector's culture and conduct.

4. Strategic framework – our performance story – Te anga rautaki – tō mātou pūrākau whakaaturanga mō te whakatutuki mahi

What we intend to achieve

As the conduct regulator for licensed real estate professionals, REA's statutory purpose is to promote and protect the interests of consumers engaging in real estate transactions and to promote public confidence in the performance of real estate agency work.

REA's strategic framework in Figure 1 sets out what we intend to achieve, the impacts and outcome we seek, how we will contribute to and influence our goals in the medium term, how we will measure them and how we intend to deliver on them through our services and activities. The framework reflects the interconnected nature of our regulatory actions and services and how these work together to contribute to the impacts and outcome that we seek.

The outcome we are seeking

We will be successful if people in New Zealand can confidently engage in fair transactions with trusted licensed real estate professionals. This means that all people involved in real estate transactions are well informed and have confidence when engaging in real estate transactions and feel that they can trust the real estate professionals involved. To achieve this outcome, we must work collaboratively with the industry to increase professionalism and trust and reduce the risk of harm caused by the conduct of licensees.

Our strategic impacts and priorities

We aim to achieve four strategic impacts over time, as detailed in our strategic framework. We will achieve our impacts and outcome through our focus on six strategic priorities over the next four years. We contribute to these impacts through the delivery of the following activities and services:

- Licensing and enquiries
- Supervision and compliance
- Complaint determination and disciplinary action
- Engagement, information, insights and education
- Oversight and development of the real estate agency regulatory system.

These activities and services are all connected through effective use of people, systems, processes, data insights, analysis and effective knowledge transfer both internally and to licensees, consumers and all our external stakeholders.

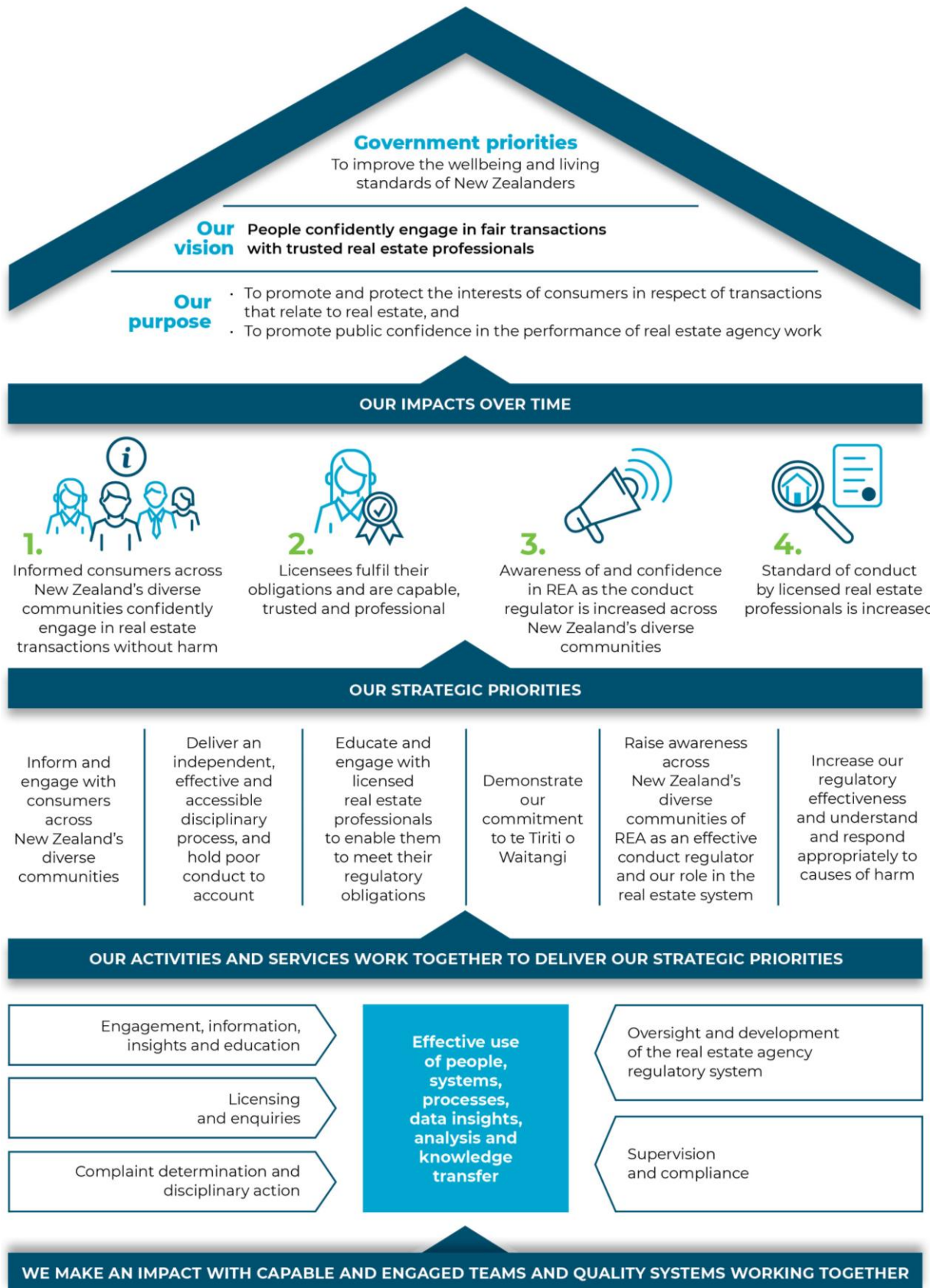
Our output classes

We will deliver our activities across three output classes with all of our activities working together to ensure we are effective. Working together, these output classes will strengthen the regulatory system:

- Output 1: Informing consumers, educating and engaging with licensees
- Output 2: Regulatory effectiveness through licensing, interventions, disciplinary and complaints processes
- Output 3: Oversight and development of an effective real estate agency regulatory system.

Strategic framework – Te anga rautaki

FIGURE 1: REA'S STRATEGIC FRAMEWORK



5. What do we intend to achieve? – He aha tā mātau e whai nei?

Impact 1: Informed consumers across New Zealand’s diverse communities confidently engage in real estate transactions without harm

Buying and selling property is one of the biggest investment decisions New Zealanders make. There are many risks, and when issues occur with a real estate transaction, the financial and emotional impact on consumers can be significant and long lasting. We will provide clear and accessible information to consumers and consumer groups through a range of communication channels, including settled.govt.nz, to mitigate the risks of consumer harm and to help them confidentially engage in real estate transactions without harm.

Over the next four years, our particular focus will be on reaching New Zealand’s diverse communities across age, ethnicity, gender identification and ability. Through research and engagement, we will increase our understanding of the needs of New Zealand’s diverse communities that participate in real estate transactions. Importantly, we will increase our understanding of the needs of Māori consumers and licensees and enhance our ability to protect Māori consumers and help shape acceptable licensee conduct. We will continue to build our own internal cultural capability.

We will analyse our complaints and enquiries data and insights and work with stakeholders to understand and respond to the drivers of harm arising in real estate agency work. We will undertake a range of initiatives to ensure that people within New Zealand’s diverse communities are aware of REA and our role as the conduct regulator. This may increase access to our services and use of the information that we provide to consumers and licensees and raise confidence in the industry.

We will contribute towards this impact through the following strategic priorities:

- Inform and engage with consumers across New Zealand’s diverse communities.
- Increase our regulatory effectiveness and understand and respond appropriately to causes of harm.
- Raise awareness across New Zealand’s diverse communities of REA as an effective conduct regulator and our role in the real estate system.
- Demonstrate our commitment to te Tiriti o Waitangi.

Impact 2: Licensees fulfil their obligations and are capable, trusted and professional

Public confidence in the performance of real estate agency work will be increased if licensees meet the conduct standards expected of them and can demonstrate that they are capable, trusted and professional.

We will support licensed real estate professionals to meet the high standards of conduct and client care expected of them through our education and engagement activities and using all the tools in our regulatory toolbox. This includes issuing clear and concise guidance and information, offering an effective continuing professional development programme that focuses on issues where the greatest risk of harm arises, holding licensees to account where conduct falls short and disseminating learnings from Tribunal and CAC decisions so that licensees understand the standards expected of them. This work will be data and evidence led and will be built on our understanding of the drivers of risk arising in real estate agency work. Through this, we prevent harm and increase confidence in the real estate profession.

We will work to enhance the timeliness and accessibility of our disciplinary process to ensure our services are available to all New Zealanders. We will respond to poor conduct using the full range of regulatory tools, including effective application of our rules, standards and penalties.

We will continue to help build industry capability, promote best practices, raise professional standards, manage licensing and complaints and monitor and enforce licensee behaviour.

We will contribute towards this impact through the following strategic priorities:

- Educate and engage with licensed real estate professionals to enable them to meet their regulatory obligations.
- Deliver an independent, effective and accessible disciplinary process and hold poor conduct to account.
- Increase our regulatory effectiveness and understand and respond appropriately to causes of harm.

Impact 3: Awareness of and confidence in REA as the conduct regulator is increased across New Zealand's diverse communities

We will increase public awareness of REA and its role as the independent conduct regulator of real estate professionals so that all New Zealanders are aware of the services that we offer and can access them. Awareness that there is a conduct regulator that supports high standards of conduct and that can take action when standards are not met will help to increase confidence in the real estate profession overall.

We will communicate with all New Zealanders across New Zealand's diverse communities and provide useful information that empowers consumers to navigate the property transaction process with confidence. We will proactively communicate case decisions of public interest to ensure the public are aware of the effectiveness of our disciplinary process and have confidence that they can seek help from REA when they encounter issues during a property transaction.

We will engage, collaborate and partner with the industry, government and the private sector to leverage capability and build support. Strategic communications and proactive media engagement will support us to raise awareness among consumers and the general public of REA and the work we do.

We will work with stakeholders to evolve our regulatory impact and increase effectiveness of the real estate regulatory system to address the drivers of risk of harm. This includes developing and publishing regulatory guidance documents.

We will contribute towards this impact through the following strategic priorities:

- Raise awareness across New Zealand's diverse communities of REA as an effective conduct regulator and our role in the real estate system.
- Increase our regulatory effectiveness and understand and respond appropriately to causes of harm.
- Demonstrate our commitment to te Tiriti o Waitangi.

Impact 4: Standard of conduct by licensed real estate professionals is increased

We will support the increase in standards of conduct by the provision of clear and concise standards and rules that provide practical and enforceable guidance for licensees and through our proactive efforts to engage with agencies and individual licensees who present the greatest risk of harm.

In the coming years, we will grow our knowledge-transfer capabilities to ensure licensees have a strong understanding of the rules, standards and guidance. We will also ensure meaningful and precedent-setting decisions or complaint outcomes are communicated effectively to licensees and the public.

We will review the complaint process to ensure it remains fit for purpose. This includes surveying participants about the process and making efficiency and effectiveness improvements to improve regulatory impact. We will deepen our understanding and awareness of the needs of Māori to help shape high standards of conduct.

We will work with stakeholders to evolve our regulatory impact and increase effectiveness of the real estate regulatory system to address the drivers of harm.

We will contribute towards this impact through the following strategic priorities:

- Deliver an independent, effective and accessible disciplinary process and hold poor conduct to account.
- Increase our regulatory effectiveness and understand and respond appropriately to causes of harm.
- Demonstrate our commitment to te Tiriti o Waitangi.

6. Performance assessment – Te ine i te whakatutukinga o ngā mahi

How do we know we are having an impact?

We have identified nine key performance measures and targets to determine progress towards achieving our impacts over time.

Taken together, these measures provide a good indication of whether REA is working as efficiently and effectively as it should and whether we are progressing towards our vision and outcome. These measures should be considered alongside our annual measures set out in our Statement of Performance Expectations.

We assess our performance using a range of tools, including surveys of consumers and licensees, data and evidence of REA activities. We will report on how we are performing against these targets in our annual reports.

Impact performance measures

IMPACTS	KEY PERFORMANCE MEASURE	TARGET 2025	ACTUAL 2020
Informed consumers ¹ across New Zealand's diverse communities confidently engage in real estate transactions without harm	Percentage of consumers who are aware of settled.govt.nz is increased ²	35%	31%
	Percentage of consumers who feel empowered to participate effectively in the real estate transaction ³	85%	82%
Licensees fulfil their obligations and are capable, trusted and professional	Percentage of licensees who agree REA's CPD programme has improved their knowledge and understanding of the topic area	85%	82%
	Percentage of licensees who find REA compliance guidance useful in understanding their regulatory obligations is increased	90%	New measure
	Percentage of consumers who have confidence that the real estate industry is professional ⁴	85%	90%

¹ 'Consumers' refers to people who have bought or sold a home in the last 12 months or who have tried to do so but were unsuccessful.

² Survey population to be broken down into demographic segments including age, ethnicity, gender identification and ability.

³ Consumers who feel somewhat to very empowered.

⁴ Consumers who have some to a lot of confidence that the sector is professional.

IMPACTS	KEY PERFORMANCE MEASURE	TARGET 2025	ACTUAL 2020
Awareness of and confidence in REA as the conduct regulator is increased across New Zealand's diverse communities	Percentage of New Zealand public aware of REA and the services it provides is increased	45%	42%
	Percentage of New Zealand public who have confidence that the real estate industry is well regulated ⁵ is maintained	85%	86%
Standard of conduct by licensed real estate professionals is increased	Percentage of licensees subject to a formal complaint found to have breached conduct rules and requirements is decreased ⁶	20% ⁷	New measure
	Licensed real estate professional conduct, practices, policies and/or procedures are improved following action taken by REA or a CAC/Tribunal decision	5 case studies	New measure

⁵ Public who have some to a lot of confidence that the sector is well regulated.

⁶ A formal complaint is one that has been received by REA under section 74(2) of the Real Estate Agents Act 2008. The percentage is calculated according to the findings of breach by a CAC and/or the Tribunal determined in the reported period.

⁷ Based on a baseline of findings of breach arising from formal complaints determined in 2019/20 of 28%.

7. Organisational health and capability – Te oranga tōpūtanga me te āheinga

Maintaining and improving REA's organisational health and capability is essential to achieving the outcome and impacts we are seeking.

Capability and planning

REA is a small organisation, and we foster a collaborative culture that values the input of the team. We encourage and have a positive, flexible culture and have a clear appreciation of governance and management distinctions.

In planning for capability and risk, we take into account that we are a small organisation that comprises specialist staff. We have formal good employer and personnel policies in place and a commitment to equal employment opportunities. We actively monitor all the factors that could affect our organisational health and capability.

We are committed to providing the right environment, tools, systems, support and leadership that enable our people to do their jobs effectively and grow our capability as an organisation. We are also aware that complaint numbers have typically risen and fallen over time and are influenced by factors outside our control. Our capability planning must ensure we remain able to continue to carry out our core services allowing for fluctuations in numbers.

Our organisational health and capability objectives centre on six key principles:

- Staff employment policies focus on attracting and retaining engaged, skilled, knowledgeable, adaptable and efficient team players with the tools, information and training necessary to perform to a high level.
- We have people with diverse backgrounds, skills, experiences and knowledge. Equal employment opportunity principles are incorporated in staff selection and management.
- Diversity and inclusiveness are critical to ensuring our continued success and progress towards our goals. We strive to build cultural capability in the workplace, and we use te reo Māori in our internal and external communications.
- Our people have a voice in the way REA operates through the business planning process, regular surveys, our Culture Club and strong relationships.
- Our infrastructure is fit for purpose under the existing legislative requirements.
- Health and safety best practice is well implemented and appropriately monitored and reported. We have zero tolerance of bullying, harassment and discrimination, and we have a flexible working policy.

Real Estate Authority

Level 4, 95 Customhouse Quay

PO Box 25371

Wellington 6140

New Zealand

0800 367 732

info@rea.govt.nz

rea.govt.nz