



New Zealand House of Representatives
Te Whare Māngai o Aotearoa

Economic Development, Science and Innovation Committee
Komiti Whiriwhiri Take Whanaketanga Ōhanga, Take Pūtaiao,
Take Atamaitanga

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Review briefing on the 2024/25 annual review of the Real Estate Agents Authority

Presented to the House of Representatives
by Dr Parmjeet Parmar, Chairperson

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Real Estate Agents Authority

Recommendation

The Economic Development, Science and Innovation Committee has conducted a review briefing on the annual review of the Real Estate Agents Authority for 2024/25, and recommends that the House take note of its report.

About review briefings

A review briefing is a form of annual review that takes place outside the regular period for annual review scrutiny (December through March). It enables committees to spread their workload more evenly through the year and to focus on strategic priorities during the main annual review period.

About the Real Estate Agents Authority | Te Mana Papawhenua

The Real Estate Agents Authority (REA) is a Crown agent and the independent conduct regulator of real estate agents. It works to promote and protect consumers' interests in real estate transactions, and to promote public confidence in real estate agency work. Its functions, as set out in the Real Estate Agents Act 2008, are to regulate licensed real estate agents, educate the real estate sector, and oversee a complaints and discipline process.

As at 30 June 2025, the REA employed 65.1 FTE staff. We heard from chief executive, Belinda Moffat, and board member, Shirley McLeod. Ms McLeod told us she had served in an observational capacity on the board for only some of the period under review. The board chair, Denese Bates, was not present at our hearing.

Summary of 2024/25 performance and audit results

The REA receives no government funding. It derives revenue from levies paid by licensees, fines enforced by complaints assessment committees and the Real Estate Agents Disciplinary Tribunal, and other sources. The REA reported that, at \$11.42 million, its total revenue was higher than expected. It attributed this to higher-than-forecast licence numbers, which increased by 22 percent from 2023/24.

The REA's total expenditure increased by 8.9 percent but remained under budget. Its deficit was also lower than expected, which the REA said it achieved through cost control and financial management.

Financial trends

	2021/22 \$million	2022/23 \$million	2023/24 \$million	2024/25 \$million	Change in 2024/25
Revenue	11.38	11.13	11.09	11.42	3.0%
Expenditure	9.67	10.87	11.47	12.48	8.9%
Net surplus or (deficit)	1.70	0.26	(0.38)	(1.22)	—

Non-financial results

In 2024/25 the REA reported on 15 performance measures, of which it achieved 9. Its customer survey indicated generally strong performance in how it delivers services, with high overall satisfaction. However, there was some inconsistency, and performance against diversity-related impact measures was below target. We discuss this later in our report.

Audit results

The independent auditor issued a standard audit report, indicating that the information audited fairly reflected the REA's activities and financial position for the year. The REA's management control environment, its financial systems and controls, and its performance information and associated systems and controls were all graded as "very good".

Resolution of complaints to the REA

After the REA receives a complaint about a real estate agent, the complaint is reviewed by the chief executive, who decides whether it should go to a complaints assessment committee. The committee may determine that the complaint should be heard by the Real Estate Agents Disciplinary Tribunal. If the tribunal finds that unsatisfactory conduct has occurred, it may hold a penalties hearing.

In 2024/25 the REA received 487 complaints about the behaviour of real estate agents, a 35 percent increase from the previous year. The REA told us that 341 of these complaints were resolved through its early resolution process.

We discussed a performance measure that seeks a percentage decrease of licensees who, after a formal complaint, were found to have breached conduct rules and requirements. We asked if this meant that the triage process was incentivised to categorise complaints as "informal". The REA confirmed that more complaints were being informally resolved.

The REA told us that in 2024/25, it received many "low-level complaints" because "consumers were just not happy". The complainants tended to complain directly to the REA rather than using an agency's complaints process. The REA said it increased the number of cases it closed because there was also an increase in cases of concern.

Failure to meet performance expectations about speed of resolution

We discussed two performance measures that relate to how quickly formal complaints were resolved. Neither was met, and one achieved only 32 percent against a target of 65 percent. We asked whether the measures themselves are incorrect.

The REA said its failure to meet targets resulted from an increase in the volume and complexity of complaints, with each complaint involving several parties and multiple issues. Further, the failure was due to changes to the REA's process, and different arrangements in its teams. We heard that the more complex complaints take more time to resolve.

The REA also told us it has seen an increase in complaints written by AI. These complaints can take longer to resolve as they often arrive without necessary evidence, and the REA must engage further with the complainant to acquire this. Sometimes parties to the complaint delay responses to the REA. The REA told us that some "outlier" cases awaiting hearings may have taken two or three years to be resolved. We were told that the REA used its available resources "to progress as many complaints as possible in a timely way."

Communication with complainants

We asked how the REA ensures that it communicates regularly with people who make low-level complaints. The REA said its complaints team acknowledges all complaints within 1–3 days. It seeks further information from the complainant and assesses whether it can receive the complaint. Complaints are prioritised and, if sufficiently serious, may be fast-tracked to a complaints assessment committee.

Complaints that are not sufficiently serious are handled by the REA's resolution and referral team. We heard that some complaints must then wait until a facilitator can carry out the work. All complainants whose cases will not be progressed can appeal to the Real Estate Agents Disciplinary Tribunal to have the decision reviewed. The REA said that its board recently discussed how to enhance the system and that recent upgrades to its technology may help.

We asked how the REA defines the seriousness of a complaint. The REA said it assesses the seriousness of the alleged misconduct and investigates the extent of harm. It also takes into account the importance of the matter for the public interest.

Performance expectation about fairness of complaints process

We referred to performance measure 2.8: "Percentage of parties to a complaint agree that the complaints process is independent, fair and transparent". In 2024/25, the REA did not achieve this measure, rating 54 percent against a target of 75 percent. The figure has fallen every year since 2021/22. We asked what the REA is doing to address the decline.

The REA said it attributed the fall to the increase in complaints, because "the people who respond to the survey are the ones who were disappointed". We heard that in the last two years it improved its online information about the process and produced a simplified "complaints process sheet". It is inspecting its communication to ensure that it recognises the person's concern and explains why a complaint will not progress.

The REA told us it confirms with complainants when it suspects that a complaint has been written with AI. It also tracks complaints made about the use of AI.

Other matters considered

We also discussed the following matters. For more detail, refer to the pages noted below in the *Hansard* transcript of our hearing, available on the Parliament website.

- **Closing the gender pay gap**—We heard that males appointed to roles in the REA’s lower income bands accounted for the decrease in its gender pay gap from 8 percent in 2023/24 to 6.5 percent in 2024/25. The REA said that all appointments are merit-based. (*Transcript p 5.*)
- **The website “Settled”**—We discussed the visibility of the link for the settled.govt.nz site on the REA site. The REA said it tracks awareness of *Settled* in its consumer survey. It engages with lawyers, mortgage advisers, and banks to encourage them to offer it as a resource for consumers. (*Transcript p 10.*)

Appendix

Committee procedure

We decided to conduct the 2024/25 annual review of the Real Estate Agents Authority as a review briefing. On 28 May 2026 we heard evidence from the REA for 32 minutes and received advice from the Audit Office. We sent written questions to the REA for response. We met again on 2 and 23 July 2026 to finalise this report.

Committee members

Dr Parmjeet Parmar (Chairperson)
Dr Hamish Campbell
Reuben Davidson
Cushla Tangaere-Manuel
Dr Vanessa Weenink
Arena Williams
Scott Willis
Dr David Wilson

Hon Dr Duncan Webb also participated in our hearing for this review briefing.

Related resources

We received [responses to written questions](#) in March 2025 as part of the regular annual review procedure.

We received the following documents as advice and evidence for this review briefing:

- Office of the Auditor-General (Briefing on the Real Estate Agents Authority)
- Real Estate Agents Authority (Responses to additional written questions).

They are available on the [Parliament website](#), along with the [Hansard transcript](#) and [recording of our meeting on 28 May 2026](#).