

## **In-Confidence**

Office of the Associate Minister of Housing

Cabinet Economic Policy Committee

## **Proposed legislation to regulate the residential property management sector**

### **Proposal**

- 1 This paper seeks your agreement to develop a Bill to regulate the residential property management sector.

### **Relation to government priorities**

- 2 The proposals in this paper aim to make it easier to be a landlord and easier to be a tenant, by supporting a properly functioning private rental market. The proposals also align with broader Government priorities to support fair competition by creating a more level playing field across the sector.

### **Executive Summary**

- 3 Around one third of New Zealand households rent their homes. It is estimated that over half of private rentals are managed by property managers and organisations, a largely unregulated sector with growing evidence of misconduct, inconsistent service standards, and poor dispute resolution pathways.
- 4 Both industry and tenancy advocates have called for stronger safeguards. The sector itself wants regulation. Many property managers already meet high standards but are concerned that the absence of minimum requirements harms the profession's reputation. Responsible providers want a framework to create a level playing field, uphold integrity, and protect industry credibility. Tenancy advocates also support regulation, citing persistent harms such as misuse of bond money, misinformation about tenants' rights, and systemic problems in large firms. They see regulation as necessary to curb misconduct, protect vulnerable renters, and improve dispute resolution.
- 5 I propose a fit-for-purpose, light-touch regulatory regime of the residential property management sector. The regime has been designed to reflect the minimum level of government intervention required to address the key harms identified, while avoiding unnecessary cost or complexity for compliant businesses.
- 6 Under the proposed regime, public registration will be compulsory for both individual residential property managers (RPMs) and residential property management organisations (RPMOs). Minimum education or experience requirements for registration will provide a level of assurance as to the competency of RPMs. A code of conduct, continuing professional development requirements, and clear financial requirements, including holding

client funds in a separate dedicated account, will reduce harm and support a more professional sector.

- 7 The regime will be administered by a newly established Residential Property Managers Regulatory Authority (Authority) that sits within the Ministry of Business, Innovation and Employment (MBIE), as agreed by the Minister for Economic Growth. The Authority will be headed by a Registrar of Residential Property Managers (Registrar).
- 8 The regime will be supported by a streamlined complaints and disciplinary process, with landlords and tenants able to complain about the conduct of an RPM or RPMO to a Registrar, who will also be empowered to proactively investigate conduct issues. The Registrar may refer complaints and issues to a newly established Residential Property Managers Disciplinary Tribunal (Tribunal) administered by the Ministry of Justice, as agreed by the Minister for Courts. The Tribunal will be able to make a range of orders, including payment of compensation/fines, a requirement to undergo further training, or suspension or cancellation of a registration. Targeted offences and penalties will support the system's overall compliance framework.

9 s 9(2)(j) [Redacted]

10 s 9(2)(f)(iv) [Redacted]

## Background

### *Unregulated property management is driving harm and eroding confidence*

- 11 The residential property management sector oversees day-to-day responsibilities on behalf of landlords and tenants, including rent collection, bond handling, maintenance coordination, and tenancy communications. It is estimated that the sector manages around 55 percent of private rental properties (or an estimated 232,400 tenancies)<sup>1</sup> with approximately \$160 billion in housing assets under management and \$7 billion in annual rent payments. Despite this scale and financial responsibility, the sector is unregulated, and anyone can operate as a property manager without meeting minimum standards or oversight.
- 12 This lack of regulation has led to ongoing problems, including poor-quality service, mishandling of money, privacy breaches, and limited accountability

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<sup>1</sup> Based on the bonds lodged with Tenancy Services in 2025.

for misconduct. These problems cause real harm to landlords and tenants and undermine trust in the rental market.

- 13 Current legal and market settings, including tenancy law, general consumer protections, and voluntary industry practices have not been sufficient to address these harms. The market lacks a clear and reliable way to distinguish between high-performing and poor-performing operators, and there are limited avenues for redress when issues occur. The sector itself is calling for regulation, with many providers frustrated that the absence of clear standards allows poor performers to negatively affect the reputation of the industry.

*An earlier Bill was withdrawn, a more targeted regime is now proposed*

- 14 The previous Government introduced a Residential Property Managers Bill in August 2023. This Bill involved a more costly licensing model and had a marginal cost-benefit analysis. Because of this, the Bill was discharged by the Minister of Housing in June 2024.
- 15 Property managers, property owners, and tenant groups subsequently raised concerns and asked the Minister of Housing to reconsider, expressing strong support for targeted regulation. In response to the harms left unaddressed and the clear support across the sector for stronger standards, I am proposing a proportionate, lower-cost regulatory regime for the residential property management sector.
- 16 Targeted consultation was conducted with key stakeholders from the property management sector. There was support for regulating both RPMs and RPMOs, noting ongoing harms, a lack of accountability, and the limitations of voluntary self-regulation. Stakeholders see registration and baseline training as essential. There is also strong backing for clear expectations for entry, conduct, and complaints handling. Overall, there is sector consensus that a baseline regulatory framework is necessary to lift standards and protect both landlords and tenants. The proposals in this paper also take account of the public consultation process that took place in 2022 on the previous Bill.
- 17 My revised proposal sets minimum expectations and includes a simple complaints process without placing undue burden on compliant operators. This approach supports a more functional rental market, fairer outcomes, and improved accountability, while remaining consistent with the Government's commitment to disciplined, targeted reform.
- 18 I considered using the Residential Tenancies Act 1986 (RTA) as a vehicle for the residential property management regime but ruled it out because the RTA regulates landlord-tenant relationships, not occupational conduct. Embedding registration, competency standards, and disciplinary powers within it would distort its purpose, create legislative complexity, and reduce clarity for regulated parties. I also ruled out extending the Tenancy Tribunal because it would require a tenancy-dispute forum to take on professional regulatory functions, such as investigating conduct and imposing disciplinary sanctions, that sit outside its statutory purpose and would blur and complicate its core

mandate. A stand-alone statute provides a more coherent and fit-for-purpose framework while still enabling targeted links to tenancy law.

- 19 The previous Government's licensing model relied on a fit-and-proper person test and wider compliance obligations such as insurance and tiered licensing. These measures raised costs and barriers to entry. By contrast, a registration model requires only compulsory public registration. It creates a complete record of providers, makes clear who is responsible for properties, and enables enforcement of minimum standards through a complaints process.
- 20 The registration model I am proposing achieves greater proportionality. It delivers lower compliance costs, with a Benefit-Cost ratio of 1.15:1 (up from 1.07:1). Average compliance costs will be about \$47 per property per year, compared with about \$70 under the previous Bill. This equates to roughly \$1 per week, materially reducing pass-through costs for landlords and tenants.
- 21 The proposals reflect the minimum regulatory intervention needed to address key harms, consistent with Cabinet Circular CO (99) 6.<sup>2</sup>

### **Policy proposals for a light-touch regulatory regime of the RPM sector**

- 22 I propose a registration model involving compulsory public registration for both individual RPMs and RPMOs.<sup>3</sup>
- 23 The purpose of the proposed registration model is to promote and protect the interests of residential property owners and tenants, and to ensure public confidence in the delivery of residential property management services. The registration model will provide assurance that the residential property management sector is subject to clear and effective regulation.
- 24 An RPMO is an entity or individual who is registered to carry out a business that provides residential property management services.
- 25 An RPM is either an individual working for or on behalf of a RPMO to deliver residential property management services, or a registered RPMO sole trader performing those services.
- 26 As noted, the RTA governs the relationship between a landlord and a tenant. Under the RTA, an RPM is among those who may act as an "agent" for the landlord in relation to the landlord's rights and duties under the RTA. For some RTA breaches, the Tenancy Tribunal may consider it appropriate for the RPM to be held to account in their capacity as an agent, but only in limited circumstances where the RPM's own conduct gives rise to liability, for example. Exemplary damages under the RTA are predominantly awarded against landlords because the statutory duties sit with them. The proposed registration regime applies to RPMs and RPMOs as providers of property

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<sup>2</sup> Cabinet Office circular CO (99) 6: Policy Framework for Occupational Regulation.

<sup>3</sup> Individual residential property managers would be required to be employed/engaged by a registered organisation. Sole traders would be required to register as an organisation.

management services, rather than regulating the conduct of an RPM as the landlord's agent under the RTA.

- 27 Private landlords, registered community housing providers (CHPs), Kāinga Ora, and the employees of each of those will not be within scope of the regime. The landlord-tenant relationship is already governed by the RTA and the proposed regime is not intended to further regulate landlords in either the public or private sector. Registered CHPs are already regulated by the Community Housing Regulatory Authority. Kāinga Ora, as a public landlord, is subject to monitoring under the Crown Entities Act 2004.
- 28 Government agencies (including but not limited to Ministry of Education, New Zealand Defence Force, the New Zealand Police and Land Information New Zealand) that manage residential properties as part of their statutory or operational roles will not be included in the regime. These agencies are not acting as residential property managers in a market context, and their housing functions are already governed by the legislation that establishes their powers and responsibilities (for example, the Education and Training Act 2020 and the Defence Act 1990). They are also subject to public-sector accountability requirements under the Public Finance Act 1989 and the Crown Entities Act 2004.

*Minimum eligibility requirements*

- 29 I propose that RPMs must be a minimum age of 18 years old and that the Registrar will prescribe in rules minimum education or experience requirements for registration. The sector has told me that education requirements for new entrants are critical to increase competency and professionalism. I anticipate that when the requirements are developed, consideration will be given to options to transition existing experienced RPMs into the new system with minimum compliance costs.
- 30 Prohibition on registration is necessary in some cases to assure tenants and landlords about the safety and integrity of RPMs and RPMOs. I propose that RPMs and RPMOs will be prohibited from registration if they (or if a responsible officer of a RPMO):
- 30.1 were convicted in the last five years of a crime involving dishonesty, a serious violent offence, making an intimate visual recording, or violence or neglect of a child under 14, or
- 30.2 are prohibited from being a director, promoter, or from taking part in the management of an incorporated body; are undischarged bankrupt; are individuals subject to a no asset procedure; or were convicted in the last five years under the Fair-Trading Act 1986, or
- 30.3 had their RPM/RPMO registration or real estate licence cancelled due to disciplinary procedures within the last five years, unless the Registrar is satisfied that exceptional circumstances justify re-registration, or their registration is currently suspended, or

- 30.4 meet any other grounds for prohibition on registration that are prescribed by regulation.

*Registration process*

- 31 The Bill will provide for registration, renewal, expiry, suspension, and cancellation processes. Renewal will be required every two years. As part of applying for registration or renewal, applicants will be required to declare that the information they provide is true and correct. I propose enabling regulations to prescribe other information or material that must be included in an application for registration or for renewal, for example business details. The Registrar will make practice rules for what constitutes relevant education or experience, and, in the case of renewal, requirements relating to the completion of any continuing professional development requirements.
- 32 The Registrar will have the power to refuse registration (including upon renewal) in cases of false declarations or non-compliance with eligibility requirements. Registrar decisions to decline registration/renewal or cancel could be appealed by applicants to the Tribunal.
- 33 Registrants will be listed on a public searchable register, which will include the registrant's name, business details, registration status (e.g., any current suspension or cancellation of licence, and other prescribed information to support transparency and consumer trust). Information will be managed in accordance with relevant privacy and information management requirements. RPMs and RPMOs will be required to inform the Registrar of any material change of circumstance that will affect their ability to be registered.
- 34 I propose establishing a Residential Property Managers Authority (the Authority) to be administered by MBIE, as agreed by the Minister for Economic Growth. There are potential efficiencies in having the Authority located in MBIE alongside its other tenancy and occupational regulatory system functions.

*Cost recovery*

- 35 To support cost recovery, registered RPMs and RPMOs will be required to pay fees and a departmental levy for the Authority and a Crown levy for the Tribunal at the time of registration and renewal. Fees will be charged for services provided by the Registrar, such as issuing registration and renewals. The departmental levy will recover broader costs of the Authority delivering the regime, including complaints management, enforcement activities, public information, and education activities. The Crown levy will recover the administrative cost of running the Tribunal, including the payment of members sitting on the Tribunal. Fees will also be charged to recover the costs of processing applications. The fee and levy class structure and associated charges will be set through regulations.

**Clear financial, conduct, and training standards will reduce harm and support a more professional sector**

- 36 The residential property management sector handles large sums of money without consistent and effective legal obligations on how these funds should be managed, creating risks of misuse, misappropriation, and inadequate record-keeping. This has led to consumer harm and undermines confidence in the industry.
- 37 I propose that under the new regime, RPMOs will be required to hold all client funds in separate accounts from operational funds, maintain full and accurate records for at least seven years, and provide information or undergo audit when requested by the Registrar. The Registrar will be empowered to set rules covering the operational detail relating to client fund handling and audit processes, subject to consultation and Ministerial approval.
- 38 The Registrar will also be required to issue a code of conduct for all RPMs and RPMOs and set continuing professional development requirements, which will need to be met and self-declared on registration or renewal. These will be developed through consultation and approved by the Minister.
- 39 Without minimum standards, poor practices are likely to persist, and responsible providers will face unfair competition. The proposed requirements aim to prevent serious misconduct, promote greater transparency, and improve professional capability across the sector, while remaining proportionate and cost-effective.

**Complaints and disciplinary processes**

- 40 There is no way to exclude the worst actors in the residential property management sector from the industry. RPMs and RPMOs that are doing the right thing are concerned that these actors are bringing down the reputation of the industry as a whole. In response, I am proposing a simple complaints and disciplinary process that is targeted at key compliance issues.
- 41 The key components of the complaints and disciplinary process involves the Registrar receiving and reviewing complaints about RPM and RPMO conduct, being empowered to investigate conduct issues of its own motion, exercising triage powers (including the discretion not to pursue a complaint), preparing complaints and investigations for referral to a disciplinary tribunal, and taking enforcement action for offences under the legislation.
- 42 The Tribunal will make determinations and orders about complaints referred to it by the Registrar, cases brought on the Registrar's own motion, and hear appeals of the Registrar's decisions. Where the Tribunal lacks jurisdiction, it may refer matters to the appropriate body. The Registrar may also transfer or refer matters outside the scope of the RPM regime to the appropriate body.
- 43 In addition, I propose amending the RTA to allow a suitable mechanism for the Tenancy Tribunal to direct that a matter be referred to the Registrar for consideration. I also propose a provision enabling information sharing

between MBIE's Tenancy Compliance and Investigation team and the Registrar, limited to compliance matters and consistent with privacy principles.

- 44 I propose that a new Tribunal be established that will be administered by the Ministry of Justice, as agreed by the Minister for Courts. This the most cost-effective option for dealing with disputes. I considered but ruled out extending the Real Estate Agents Disciplinary Tribunal to undertake this function, as it will be more expensive and was not supported by parts of the sector. Further details about the proposed complaints and disciplinary processes are set out in **Appendix A**.
- 45 I propose the Bill include a number of offences with appropriate penalties to ensure compliance with the regulatory requirements, as set out in **Appendix B**. I consider that the penalties' maxima are proportionate to the nature of the offence and seriousness of the harm caused and that they will act as a sufficient deterrent to criminal behaviour.

### **Regulator functions and powers**

- 46 The Chief Executive of MBIE will be responsible for appointing a Registrar and other staff required to support the functions of the Authority. The Authority will have the functions and powers identified in this Cabinet paper and **Appendix C**, with the Registrar responsible for carrying out the Authority's functions and powers.

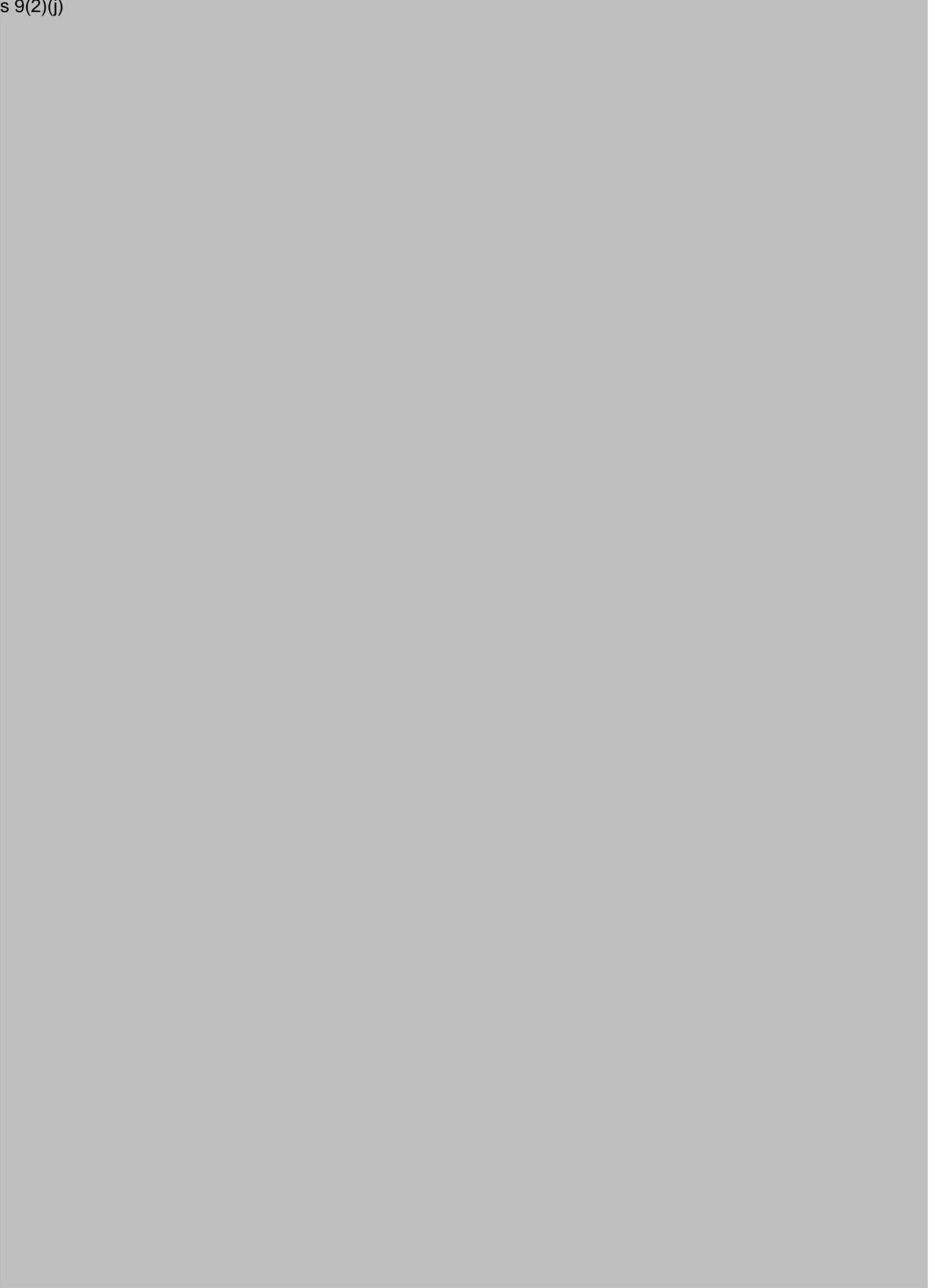
### **Cost-of-living Implications**

- 47 The proposed regulatory regime is not expected to have a significant impact on the cost of living. RPMs and RPMOs will incur modest compliance costs under the new regime, limited to registration and renewal fees, education programmes, audit costs (if required), basic conduct requirements, and administrative obligations. Levies may be felt more acutely by RPMs, particularly sole traders, due to the upfront cost of registration. These costs may be passed on to landlords, with an estimated potential impact of approximately \$47 per property per year.
- 48 Landlords may seek to recover costs of increased fees through marginal rent increases. However, any flow-on effect to tenants is expected to be small and constrained by market conditions. These potential cost pressures are unlikely to materially affect overall rental affordability. Landlords will benefit from increased certainty about service levels, and they are likely to face a lower risk of one-off costs arising from poor property management behaviour.
- 49 Over time, the regime may reduce costs for both landlords and tenants by improved conduct resulting in reduced complaints and need for legal or enforcement action.

### **Financial Implications**

- 50 s 9(2)(j)

s 9(2)(j)



s 9(2)(j)



### Legislative Implications

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s 9(2)(f)(iv)



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I seek delegated authority to make any further decisions needed on the detailed policy of the new regime, consistent with the overall framework set out in this Cabinet paper.

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s 9(2)(f)(iv)



### Impact Analysis

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Impact analysis requirements apply to the proposals in this paper. A panel made up of officials from the Ministry of Housing and Urban Development and the Ministry of Business, Innovation and Employment reviewed the Regulatory Impact Statement (RIS) accompanying this paper. The panel consider it partially meets the quality assurance criteria. The Panel considers the RIS contains a strong theoretical basis for intervention and is supported by quantitative cost-benefit- analysis. However, the empirical basis for regulation, and the link between intervention and improved outcomes, was not fully convincing. The Regulatory Impact Statement is attached as **Appendix D**.

## Population Implications

- 64 At the time of the 2023 Census, 475,944 New Zealand households were living in homes rented from private individuals, trusts or businesses.<sup>5</sup> It is estimated that the residential property management sector is estimated to oversee approximately 55 percent of these tenancies. Given this scale, the proposed regime is expected to deliver broad benefits across the renting population.
- 65 Māori and Pacific Peoples are disproportionately represented in the rental market, with 51 percent of Māori and 65 percent of Pacific Peoples living in dwellings they do not own or hold in a family trust, compared to 34 percent of the general population. Additionally, evidence shows that disabled people are overrepresented in the rental market compared to non-disabled people. These groups are likely to benefit more from improvements to the delivery of residential property management services, including clearer conduct standards, increased accountability, and more consistent and accessible processes for resolving issues.
- 66 The regime is not expected to result in differential access or outcomes for any specific group. The regime is expected to support fairer outcomes for groups who may be more vulnerable to poor property management practices, including disabled people, seniors, women (particularly single parents), and ethnic communities.

## Human Rights

- 67 The proposed age restriction of 18 years for registration as a property manager engages the right to freedom from age discrimination under the New Zealand Bill of Rights Act 1990 and the Human Rights Act 1993. This limitation is considered reasonable and justified, as individuals under 18 do not have full legal capacity to enter binding contracts, which is a core function of the role. No other elements of the proposal raise concerns under these Acts. Formal vetting will be undertaken during the drafting of the Bill.

## Use of external Resources

- 68 Consultants from MartinJenkins were engaged to update the cost benefit analysis (CBA) supporting this work, given their authorship of the original CBA that underpinned the previous Bill. Re-engaging the same provider ensured continuity of intellectual property and institutional knowledge, enabled efficient reuse of existing models and data, and supported consistency in methodology and assumptions.

## Consultation

- 69 The Public Service Commission, Kāinga Ora, Treasury, Ministry of Business, Innovation and Employment, Ministry of Justice, Te Puni Kōkiri, Ministry for Pacific Peoples, Ministry for Women, Ministry for Ethnic Communities, Ministry for Social Development, Ministry of Disabled People – Whaikaha,

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<sup>5</sup> Statistics New Zealand, Census 2023.

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Office of the Privacy Commissioner, Parliamentary Counsel Office, Real Estate Authority, and the Ministry for Regulation were consulted on this paper. The Department of the Prime Minister and Cabinet was informed.

### Communications

- 70 I propose to publicise decisions in this paper through a Ministerial press release.

### Proactive Release

- 71 I propose proactively releasing this Cabinet paper within 30 business days of decisions being confirmed by Cabinet, with any appropriate redactions. Redactions will be applied as appropriate under the Official Information Act 1982.

### Recommendations

The Associate Minister of Housing recommends that the Committee:

- 1 **agree** that the new legislation will promote and protect the interests of residential property owners and tenants and promote public confidence in the delivery of residential property management services;

#### *Registration regime*

- 2 **agree** to provide for compulsory registration for residential property managers and residential property management organisations, with renewal of registration required every two years;
- 3 **agree** that a residential property management organisation is an entity or an individual, who carries on a business that provides residential property management services;
- 4 **agree** that a residential property manager is an individual or sole trader who provides residential property management services under the direction of, or on behalf of, a residential property management organisation;
- 5 **agree** that private landlords, registered community housing providers, and Kāinga Ora and the employees of each of these, will not be within scope of the regime;
- 6 **agree** that government agencies that manage residential properties as part of their statutory or operational functions, will not be within scope of the regime;
- 7 **agree** to enable the Residential Property Managers Registrar to make practice rules, following the Minister of Housing's approval for minimum education or experience requirements for registration;
- 8 **agree** that registrants must be aged 18 and over;

- 9 **agree** that the Bill will provide for cases where an individual or organisation is prohibited from registration, for example, where they were convicted in the last five years of a crime involving dishonesty;
- 10 **agree** to provide for registration, renewal, and suspension/expiry/cancellation processes, including for applicants to pay fees and declare that they meet eligibility requirements, and for regulations to be made prescribing any additional matters that must be included in a registration/renewal application;
- 11 **agree** to provide for a public searchable register to be developed and maintained by the Residential Property Managers Registrar, including regulations to be made prescribing additional matters to be contained within the register;
- 12 **agree** the Residential Property Managers Registrar will be empowered to refuse registration in cases of false declarations or non-compliance with eligibility requirements;
- 13 **agree** to enable regulations to be made for:
- 13.1 fees to recover the administrative costs for processing applications and renewals undertaken by the Authority, and
  - 13.2 a levy (departmental) to recover the non-processing costs of the Authority; and
  - 13.3 fees and a levy (Crown) to recover the costs of the Tribunal;

*Practice standards*

- 14 **agree** that residential property management organisations be required to receive and hold all client funds in a separate client account;
- 15 **agree** that residential property management organisations be required to maintain complete and accurate records of client fund transactions for a minimum of seven years;
- 16 **agree** that the Residential Property Managers Registrar will have the power to require a residential property management organisation have their separate client accounts audited;
- 17 **agree** to enable the Residential Property Managers Registrar to make practice rules following the Minister of Housing's approval for:
- 17.1 operational requirements relating to separate client accounts and audit processes;
  - 17.2 a code of conduct for residential property managers and organisations; and
  - 17.3 continuing professional development for residential property managers and residential property management organisations;

*Complaints and discipline*

- 18 **agree** that complaints may be made to the Residential Property Managers Registrar about a residential property manager or residential property management organisation;
- 19 **agree** that the Residential Property Managers Registrar has the power to investigate compliance or conduct matters of its own motion that indicate or appear to indicate grounds for discipline on the part of a registered residential property manager or residential property management organisation;
- 20 **agree** to establish a Residential Property Managers Disciplinary Tribunal, in accordance with the proposed complaints and disciplinary processes set out in **Appendix A**;
- 21 **note** the Minister for Courts has agreed that the Ministry of Justice administer the Residential Property Managers Disciplinary Tribunal;
- 22 **agree** that, following an investigation, the Residential Property Managers Registrar may decide to lay charges with the Residential Property Managers Disciplinary Tribunal;
- 23 **authorise** the Associate Minister of Housing to make further related policy decisions about the design, composition, procedures and other matters relating to the operation of the Disciplinary Tribunal, without further reference to Cabinet;
- 24 **agree** to amend the Residential Tenancies Act 1986 to provide a mechanism for the Tenancy Tribunal to direct matters to the Residential Property Managers Registrar for consideration;
- 25 **agree** to include a provision enabling information sharing between the Ministry of Business, Innovation and Employment's Tenancy Compliance and Investigation team and the Residential Property Managers Registrar;

*Offences and penalties*

- 26 **agree** to the offences and penalties set out in **Appendix B**;

*Regulatory agency and Registrar*

- 27 **agree** to establish a Residential Property Managers Authority, with the functions and powers including those set out in this paper and **Appendix C**;
- 28 **note** that the Minister for Economic Growth has agreed that the Residential Property Managers Regulatory Authority will sit within the Ministry of Business, Innovation and Employment;
- 29 **agree** that the regime will provide for a Residential Property Managers Registrar, who will be responsible to the Chief Executive of the Ministry of Business, Innovation and Employment for carrying out the functions and powers of the Authority;

*Regulations and rules*

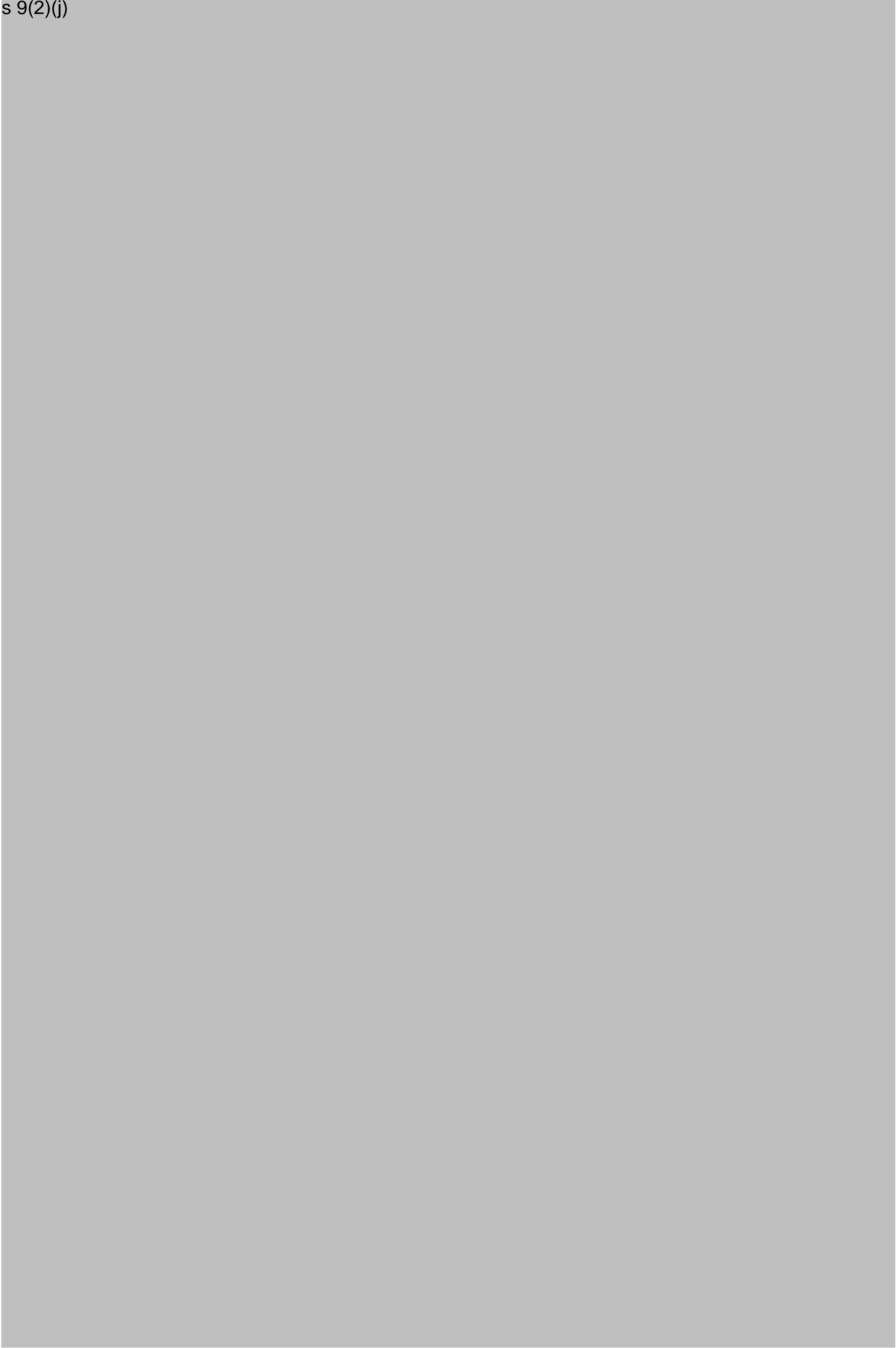
30 **agree** to enable the making of regulations and rules, related to administrative and operational matters, as set out in **Appendix E**;

*Financial implications*

s 9(2)(j)



s 9(2)(j)



s 9(2)(j)



*Next Steps*

- 42 s 9(2)(f)(iv) 
- 43 **invite** the Associate Minister of Housing to issue drafting instructions to the Parliamentary Counsel Office for a Residential Property Managers Bill, including drafting instructions on any minor, technical, or consequential changes;
- 44 **authorise** the Associate Minister of Housing to make further policy decisions consistent with the policy proposals in this paper; and
- 45 **note** that the Associate Minister of Housing intends to issue a press release and inform key stakeholders about the policy decisions at an appropriate time.

Authorised for lodgement

Hon Tama Potaka

Associate Minister of Housing

**Appendix A: Complaints and disciplinary processes**

I propose that the Bill establish the Residential Property Managers Disciplinary Tribunal design elements as follows:

Key tribunal elements	At a high level, the functions of the Tribunal includes:
Role and functions of the Tribunal Chair and members	<ul style="list-style-type: none"> <li>• The Governor-General, on the recommendation of the Ministers of Housing and Justice, appointing a Tribunal Chair and Tribunal members.</li> <li>• The Tribunal Chair to oversee the operation of the Tribunal and being responsible for the orderly and efficient operation of the Tribunal.</li> <li>• Tribunal members will hear and determine the proceedings.</li> <li>• Appointing the Chair and Tribunal members for a term of five years.</li> <li>• The Chair and Tribunal members having no less than seven years of experience practicing law.</li> <li>• Remuneration determined by the Cabinet Fees Framework.</li> </ul>
Procedures of the Tribunal	<ul style="list-style-type: none"> <li>• Tribunal hearings being conducted in public unless there is good reason not to.</li> <li>• The Tribunal deciding which hearing type is appropriate per case.</li> <li>• The Tribunal having the power to regulate its own procedures and exercise its powers and perform its duties and functions in a way that is consistent with the rules of natural justice.</li> <li>• RPMs and RPMOs having the right to representation and be represented by counsel.</li> <li>• The Tribunal taking an active inquisitorial approach and consider any relevant evidence or information whether or not that evidence or information would be admissible in a court.</li> <li>• Parties having the right to appeal tribunal decisions to the District Court within 60 working days.</li> </ul>
Witnesses, privileges and immunities	<ul style="list-style-type: none"> <li>• Every counsel and witness having the same privilege and protection as a witness appearing in courts.</li> <li>• The Tribunal having the power to summon and examine witnesses and other persons.</li> <li>• When exercising their jurisdiction members have the same protections from criminal and civil liability as a Justice of the Peace.</li> </ul>
Government oversight	<ul style="list-style-type: none"> <li>• The Tribunal chair submitting an annual report to the Ministers of Housing, Justice and Courts every year. The report will be presented to the House of Representatives.</li> </ul>

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<p>Publication, suppression and enforcement of orders</p>	<ul style="list-style-type: none"><li>• All decisions of the Tribunal being made available in writing, with the rationale and decision clearly stated.</li><li>• The Tribunal publishing their decisions as soon as practicable, unless there is a good reason not to.</li><li>• All Tribunal orders are considered to be enforceable and as the final judgement of the Tribunal</li></ul>
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<p><b>Further details of the complaints and disciplinary regime</b></p>	<p><b>Orders of the Tribunal include:</b></p> <ul style="list-style-type: none"><li>• Censuring a registered RPM or RPMO,</li><li>• The RPM or RPMO apologising to the complainant,</li><li>• The RPM undergoing further training or education,</li><li>• The RPM or RPMO reducing, cancelling, or refunding fees charged for work,</li><li>• The RPM or RPMO paying a civil fine to the authority, or compensating the complainant for costs or expenses incurred by the complainant in respect of the complaints assessment process,</li><li>• The RPM or RPMO making their business, including any records, accounts, and assets, open for inspection</li><li>• The RPM or RPMO rectifying any error or omission,</li><li>• Cancelling a registration, or suspending registration for a period not exceeding 24 months,</li><li>• The RPM or RPMO paying compensation up to \$100,000 to the complainant:<ul style="list-style-type: none"><li>○ where it is established that any person has suffered loss due to the matters in the complaint, and</li><li>○ the compensation order is one that a court of competent jurisdiction could make in relation to a similar claim in accordance with principles of law.</li></ul></li><li>• Prohibiting publication of any report or account of any part of proceedings,</li><li>• Prohibiting the publication of the whole or any part of the books, papers, or documents produced at a hearing,</li><li>• Prohibiting the publication of the name or any particulars of the affairs of the person charged or any other person, including the complainant.</li></ul>
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## Appendix B: Criminal offences and penalties

I propose that the Bill will provide for the following Criminal offences and penalties:

Offences	Maximum fine	
	RPM	RPMOs
Failure to inform the Registrar of any material change of circumstance that would affect an RPM or RPMOs ability to continue to be registered.	\$10,000	\$50,000
Holding out to be a registered residential property manager or residential property management organisation when not registered.	\$20,000	\$50,000
Practising as a residential property manager or providing residential property management service when not registered.	\$40,000	\$100,000
Trading as a residential property manager or residential property management organisation and employing or contracting an unregistered person as a residential property manager to provide residential property management services.	\$40,000	\$100,000
Disclosing or declaring false information to register or maintain registration as a residential property manager or residential property management organisation. <b>Defence:</b> the registrant did not know the information they provided was false and had exercised all reasonable care to ensure that the information was not false or misleading.	\$40,000	\$100,000
Knowingly rendering false financial accounts in their capacity as a registered residential property manager while employed or contracted by a residential property management organisation.	\$40,000	\$100,000
Procedural offences		
Resisting, obstructing, or providing false information to the Registrar when they are investigating a potential breach of the Act.	\$2,000	
Failing to comply with a lawful summons of the Tribunal.	\$1,000	
Acting in contempt of the Tribunal (for example, insulting or obstructing a witness or officer of the Tribunal, interrupting or misbehaving at a hearing or disobeying any order or direction).	\$1,000	
Breaching a non-publication order made by the Tribunal. <b>Defence:</b> if they did not know, and could not reasonably have known, that a non-publication order was in place.	\$3,000	

## Appendix C: Residential Property Managers Regulatory Authority functions and duties

I propose that the Bill establish the powers and functions of the Residential Property Managers Regulatory Authority as follows:

Regulatory roles and functions	This includes:
Education and professional development	<ul style="list-style-type: none"> <li>• Developing and providing public consumer information on matters relating to residential property management services, including how to make a complaint.</li> </ul>
Registration	<ul style="list-style-type: none"> <li>• Establishing, maintaining, and administering a registration system for regulated parties, including receiving and processing applications and providing registration certificates.</li> <li>• Ensure that a public register of registrants is established and maintained.</li> </ul>
Standard and guideline setting	<ul style="list-style-type: none"> <li>• Developing, making and maintaining competency standards for the Minister's approval.</li> <li>• Developing, making and maintaining practice rules for the Minister's approval, relating to the operational details of client fund handling practices, audit processes, code of conduct and continuing professional education.</li> </ul>
Information management	<ul style="list-style-type: none"> <li>• Requiring information to be provided for regulatory purposes, such as assessing registration and renewal applications (including eligibility requirements), reviewing the handling of client funds and auditing processes, investigations and reviewing complaints, and monitoring compliance with the Bill and any secondary legislation.</li> </ul>
Compliance management	<ul style="list-style-type: none"> <li>• Raising awareness of the regulatory system and promoting the benefits of using registered RPMs and RPMOs.</li> <li>• Providing information and advice on regulatory requirements to regulated parties.</li> <li>• Monitoring the activities of regulated parties and intervening where appropriate, including requesting RPMOs perform an audit.</li> <li>• Issuing warnings and requiring remedial actions to meet regulatory requirements.</li> <li>• Initiating prosecutions in relation to offences established in enabling legislation.</li> </ul>
Complaints and discipline	<ul style="list-style-type: none"> <li>• Receiving and investigating complaints, including providing procedures for lodging complaints and receiving complaints made on the allowable grounds and referring complaints to the Tribunal.</li> <li>• Taking enforcement action in relation to criminal offences under the regime.</li> <li>• Investigating of its own motion any matter where there are grounds for discipline of a residential property manager or residential property management organisation.</li> </ul>
Other	<ul style="list-style-type: none"> <li>• Carrying out any other functions conferred on the Authority by an enactment, including any functions that are incidental and related to, or consequential to, the functions conferred on the Authority.</li> </ul>

## Appendix E: Matters for which regulations may be made under the Residential Property Managers Bill

I propose that Bill enable the making of regulations and rules, related to administrative and operational matters as follows:

Administrative and operational matters	This includes:
Fees and levies	<ul style="list-style-type: none"> <li>• Prescribing fees and levies, or prescribing the method for determining fees and levies, to fund the ongoing operational costs of the system, including:               <ul style="list-style-type: none"> <li>○ fees to meet the costs of registration, renewal and other associated matters;</li> <li>○ levies to meet the costs of the functions of the Authority and the costs of operation;</li> <li>○ fees and levies to meet the costs of the complaints and disciplinary regime, including the administration of the Tribunal</li> <li>○ providing for the waiver of, or exemption from, fees and levies, in whole or in part.</li> </ul> </li> </ul>
Public register and applications	<ul style="list-style-type: none"> <li>• Prescribing procedures, requirements, and other matters for the register that the Registrar is required to keep for the purposes of registering residential property managers and residential property management organisations, including those relating to establishing the register and the operation and access of the register.</li> <li>• Prescribing information or material that must be included in applications for registration or renewal.</li> <li>• Prescribing what constitutes a material change in circumstances.</li> </ul>
Complaints and tribunal processes	<ul style="list-style-type: none"> <li>• Prescribing the manner and form in which complaints may be made to the Registrar about residential property managers or residential property management organisations;</li> <li>• Prescribing matters in respect of the proceedings and procedures of the Tribunal;</li> </ul>
Administrative processes and record keeping	<ul style="list-style-type: none"> <li>• Prescribing periods of time for giving notices, making submissions, and other matters;</li> </ul>
Exemptions	<ul style="list-style-type: none"> <li>• Providing for the exemption of residential property managers and residential property management organisations from:               <ul style="list-style-type: none"> <li>○ registration; and</li> <li>○ specific requirements in relation to registration.</li> </ul> </li> <li>• Providing for any applicable terms and conditions of an exemption.</li> </ul>