

DISCUSSION GUIDE:

Real Estate Act Amendments

In the meetings held with stakeholders in November and December 2019, government will pose the following questions. The questions would be the same for each stakeholder, to allow for analysis of the answers to produce policy proposals.

1. In the governance report, KPMG recommended reviewing the composition of Council. Specific mention was made to the proportion of public representation on Council, as well as the method of appointment and balance of industry/public members on Council.
 - a. Is it important to have representation by both industry and the public on this type of a board? If so, what objective or purpose is served by having this representation?
 - b. Is the current balance of public versus industry members appropriate? Why or why not? If not, what would be a more appropriate balance?
 - c. What would be the best way to ensure the right balance among industry representatives? Is the current proportion of representatives from each industry appropriate, or would a different composition be more suitable?
 - d. How should industry member appointments be made to Council? Public member appointments?
 - e. What competencies and personal attributes should Council members demonstrate?
2. Organizations that are established as public agencies must follow additional requirements under the *Alberta Public Agency Governance Act*, including publishing mandates and roles and publishing salaries that meet the threshold for disclosure lists. Public agencies have the majority of their members appointed by the Minister, though some of these members could still come from defined industry groups.
 - a. Would establishing RECA as a public agency improve accountability and oversight of the regulator?
 - b. What impact would this have on RECA as the industry regulator?
 - c. What impact would this have on the real estate sector?
3. We have heard feedback on a number of occasions about the current divisions of roles and responsibilities. This includes divisions such as between the Chair and Council, between the Council and the Executive Director, and between the Council and the corporation. We are also aware that the existing legislation is not clear, as it uses “Council” to refer to both the governing Council of 12 members as well as the corporation.
 - a. What would be the appropriate division of responsibility between the Council and the Chair? Council and the Executive Director?
 - b. What levels of delegation (i.e. between the Chair and Council, between the Council and the Executive Director, and between the Council and the corporation) should be permitted for the divisions between Council, Chair, and Executive Director? Who should have to approve the delegations?
 - c. Should there be additional restrictions on what can be delegated?
 - d. Of the sections in the Act that refer to “Council”, which items should be the responsibility of the Council, and which should be up to the corporation (administration)?
4. Currently the Minister has the power to address concerns with RECA only when a review has taken place under section 76 of the *Real Estate Act*. Otherwise, the Minister’s oversight of RECA is currently limited to receiving the annual report and financial statements each year.
 - a. How can this oversight by the Minister be improved? When should the legislation allow the Minister to step in?
 - b. Some regulators require Ministerial approval for changes that affect the industry, such as fees and bylaws. Should Council need to receive Ministerial approval for this type of decision? If so, what decisions should be included?
 - c. Should the Minister be required to approve RECA’s budget and annual reports?
 - d. Are there any other considerations to be noted in this area?

5. Currently, Council can set its remuneration, as well as the salary of the Executive Director.
 - a. Should there be additional oversight of remuneration and salaries paid by RECA? For example, should these have to be established in bylaws that are approved externally to RECA?
6. Does the Act need to address the division of responsibilities between RECA and its stakeholders? For example, are there services or tasks currently being done by RECA that could be better done by RECA's stakeholders?
7. Are there other recommendations to improve the governance of RECA? What else would help to avoid the recent governance challenges from reoccurring?