

23 April 2026

[REDACTED]

Tēnā koe [REDACTED]

Official Information Act Request

Thank you for your request of 26 March 2026, under the Official Information Act 1982, for the following information:

I would like to make an OIA request please for all documents, records and communications related to a cross Government task force formed in approximately 2004 to investigate allegations into the Phenomena Academy/103 Perfectly Ltd at Takaro Lodge, 914 Takaro Rd, near Te Anau, Southland, and guru Aiping Wang (now called Ai Yang Wang) alluding to "slavery, fraud, cult-like activities, importation of weapons, environmental destruction and international criminal records"..

I attach copies of twenty-four items covered by your request.

Under section 9(2)(a) of the Official Information Act 1982, the names of all staff other than senior staff have been withheld. As the information requested relates to the period 2004–2005 it would be difficult to locate all individuals involved in the discussions referred to in the attached documents and consulting them would be difficult and extremely time consuming.

Our response to your request may be published on our website after five working days. Your name and contact details will be removed before publication.

If you require further assistance or believe we have misinterpreted your request, please contact Elizabeth Templeton in the Office of the Chief Executive, email elizabeth.templeton@nzqa.govt.nz or telephone (04) 463 3339.

You have the right to seek an investigation or review by the Ombudsman of this decision under section 28(3) of the Official Information Act 1982. Details of how to make a complaint can be found at www.ombudsman.parliament.nz. You can also telephone 0800 802 502 or write to the Ombudsman at PO Box 10152, Wellington, 6143.

Nāku nā



Dr Grant Klinkum
Pouwhakahaere/Chief Executive

From: [REDACTED]
To: [REDACTED]
Cc: [REDACTED]
Subject: RE: [REDACTED]
Date: Wednesday, 2 June 2004 9:03:38 AM

Hi [REDACTED], PA has not indicated that they enrol international students aged 11-13 years and they have not made application.

[REDACTED]

-----Original Message-----

From: [REDACTED]
Sent: Tuesday, 1 June 2004 6:32 p.m.
To: [REDACTED]
Cc: [REDACTED]
Subject: RE: [REDACTED]

Yes if the child is under 13 there are different rules depending on if parents are present or not. For more precise info check the website and I'll refer you to [REDACTED] for better guidance [REDACTED]

[REDACTED] there appears to be several children at Phenomena have we had any response from them re young kids stuff. can also advise [REDACTED] re code requirements for kids ta [REDACTED]

-----Original Message-----

From: [REDACTED]
Sent: Tuesday, 1 June 2004 15:21
To: [REDACTED]
Subject: RE: [REDACTED]

Hi [REDACTED]

Sorry to be a pain but I think the short hand nature of your email is getting in the way of my limited understanding of the issue.

What does "then those aspects of the code come into play" mean. I'm sure the COP for Int Students doesn't contemplate any student being in NZ with their parents.

Cheers

[REDACTED]

>>> [REDACTED] > Tuesday, 1 June 2004
12:59:11 p.m. >>>

yes we are still interested, are the code requirements being met? If they are with their parents then those aspects of the code come in to play

[REDACTED]

-----Original Message-----

From: [REDACTED]
Sent: Tuesday, 1 June 2004 09:51
To: [REDACTED]
Subject: RE: [REDACTED]

Thanks [REDACTED]. Just to clarify, re under 18s, does this mean we have no interest, from an "educational" point of view, in what the under 18yo residents of Phenomena are doing (those here from overseas, not domestic).

T

>>> [REDACTED] > Tuesday, 1 June 2004

7:39:36 a.m. >>>

[REDACTED] a better Health contact may be [REDACTED] and phenomena is registered for under 18's [REDACTED]

-----Original Message-----

From: [REDACTED]

Sent: Monday, 31 May 2004 14:32

To: [REDACTED]

Cc: [REDACTED]

Subject: Fwd: [REDACTED]

FYI

I propose to thank [REDACTED] for her email and say that we are unable to comment on the progress of any investigation until it is complete.

I will do that on Tuesday monring, so if anyone disagrees, let me know before 9am Tuesday.

Note that it now appears that TV3 is the entity doing the documentary.

Cheers

[REDACTED]
NZQA

>>> [REDACTED] > Monday, 31 May 2004 1:19:25

p.m.

>>>

Dear [REDACTED]!

I just wanted to ask you, how are the things developing. I wanted to give you an information about [REDACTED], who lives now in Te Anau. We talked two days ago and I think she would be ready to tell how much money she gave to Wang, (about 100 000 DEM).

E-MAIL: [REDACTED]

The problem is she was brain washed and she really believes that she made a good development, because she suffered so much. She said that winning the DIPLOMA OF PA, means everything to her, because it shows, she can handle so many bad situations. [REDACTED] supposed to have opened credit cards too, but she said, she never believed completely in the end of the world, so she managed to cover the minus, all the time.

How is the investigation about credit cards going on? Are the things as I informed you or I have made false statement?

The problem is that some students can't see the manipulation Wang used it on them. They would always loook for excuses to protect Wang. Anyway, [REDACTED] told me, that Wang would left them completely alone at PA, sometimes also for half of the year. She said that probably now, that this investigation goes on in New Zealand, she might not come back for a long time. That is why is important to cooperate with international police. She has enough money to completely disapear if she wants, you know.

The man who sent you his Statement, [REDACTED], had an uncle who shoot himself in the head after

coming from Aiping Wang's session. She managed to persuade him that he has the devil inside him. You can contact him about that, through [REDACTED], because he doesn't speak English. He also knows about other suicide in the Wang process, this man hung himself, after going to Shen Qi sessions.

I have also informed about activities in PA, Miss [REDACTED], who is the Mayor of Suothern District and was also made believed by Miss Wang that everything is being perfect there. Her e-mail is: [REDACTED]. She is the person, mentioned in [REDACTED] statement, that would come to PA and everything would be played for her, just to get her support for Aiping Wang's activities.

[REDACTED], the daughter of [REDACTED], who died lives now in Invercargill and she decided to give statement about Wang to TV3, who is doing the documentary now.

Mr. [REDACTED], can you help me with letting me know, if we have enough proofs for suing Miss Wang?

Hope to receive your reply soon,
Yours faithfully,
[REDACTED]

Lieblingssong auf's Handy laden oder Display aufpeppen * bei MSN gibt's jetzt auch polyphone Klingeltöne & farbige Logos! Hier klicken

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[REDACTED]
[REDACTED]
SLOVENIA

Tel: + [REDACTED]

Ljubljana, 06.04.2004

The subject: CRIME BEHIND PHENOMENA ACADEMY

Beneath signed [REDACTED], born on the [REDACTED] I want to give you notice about activities of the founder and owner of Phenomena Academy, Te Anau, New Zealand. I was a student of **Miss Aiping Wang /Fuellep** since the end of 1998 until 2002 in Maribor, Slovenia.

During this time I was a witness and victim of her so called spiritual- advanced training. Her method back then was called **Shen QI**. She charged us with enormous amounts of money, promising big results in the bright future.

Proofs of her crime:

- The children of the parents who follow Miss Wang are staying without Primary Education. When **New Zealand Qualification Authority (nzqa)** comes to check the activities of Phenomena Academy they hide the children, who usually work in the kitchen or in the farm at least 8 hours per day, 7 days a week. Normally they work since 7 in the morning until 20 in the evening.
- All her students/workers work for free. They are not allowed to leave the Centre during working time, that means **never**, because they work all the time. They were told not to contact with the society. That's why it's impossible to talk to them, neither they respond e-mails. This is not an Educational Institution but Slave-working Community. When they need hygienic preparats they have to pay 13- times regular price for the organised trip to the nearest town, most of them can't afford that, so they buy for them.
- Her students were forced to give her money, since they allready gave her all their possession, they under constant pressure for more and more money invented a **credit card fraud**, where they applied to various Newzealand banks for credit. Once the credit limit is reached the students applies for another credit card to pay the debt on the previous one. Since they are all without regular job, there is no way to repay back the debts they have created.
- They make **illegal interventions into the natural resort** which TE KARO LODGE represents. The environmentalists would shook their heads if they would know what they are practising there (digging the gravel out of the river (for building and roads), cutting up the woods, making illegal roads, unqualified people (also women) are driving around with bulldozers). Now they want to practise tourism for big money and high society only. (Example can be seen in London's Energy Bank).

- Some students run away from the Phenomena Academy, completely without the money. They are all afraid of her. They think she can read their minds. In fact she is just observing them with field glasses and inspecting their rooms. (Violating Human Rights for Privacy). These students now wonder around New Zealand, because they don't have money for airplane tickets. If they would come back home only problems are waiting for them: debts, unfinished faculties, destroyed families, ... They have listen everyday how bad the society is, so they would need a special treatment to be able to assimilate again to normal life. People go to Phenomena Academy- pay a lot for the study and disappear! There is **no legal registration of the students of Phenomena Academy**.
- Together with her husband Saša Fuellep from Croatia, her daughter Lele Sun and her husband Zdeslav they run Phenomena Academy, Energy Cliniques, Energy Bank and they posses halls in London, Hamburg, Luzern, Ljubljana, Zagreb and in Te Anau. When her husband had ideas about »The End of the world«, they used to do **emergency measures**, in 1999 they also imported weapons, why, don't ask me that.
- There is **no visit allowed** without permition of the Wang's family which is impossible to get. You can only come there if you are willing to pay thousands of €. I think other option is court order. When **nzqa** comes to do the inspection, somebody has to open the gates for them, meantime they change and hide things and people.
- When workers get injuries by the work they don't go to the doctors. Some of them are **seriously sick** (cancer, having excrescence on their eye, a baby was born a bit handicaped...)- they would all need special care not extra work.
- When I was robbed of my money, energy and all the possibilities for better life they mercilessly told me to go away, because I don't have abilities (read money, nor energy to be able to get work and earn it) to follow her training anymore. They absolutely don't care about the victims they leave behind. They are just looking for more and more candidates for her Academy. This shows now in agents who get payed if they find another client, read victim.
- She is selling good results, after ten and more years of hard training there are only victims.
- They charged us thousands of €, but they never gave out **not even one bill**. We always payed in cash, mostly in advance. All the big business is completely hidden on the secret bank accounts Fuellep/ Wang family members possess in Hong Kong (tax free). Tax inspector would have something to investigate. Especially because Miss Wang doesn't care about the rules of the society.
- Miss Aiping Wang/Fuellep has a criminal file in Slovenia, she was prosecuted, because she said to three young people with cancer not to take medicines. They died during visiting her process, the court couldn't prove her nothing.

Please if you see anyway you could stop her activity and help us, let us know. We are a group of five heavily abused victims and witnesses of Miss Aiping Wang /Fullep criminal activity.

Thank you very much.

Sincerely Yours,

[REDACTED]

[REDACTED]
Slovenia

Tel.: [REDACTED]

Ljubljana; 02.04.2004

**SUBJECT: BEING ROBBED AND DECEIVED BY THE PHENOMENA
ACADEMY, TE ANAU, NEW ZEALAND**

Beneath signed [REDACTED], born on the [REDACTED] in Slovenj Gradec, I took participation in the spiritual process of Phenomena Academy in the years 1999 until 2002. In this period of time I was a witness and victim of many criminal actions of Shen Qi process. Because of that I have terrible consequences, spiritual, financial and especially emotional.

I don't know who gave **Miss Aiping Wang /FUELLEP** permission to establish the Academy? None of the teachers/ farm workers there are qualified to do such job, especially not Miss Wang who can't oversleep in the country of Slovenia, because she has a criminal file! All the students of Phenomena Academy are actually her workers who work for free on her farm. They **gave all their property to her (it was worth millions of \$)** and this is the only unique training and education that Phenomena Academy offers!!!

Phenomena Academy has pure material orientation. We have another witness [REDACTED] who was almost one year a »student« of **Phenomena Academy in Te ANAU, New Zealand**. After that time [REDACTED] managed to escape from that place, without money and power. [REDACTED] comments are: bad or no food, sleeping in working huts with a group of people, working up to 16 hours, sometimes even more, in all weather conditions. The most of the time their work were **prohibited interventions in the natural reservation**, which TE KARO LODGE represents. Now they want to sell touristic activities, does this resembles to an Academy?

Miss Aiping Wang/ Fuellep favourite comment about their students is: »**Chickens with low abilities**«. She supposed to be the **Founder and the major Professor** at her Academy!

All the children on Ta Karo are staying without needed and necessary Primary education. This is a violation of the Human Rights.

How many people she fools now on TE KARO that they will be **DEAD CORPS** if they leave Phenomena Academy? How many people lost all their property because of Miss Aiping Wang? Now they work as spiritual slaves on different international locations where she set up **Shen qi slave centres to collect money** for her and her family? As it is obvious, that **she is fooling and manipulating people in order to get**

access to their financial properties it's my duty to inform all the people in order not to be deceived as I was and to avoid big problems that I 've got. For further informations, contact me, please;

With all the respect,





NEW ZEALAND QUALIFICATIONS AUTHORITY
MANA TOHU MĀTAURANGA O AOTEAROA

13 October 2004

Ms Sarah Dujmovic
General Manager
Phenomena Academy
PO Box 225
TE ANAU

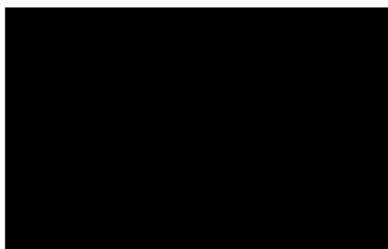
Dear Ms Dujmovic

**Appeal to Appeals Committee of New Zealand Qualifications Authority
by Phenomena Academy**

I enclose the decision of the Appeals Committee in the appeal by Phenomena Academy against the decision of the New Zealand Qualifications Authority on 13 August 2004 to withdraw Phenomena Academy's accreditation.

The Appeals Committee has decided to dismiss the appeal. As a result, all of Phenomena Academy's accreditations are withdrawn, with effect immediately.

Yours sincerely



**Chair
Appeals Committee
New Zealand Qualifications Authority**

IN THE APPEALS COMMITTEE
OF THE NEW ZEALAND QUALIFICATIONS AUTHORITY

In the matter of an appeal by Phenomena Academy against a decision to withdraw accreditation under section 259 of the Education Act 1989

Appeals Committee: [REDACTED]
[REDACTED]

Hearing: 6 October 2004

Attendances: Ms Sarah Dujmovic for the appellant, [REDACTED]
[REDACTED]

DECISION
13 October 2004

The appeal

1. This is an appeal by Phenomena Academy ("the Academy") to the Appeals Committee ("the Committee") of the New Zealand Qualifications Authority ("the Qualifications Authority"). The Academy is appealing against the decision of the Qualifications Authority dated 13 August 2004 to withdraw the accreditation of the Academy to deliver approved courses pursuant to section 259(6) of the Education Act 1989 ("the Act"). The Qualifications Authority made that decision after issuing a notice to the Academy dated 22 July 2004 under section 259(5) of the Act, and considering a submission made by the Academy dated 1 August 2004 in response to the notice.
2. The Academy lodged its notice of appeal dated 8 September 2004, setting out the grounds for its appeal. As a result of the appeal being lodged, the withdrawal of accreditation has not taken effect pending the determination of the appeal.

3. In accordance with the appeals process, the Approvals, Accreditation and Audit Group ("AAA") in the Qualifications Authority prepared a summary paper and a file of relevant information. These were provided to the Committee and the Academy. The Academy lodged a bundle of documents, with a report.
4. The Academy sent an email dated 28 September to the Qualifications Authority, seeking further information about interviews that had been conducted by AAA of students attending the Academy. That information was provided to the Academy by email on 30 September 2004. The Academy provided a document entitled "Interview with 4 students at Phenomena Academy" to the Qualifications Authority by email on 4 October. All of these documents were provided to the Appeal Committee.
5. A hearing was held by the Committee on 6 October 2004. The Academy was represented by Ms Sarah Dujmovic, manager of the Academy. Also in attendance were [REDACTED].
6. Oral submissions were made at the hearing by Ms Dujmovic, Ms [REDACTED]. In addition, the Committee was provided with the course approval applications for the two courses currently provided by the Academy: Life Design Foundation Course, and Life Consultancy Training Course.
7. After the hearing, the Committee was provided with the course approval application for the Diploma in Life Technology and Diploma in Advanced Life Technology, which are courses the Academy intends to begin shortly. The Committee also received transcripts of three sessions at the Academy, entitled "What is energy?", "Happiness" and "Health".
8. In reaching its decision in this appeal, the Committee has considered all of the information provided to it in the documents and by way of oral submissions.

The Academy

9. The Academy is a private training establishment ("PTE"), which was registered under the Act on 29 September 1999. Its owner is Ms Aiping Wang. It operates at Te Anau at a place called Takaro Lodge. The Academy currently has about 30 students. They are all overseas students. Most of them are from Croatia and Slovenia.

10. The Academy has been accredited under section 259 to deliver the following approved courses:
 - (a) Life Design Foundation Course;
 - (b) Diploma in Life Consultancy Training;
 - (c) Energy Instructor Training;
 - (d) Diploma in Life Technology; and
 - (e) Diploma in Advanced Life Technology.
11. Currently, the Academy is only providing the Life Design Foundation Course, and the Diploma in Life Consultancy Training. The Academy intends to replace these courses with the two newer courses, Diploma in Life Technology, and Diploma in Advanced Life Technology. We will deal with the content of the Academy's courses later in this decision.
12. The Academy is also accredited to assess against Unit Standards contained within the following Domains of the National Qualifications Framework:
 - (a) Domain: Self-Management (Level 2); and
 - (b) Domain: Social and Co-operative Skills (Level 2).

Events leading to withdrawal of accreditation

13. In about April 2004, the Qualifications Authority received complaints from a number of persons making various allegations against the Academy. As a result of those complaints, the Qualifications Authority issued a notice under section 237 of the Act to the Academy, notifying that the Qualifications Authority was considering cancelling the Academy's registration. This notice was later revoked, after the Qualifications Authority had considered the Academy's submission in response. However, another section 237 notice was issued on 18 May 2004, as a result of further complaints. Officers from AAA also conducted a site investigation of the Academy, to investigate the allegations that had been made against the Academy, including whether the Academy was complying with Quality Assurance Standard for PTEs, GTEs and Wananga ("QA Standard One").

14. QA Standard One contains the policies and criteria established by the Qualifications Authority under section 253(1)(e) of the Act for the accreditation of PTEs to provide courses of study and training. Under section 259A of the Act, every accreditation is subject to the condition that the PTE will at all times comply with the relevant policies and criteria established by the Qualifications Authority under section 253(1)(e) (ie QA Standard One), unless exempted.
15. The site investigation by AAA was conducted on 29 June 2004. There was also an officer from the New Zealand Immigration Service to conduct student interviews, check passports, and interview management on issues relating to immigration policies and procedures. There was also an Occupational Safety and Health Inspector from the Department of Labour to investigate health and safety matters.
16. The AAA officers interviewed 24 students. A translator was provided by the Academy when necessary. Ms Dujmovic was also asked questions and to provide information.
17. As a result of the site investigation, it was decided that the allegations giving rise to the issuing of the section 237 notice in May were unfounded. Accordingly, that section 237 notice was lifted.
18. However, during the site investigation, the AAA officers discovered other matters which led to the issuing of:
 - (a) the notice under section 259 dated 22 July 2004 giving notice of grounds for withdrawing accreditation (“section 259 notice”); and
 - (b) a compliance notice under section 255A of the Act regarding the provision of medical and travel insurance. This notice was lifted after the Academy provided the information required by the compliance notice.
19. The section 259 notice stated that information gathered in the site visit indicated to the Qualifications Authority that there may be reasonable grounds for the withdrawal of accreditation under section 259(6) of the Act. It stated:

“Specifically, evidence indicates that Phenomena Academy has not offered definitive assurance of compliance with the following sections of QA Standard One:

1.2.3 Physical and Learning Resources

The Provider has adequate and appropriate physical and learning resources to achieve its goals and objectives.

- There is no indication of the nature or availability and provision of learning resources to students.

1.2.5 Development, delivery and review of programmes

The Provider adequately and appropriately designs, develops, delivers and reviews its education and training programmes consistent with its goals and objectives.

- There is no indication of stakeholder input and the ongoing involvement of independent sector support.
- There is no indication of a clear and comprehensive methodology, which would demonstrate how course outcomes / objectives are to be achieved by students. Students are not provided with any documentation outlining modules, outcomes or course timetables.
- There was insufficient evidence relating to the monitoring and evaluation of courses, including stakeholder satisfaction.

1.2.6 Assessment and Moderation

The Provider has adequate and appropriate systems of assessment and moderation for assessing learners against the expected outcomes of programmes.

- There is no indication that Phenomena Academy has an adequate and appropriate system / process in place, which would offer a comprehensible assessment of students in relation to stated course outcomes.

- There is no evidence of a moderation process to ensure consistent and fair assessment takes place.
- There is minimal semblance between actual assessment and moderation activities and those stated in Phenomena Academy's Quality Management System, and course approval application documentation.

1.2.7 Notification and Reporting

The Provider adequately and appropriately reports on learner achievement.

- Student records and progress reports were incomplete and students themselves were unclear as to what they had achieved as far as course objectives were concerned. They were not able to state what they still had to cover to complete their course or what they had achieved to complete previous courses."
20. The section 259 notice invited a submission from the Academy, as required by section 259(5).
 21. The Academy responded by letter dated 1 August 2004, which enclosed documents described as:
 - (a) a "Report for NZQA in response to letter of 22 July 2004 re accreditation";
 - (b) client feedback;
 - (c) media feedback;
 - (d) review of Shen Qi Instructor course after first year (now known as Energy Instructor Course);
 - (e) interim review of Diploma in Life Consultancy;
 - (f) Course Evaluation – Diploma in Life Consultancy;
 - (g) a set of documents used for moderation and guidelines for assessments for the Diploma in Life Consultancy;

- (h) a set of recent formal assessments for the Diploma in Life Consultancy;
 - (i) examples of recent informal assessments on student health;
 - (j) Phenomena Academy diary entries relating to course delivery and assessment (December 2002 to the present);
 - (k) a sample of the new student file for the Diploma in Life Technology, covering assessment, student goals and course information.
22. The Qualifications Authority considered the information provided by the Academy, and decided that it did not satisfactorily allay the concerns of the Qualifications Authority. By letter dated 13 August 2004, the Qualifications Authority informed the Academy of its decision to withdraw accreditation of the Academy.
23. The Academy, through its solicitors, sought further information about the Qualifications Authority's decision to withdraw accreditation. By letter dated 31 August 2004, the Qualifications Authority provided its analysis of the Academy's submission in response to the section 259 notice.
24. The Academy lodged its appeal by letter dated 8 September 2004. We deal with each of the Academy's grounds of appeal in turn below.

Ground 1

25. The first ground of appeal in the Academy's notice of appeal is that "The decision to withdraw [the Academy's] accreditation has not been consistent with other decisions made previously."
26. The Academy made a number of submissions in support of this ground. Some of the submissions may be summarised as follows:
- (a) The Academy has undergone a number of procedures with AAA in the past five years, including applying for registration, having five courses approved, obtaining accreditation, three audits, and one visit by an evaluator prior to registration. These procedures involved a number of officers of the Qualifications Authority.

- (b) In every case every where information was missing or inadequate, the Academy was given details of what was necessary to rectify the problems, and time to comply. The Academy complied each time.
 - (c) Auditors and evaluators have been helpful in offering help and advice on solutions to problems, and asked the Academy to provide a plan to correct the situation.
27. We do not accept the Academy's submission that the procedure followed in relation to the withdrawal of accreditation was inconsistent with past procedures, or that past procedures gave rise to a legitimate expectation that anything further should have been done before accreditation was withdrawn.
28. Each procedure that was followed in the past was appropriate for the specific situation. For example, an audit may raise concerns that require rectification, but are not of such magnitude and seriousness that they warrant the issuing of a notice under section 237 or 259, or a compliance notice under section 255A. In such cases, it is appropriate to deal with the matter in a more informal way, rather than the statutory procedure. In contrast, where the concerns are much greater and of more significance, it is proper that they be dealt with according to the applicable statutory procedure. It is in the interests of the provider that the provider is made aware, in the manner prescribed by the statute, of the issues and potential consequences of non-compliance.
29. The procedure that was followed for the withdrawal of accreditation was completely in accordance with the procedure prescribed by section 259(5) of the Act. As a result of the site investigation on 29 June 2004, the Qualifications Authority considered that there may be grounds for withdrawing accreditation. In those circumstances, section 259(5) provides that the Qualifications Authority "must give written notice" to the institution setting out the grounds on which the Qualifications Authority is considering withdrawing approval, and giving the institution a reasonable period within which to make submissions. That was done. Section 259(5)(b) then provides that, having considered any submissions, the Qualifications Authority may, on reasonable grounds, withdraw the accreditation. The Qualifications Authority did consider the submissions made by the Academy before making its decision.

30. This procedure followed the statutory requirements, in the same way that the Qualifications Authority followed the statutory requirements in relation to the two section 237 notices issued in April and May 2004, which notified the Academy that the Qualifications Authority was considering cancelling the Academy's registration. The procedures are exactly the same. The only difference in relation to the section 237 notices was that the Qualifications Authority was satisfied with the information obtained from the Academy, and a decision was made not to cancel registration.
31. Similarly, the compliance notice relating to the provision of medical and travel insurance followed the statutory requirements. The Academy refers to this compliance notice in paragraph 1(v) of its notice of appeal. A compliance notice was issued under section 255A, which requires the Qualifications Authority to give a period of time for the provider to comply. If the provider does not comply, the Qualifications Authority may take steps such as cancelling registration. However, if the provider does comply within the permitted time, there is nothing further that the Qualifications Authority can or needs to do. In the case of the compliance notice relating to medical and travel insurance, the Academy complied with the notice so no further action needed to be taken.
32. The other submissions made by the Academy in support of Ground 1 are similar to submissions made in support of other Grounds. We deal with them later in this decision.

Ground 2

33. The second ground of appeal in the Academy's notice of appeal is that "The decision is unfair and influenced by irrelevant factors."
34. The Academy's submissions in support of this ground may be summarised as follows:
 - (a) The Academy has been subjected to a malicious campaign of abuse, culminating in TV3's 20/20 programme on 5 September 2004. The programme revealed that 20/20 had contacted the Qualifications Authority very shortly before accreditation was withdrawn, and that TV3 was told by the Qualifications Authority that accreditation was being withdrawn as a result of the complaints made by a former student in another country.

- (b) The auditor in 2002 and 2003 made it clear that the Qualifications Authority is extremely sensitive about negative media attention concerning registered PTEs, particularly where foreign students are involved. The decision to withdraw accreditation was made to protect the Qualifications Authority's reputation and forestall negative impact from the programme.
 - (c) It is unfair and inappropriate to withdraw accreditation in order to prevent embarrassment for the Qualifications Authority and the New Zealand government.
35. We do not accept that the Qualifications Authority was affected by the 20/20 programme. There is no evidence to support that submission. The claim that accreditation was being withdrawn as a result of the complaints is proved wrong by what actually happened. The Qualifications Authority issued the section 237 notice in May 2004 in relation to cancellation of registration, as a result of the allegations made to the Qualifications Authority. However, the Qualifications Authority found, in the site investigation, that the allegations were unfounded, and therefore lifted the section 237 notice.
36. It is appropriate for the Qualifications Authority to be concerned about complaints and allegations about registered PTEs, whether by students or the media. It is the Qualifications Authority's function to monitor and regulate PTEs, to investigate complaints and allegations, whoever they are made by, and to take appropriate action where necessary. There are particular concerns about foreign students, because they are away from their homes, and are especially vulnerable. None of this, however, means that the Qualifications Authority will take action for the purpose of avoiding negative media attention.
37. In any event, we reconsider the grounds for withdrawal of accreditation later in this decision, and we do so without any regard for the 20/20 programme. Media coverage is not relevant to the decision that we make and we have not taken it into account.

Ground 3

38. The third ground of appeal in the Academy's notice of appeal is that "The decision is not based on all known information."

39. The substance of this ground is that the Qualifications Authority team was unfamiliar with the Academy's methodology or teaching approach, and did not understand how this methodology functions in relation to course design and delivery. The notice of appeal then sets out a number of examples which are said to support this ground.

Example 1

40. Example 1 is the following comment by AAA:

"Phenomena Academy states "transmission of knowledge takes place orally and spontaneously" therefore Phenomena Academy does not provide any documentation to students as part of their course resources.

It is unclear the exact nature of the knowledge being transmitted, how this transmission is measured and monitored for each individual student and therefore the relevance of this information in relation to course participation.

As there is no documentation, the Qualifications Authority cannot verify that the content is appropriate."

41. The Academy submits, in summary:
- (a) Transcripts of at least four sessions were provided to the Qualifications Authority, and all major sessions were recorded.
 - (b) There is a parallel with sports training or coaching, where book knowledge cannot be used as a substitute for experience. A sports trainer transmits knowledge and experience orally and spontaneously, depending on the situation and requirements of each student on the day. The range of ability in the group varies. Individuals all use the same knowledge but they apply it according to their ability and level.
 - (c) The Academy's teaching is very similar. Teaching in sessions follows student needs and questions. The same knowledge is transmitted to all students who put it into practice at their different levels. This is measured and monitored in the same way as in any classroom,

through questioning students, and through their ability to put it into practice.

42. The Academy gave the following examples from different courses:
 - (a) Life Design Foundation Course: “(Life Philosophy) provides the foundation for all other components, which use this philosophy in practice.”
 - (b) Energy Instructor Course: “(Shen Qi Philosophy) provides the foundation knowledge and understanding for all other components ... Regular practical experience helps to embed the philosophy into daily life.”
 - (c) Diploma in Life Consultancy: “Learning natural morality takes time and practice. It requires a spirit of enquiry and a willingness to change behaviour. ... Students need to learn to be very open-minded and to develop a deep sense of internal balance, so they can handle the constant challenge of putting new knowledge into practice.”
 - (d) Diploma in Life Technology: “Natural Law is taught through daily energy sessions, where students learn one key or aspect of the law each day. They are expected to practice what they have learned for the rest of the day.”
43. In the hearing, we asked Ms Dujmovic to explain to us the content of the courses provided by the Academy, its methods of teaching, and its assessment of learning by students. She described the Academy’s teaching as “energy training”, which is the opposite way of normally teaching people. She said it was based on Chinese principles, that if people have problems, they cannot achieve much. If people are happy, they learn easily. The Academy teaches these principles at the centre, to make students strong, and give them opportunities. They are taught some theory, but not, say, the theory of marketing. The students learn by doing marketing. The purpose is to teach people to do whatever they want to do.
44. Ms Dujmovic continued that the key to being an expert in life is being happy and healthy. Then a person can be a life consultant. The old courses were more about teaching students to be life consultants, the new courses are more about their natural potential. A person cannot be a good business consultant without business experience. The Academy teaches people to be

strong and help others, and also teaches a lot of morality. The goal is for people not to be selfish.

45. We asked Ms Dujmovic to explain the “energy” that is involved in “energy training”. She informed us that it is a life force. A dead person and a living person are exactly the same, apart from the energy which makes the person move. Quantum physics now understands that everything has energy, where previously it was thought that one person is matter, another person is matter, and there is nothing in between. If people do not receive energy – like every time they breathe it - they die. If people do not have energy, they cannot do things properly. This means that it is not academic education – it is training in an attitude and an approach to life. It is very easy to be positive when things are going well, but not when things are bad. The Academy trains people to be positive whatever is happening.
46. Ms Dujmovic’s description of energy training and the Academy’s methodology, as well as the information in the documentation and course approvals, indicate to us that the subject and method of teaching at the Academy do not satisfy the standards and criteria set out in QA Standard One.
47. We take QA Standard 1.2.6 as an example. This requires the provider to have adequate and appropriate systems of assessment and moderation for assessing learners against the expected outcomes of programmes.
48. It appears to be a primary goal of the course that the students are happy and healthy. However, this is not a goal that can be validly and objectively assessed as an outcome of a course of study. It is clear from the interviews that the students are very happy with their lives at Takaro Lodge in the beautiful natural setting at Te Anau. But the Academy has not demonstrated an objective, comprehensible and verifiable method of assessing which part of which course, if any, produced that outcome.
49. Nor is there any verifiable system of assessing the degree to which a student has succeeded or failed with “energy training”.
50. Another example given by Ms Dujmovic is that the new courses are more about the students’ natural potential, and the purpose is to teach them to do whatever they want to do. In order to develop that potential, the Academy provides the students with opportunities and experience; rather than

teaching, say, the theory of marketing, the students learn by doing marketing. All of this indicates that the courses provided by the Academy do not have any expected outcomes more specific than the development of a student's natural potential. Such an expected outcome is too broad to be capable of assessment and measurement in accordance with QA Standard One. Furthermore, a student's potential could be in any area, and may require practical experience in any of a wide range of fields such as marketing or business. We are not satisfied that the Academy has the resources to achieve this disparate and unpredictable variety of goals and objectives for students. This means that the Academy also does not comply with QA Standard 1.2.3, which requires the provider to have adequate and appropriate physical and learning resources to achieve its goals and objectives.

51. We consider that the expected course outcomes are too vague and unpredictable, and cannot be sufficiently linked to the actual course content. This finding is supported by the interviews of the students conducted on 29 June 2004 by AAA officers. The students did not fully understand what was required from them during their study. Some were not clear as to what course they were actually enrolled in. Others could not explain what they were learning, or where they were up to in relation to the modules as set out in the course approval application. None of the students had ever been provided with a course outline or timetable.
52. Shortly before the hearing, the Academy provided a document entitled "Interview with 4 students at Phenomena Academy", apparently to show that the students did know what they were studying, and their progress in the course. We do not accept that this document shows that the Academy achieves compliance with QA Standard One. Indeed, it confirms our view that it does not. For example, in relation to assessment, one student stated, "The main assessment for me is life experience, life situations, how I solve problems". Another student stated, "Actually your life reality is an assessment every day." On getting results, a student stated "To solve your own or someone else's problems, according to their requirement. For example, I was lost in my life, I didn't know what I wanted. But now I am clear. Through this training I realised that I want to be happy, healthy, successful – everything that makes life quality."

53. Similarly, at the hearing, Ms Dujmovic was asked how far through philosophy will a student be after he or she has been on the course for one week. Ms Dujmovic replied that, if the students do it in practice, they will reach course outcomes; it was not academic learning. She was asked whether there were touchstones of achievement; she was given an example of a plumber who, in a period of time, learned how to fix taps, but not drains. Ms Dujmovic replied that the touchstones were not the same for all students. She gave an example of some students having experience in getting divorced, but the Academy could not force them to have that experience. She said that the Academy tells students how to judge their own behaviour and learning, and at the end of it they need to be able to help. This teaching was done orally.
54. We do not consider that these are course outcomes or assessment methods which are capable of complying with QA Standard One. They are simply too vague, unpredictable, random, subjective, and dependent on other experiences that students may or may not have outside the course.
55. We have also considered the three session transcripts provided to us by AAA, which the Academy gave to AAA after the site investigation. (The Academy says that it sent four transcripts but it seems that only three were ever actually provided.) These transcripts were intended to clarify the exact nature of the knowledge being transmitted to students.
56. It is clear, at a general level, what is being taught at these sessions, although we note that the underlying system of beliefs and “knowledge” has not been subjected to external, independent moderation. There is also significant repetition, both within and across sessions. To the extent that there is a title at the top of each transcript, it is clear what is the general topic of the session. However, it is not clear which course the sessions relate to, nor is there any indication of the stage at which these particular sessions are conducted or how the sessions are connected to the course outline and expected course outcomes. Furthermore, the Academy says that, even during the “knowledge” sessions, the teacher’s main role is to help the students according to their individual levels and give them instructions according to their needs. None of the transcripts contain any evidence of such interaction, or indeed of any other kind of questioning or discussion.

57. We are not satisfied that the content of these sessions would give rise to any learning that is capable of being assessed in accordance with QA Standard One. For example, the session entitled “Happiness” refers to “The universe always creating new message” and states, on page 5:

“When you receive new message, you are automatically satisfied, confident and peaceful – you feel energized, glowing, and you feel that everything’s possible. When you receive this message, you are positive and strong and you can just be. You have more spirit, you feel fresh and more alive.

It’s automatic. Just like when you lie in the sun you automatically get a suntan. You don’t need to do anything – you just lie there and wait. Receiving new message is similar – just by getting it you automatically feel the positive effect. You don’t need to do anything special.”

58. There is no indication as to how the students are to achieve these skills and results. Nor are we satisfied that there is a valid, objective method of assessing whether, and to what extent, the students have properly received the “new message”, such that they automatically achieve the positive effect of greater happiness.
59. The Academy has submitted that the problem has been a failure by the AAA officers to understand the Academy’s methodology. We do not accept this submission. The AAA officers familiarised themselves with the all of the file relating to the Academy, including its course approvals and audits. They also spoke to a former auditor. [REDACTED] had been the case manager for the Academy for a number of years. Ms Dujmovic explained to the Committee the Academy’s subject matter and methodology. We do not think that it is a matter of misunderstanding. It is a matter of a clear incompatibility between what is actually done at the Academy and the requirements of QA Standard One. It is a statutory condition of accreditation that providers comply with QA Standard One. The Academy does not comply.
60. The inability to develop and put in practice a proper system of assessment also means that the system of moderation is inadequate. The Academy does not have a system or method for external moderation of the assessment of students, which can give assurance of objectivity and consistency in

assessment. At the hearing, Ms Dujmovic was asked whether there was a set of peers, or wider, independent college or body that could concur with the Academy's approach. She replied that there is no-one else that does exactly what the Academy does. There is merely a system of consultation with external clients, in which the Academy asks, "What do you want?" This confirms our concern that there is no independent system of objective, external moderation, which can provide a benchmark as to whether the Academy's students are achieving acceptable and appropriate outcomes.

Example 2

61. Example 2 given by the Academy in its notice of appeal is the following comment by AAA:

"Course delivery does not clearly relate to course outcomes and it is therefore difficult to see how assessments can be clearly aligned to course outcomes."

62. The Academy submitted, in summary:

- (a) There was a tension between the spontaneous delivery of the course and the formality of the described course outcomes. If one understands how energy training works, it is clear that the methodology enables students to reach the course outcomes naturally, through direct experience. As long as the students practice every day what they have learned in the daily philosophy/natural law session, they will achieve the other components of the course, according to their natural ability.
- (b) Energy training is aptly named – it is training, and it cannot be done with the intellect or on paper.
- (c) In order to resolve the problem of assessment, a rather clumsy system was developed for the Diploma in Life Consultancy, of very informal ongoing assessment, related to the development of the student's energy, with more formal final assessments directly related to course outcomes. It is difficult for people not familiar with their approach to grasp this quickly. That is the reason why the Academy developed a new approach to course design and assessment for the new courses, Diplomas in Life Technology and Advanced Life Technology.

- (d) Throughout the Qualifications Authority's analysis, the words "it is unclear", "it is not clear", "it is difficult to see" are used. These words imply that the Qualifications Authority is not clear how to interpret material presented by the Academy. This does not mean that what the Academy has presented is wrong, simply that further clarification is required.
63. We do not accept these submissions. We do not think there is a problem with interpreting or understanding what the Academy is doing. The problem is that what the Academy is doing does not comply with QA Standard One. We have looked at the course applications for the new courses, the Diplomas in Life Technology and Advanced Life Technology, to determine whether they will rectify the problems of outcomes and assessments that are inherent in the current courses and methodology. We do not consider them to be substantially different from the current courses, and give rise to the same problems. For example, there is a page entitled "Components and rationale for their selection". In the Energy Training section, it is stated:
- "In Energy sessions students learn and practice the formal positions for receiving energy, eg trust, enjoyment, happiness, peace, being open, sincerity etc. These are taught by energy transmission, which means students can immediately experience (feel and do) the position by the transmission from the teacher. This is then practiced daily so the student can master the positions for him/herself."
64. There is nothing in the document or the information provided by the Academy in its submissions which satisfies us that, for example, the Academy can satisfy QA Standard 1.2.6 which requires the provider to have adequate and appropriate systems of assessment and moderation for assessing learners against the expected outcomes of programmes. What is the expected outcome of these energy sessions? How is it determined and verified that the student is transmitting energy to achieve sincerity? How much sincerity must be achieved in order for the student to have met the standard required to pass the course? When and how will the student know? How can one student's results be compared to another student's results? How is consistency in assessment to be achieved? We have found no satisfactory answers to questions such as these, which satisfy us that QA Standard 1.2.6 will, or can, be complied with by the Academy.

65. In its response to the section 259 notice, the Academy included examples of assessment sheets for a student named [REDACTED]. We do not consider that this satisfies the requirements of QA Standard One. The assessment is too vague, unsystematic, and subjective. For example, item 4.2 sets out the task to “Discuss for one hour and demonstrate at the same time any of the following or similar topics (unprepared): energy transmission, energy flow, yin/yang balance, positive over negative, enjoyment of energy, healing, patience.” The assessment of this task is, “She is good, just should be less serious, more fun.” In our view, this kind of assessment is subjective, unreliable, and untestable.
66. The Academy also provided a sample of “Health Profiles”. We do not consider that the Health Profiles show how the students achieved any specific outcome as a result of any specific aspect of the course content.
67. The Academy relied on the fact that the courses have been approved by the Qualifications Authority. However, the courses were approved on the basis of documentation, without the benefit of the information obtained in the site investigation, which indicated significant non-compliance. There is a difference between a description in writing, and what is done in practice.
68. This is highlighted in the Course Approval Report for the new Diplomas in Life Technology and Advanced Life Technology. In the section dealing with moderation of standards, the Report states, “Consistency of assessment is an issue that should be monitored during programme evaluations and audits.”
69. In Appendix 2 of the Report, there is a comment on the topic of “Evaluation and review: The adequacy and effectiveness of the provision for evaluation and review of courses: for monitoring the ongoing relevance of learning outcomes, course delivery and course standards; for reviewing course regulations and content; for monitoring improvement following evaluation and review; and for determining whether the course shall continue to be offered.” The comment includes the statement that “Further evidence will be available from ongoing registration audits”. In other words, while a course may be approved based on the papers, the question whether the provision of the course complies with QA Standard One must be constantly assessed, based on information about how the course is actually being provided in practice.

70. We consider that the new courses are substantially the same as the old courses, such that the concerns raised during the site investigation would also apply to the Academy's delivery of the new courses.
71. Ms Dujmovic submitted that the Academy had had audits in the past, and had presented the same assessment information to the auditors. It had been acceptable to the auditors in the past, so it should be acceptable now. We do not accept that submission. An audit involves a snapshot of a provider on the day of the audit. The auditor has limited time and limited information, and must make a decision within those limitations. The Qualifications Authority must work with the best information that it has at the time. The site investigation conducted on 29 June 2004 uncovered flaws, the significance of which had not been apparent in previous audits. The student interviews raised certain concerns, and AAA then looked for other evidence to determine whether the concerns were justified or not. The information obtained, when viewed as a whole, showed that these concerns were justified, as there was systemic non-compliance with QA Standard One.

Ground 3 – further submissions

72. In support of Ground 3, the Academy also submitted that some of the questions raised by the Qualifications Authority's analysis related to the course approval process rather than accreditation, and that information relating to course approval is not relevant to withdrawal of accreditation. (Point 3(iii) in the notice of appeal.)
73. Two examples were given:
- (a) all course approval applications give detailed lists of learning resources and information, and how these resources are used as part of the course;
 - (b) all course approval applications detail stakeholder interests. The Academy was requested to develop a more formal procedure for stakeholder research following the development of the Diploma in Life Technology. This is now in development.
74. We do not agree that there is a strict distinction between matters relating to course approval and accreditation. They are clearly related and the issues overlap considerably. As shown in this case, the content and goals of the course directly affect the Academy's method of delivery, and the extent to

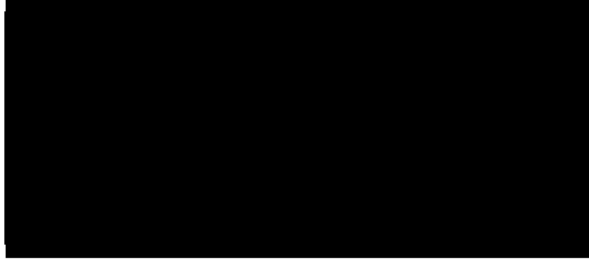
which the method of delivery can meet the standards required by QA Standard One, such as the standards for resources, stakeholder interests, valid and consistent assessment, external objective moderation of assessment, and the ability to achieve outcomes.

75. Therefore, when considering whether accreditation should be withdrawn as a result of non-compliance with QA Standard One, it is necessary to consider how the provision of the course is affected by the content of the course.
76. In relation to resources and how they were used in the course, this is set out in the course approval documents. However, the AAA officers found that, in practice, it was unclear which resources related to which course, and how each resource related to course outcomes. We agree with this finding. Further, given that desired outcomes could be so varied and unpredictable for each student, we do not consider that the Academy's resources could meet all of those outcomes.
77. In relation to stakeholder interests, the AAA officers found no indication of stakeholder input and the ongoing involvement of independent sector support. The Academy has provided some information about stakeholder input, such as a "Student course evaluation – Life Consultancy" dated March 2003. In its response dated 1 August 2004 to the section 259 notice, the Academy also set out (on the pages numbered 4 and 5 in handwriting) the type of stakeholder input that the Academy had been obtaining. This information is not satisfactory. It describes contacts with various people, but gives no indication as to how their input, if any, is incorporated into the courses, or used to develop the courses or the mode of delivery. For example, there is a list of external clients including a leading UK Shakespeare actor, and owner of the largest sausage factory in Croatia. However, there is nothing to show how their attendances at "sessions" overseas could relate to the success or failure of the courses provided by the Academy at Te Anau, or how their input has improved or otherwise affected the method of delivery at Te Anau.
78. We do not accept that the Academy complies with this requirement in QA Standard One.

Conclusion

79. For the reasons we have set out above, we dismiss the appeal by the Academy.
80. The Academy has asked us to consider whether the withdrawal of accreditation could be partial. The Academy currently has accreditation:
 - (a) to deliver the following approved courses:
 - (i) Life Design Foundation Course;
 - (ii) Diploma in Life Consultancy Training;
 - (iii) Energy Instructor Training;
 - (iv) Diploma in Life Technology; and
 - (v) Diploma in Advanced Life Technology; and
 - (b) to assess against Unit Standard criteria within the following Domains of the National Qualifications Framework:
 - (i) Domain: Self-Management (Level 2); and
 - (ii) Domain: Social and Co-operative Skills (Level 2).
81. Under section 259A of the Act, it is a condition of accreditation that a provider comply with QA Standard One. There is substantial, systemic, non-compliance with QA Standard One by the Academy, such that we are not satisfied that the Academy will comply with QA Standard One in relation to any course or Domain in respect of which it has accreditation. Accordingly, it is not appropriate to partially withdraw accreditation, and leave some accreditation in place. We find there are reasonable grounds for the complete withdrawal of accreditation.
82. All of the Academy's accreditations, as set out in paragraph 80 above, are withdrawn with effect immediately.

83. In making this decision, we have considered the impact that it will have on students of the Academy. However, with the appropriate guidance and support, the effects on students should be minimised. In any event, the Academy's accreditation cannot continue when it does not comply with the Act and QA Standard One.



 (Chair)
for the Appeals Committee

From: [REDACTED]
To: [REDACTED]
Subject: Phenomena Academy Queenstown. FYI
Date: Monday, 31 May 2004 2:18:56 PM

This morning I attended a meeting at NZQA with NZIS and Police re above Language academy. There are accusations of forced labour, immigration fraud, lack of education, lack of adequate care, a cult like culture, etc, from some former participants in this institution. It involves mainly students from Slovenia and Croatia and appears to be part of an international network. It operates as a PTE offering courses in a Diploma in Life Technology and has a close association with a much publicised spa /accommodation house in Queenstown (Takaro Lodge @ about \$750 per night). NZIS report 40-50 people registered on students visas. It is registered with NZQA and with MOE for the Code of Practice and reported about 3 students as present last year. NZQA will lead an interagency investigation into the organisation although hard evidence is difficult to find at this stage. [REDACTED] [REDACTED] will be the MOE rep on the group and will gather what is known within MOE about this organisation. NZQA have responsibility for informing Ministers etc and media management. I'll keep you posted [REDACTED]

18 May 2004

The Board of Directors
Phenomena Academy
914 Takaro Road
TE ANAU

Attention: Ms Sarah Dujmovic

Notification of grounds to cancel registration as a private training establishment

Pursuant to section 237 of the Education Act 1989 (the Act), the Qualifications Authority considers there may be grounds for cancelling the registration of Phenomena Academy as a private training establishment.

You will be aware that the Qualifications Authority recently lifted a previous notification of cancellation issued on 22 April 2004. The lifting of this notice was as a result of the submission received from Phenomena Academy, which offered the necessary assurances of compliance with section 236 (1) of the Act.

In the interim period further information has been brought to the attention of the Qualifications Authority (copies enclosed), which once again may have a bearing on Phenomena Academy's ongoing registration as a private training establishment pursuant to section 236 of the Act.

Based upon the information received, it appears that Phenomena Academy may not comply with the following section of the Act:

S236 (1) (a) The establishment is a suitable body to be registered having regard to the goals and purposes set out in the statement that accompanies the application made in accordance with section 235 of the Act.

The Qualifications Authority invites a submission from you on these matters showing how Phenomena Academy meets the requirements of the Act and urges you to provide any further information or comment, which may influence the decisions of the Qualifications Authority. Your response is required by **8 June 2004**.

The Qualifications Authority wishes to advise that failure to provide a full submission by **8 June 2004** will result in the cancellation pursuant to section 237 of the Act of the registration of Phenomena Academy as a private training establishment.

Please direct any queries to [REDACTED] telephone [REDACTED] or email [REDACTED]

Yours sincerely

Karen Van Rooyen
Chief Executive

enc

From: [REDACTED]
To: [REDACTED]
Subject: RE:
Date: Tuesday, 25 May 2004 8:13:04 AM

Thanks [REDACTED] - I am aware NZQA intends to issue notice of deregistration.

Jim

-----Original Message-----

From: [REDACTED]
Sent: Monday, 24 May 2004 3:36 p.m.
To: [REDACTED]
Cc: [REDACTED]
Subject:

Hi [REDACTED]

The following information is confidential.

- There have been some serious allegations made about the Phenomena Academy, in Te Anau.
- I attended an interagency meeting this morning involving NZQA, MOE, Police, NZIS, Human Rights Commission.
- NZQA intends carrying out an audit of the Phenomena Academy including an audit of their compliance with the Code of Practice.
- I will keep you informed of further developments.
- The likelihood of this appearing in the media is high.

Regards,

[REDACTED]

[REDACTED]

Senior Advisor
Student Support
National Operations
Ministry of Education

PO Box 1666
Thorndon
Wellington
New Zealand

DDI: [REDACTED]

email: [REDACTED]

From: [REDACTED]
To: [REDACTED]
Subject: RE: Phenomena Academy still a signatory?
Date: Wednesday, 2 November 2005 2:11:46 PM

The Qualifications Authority has withdrawn the accreditation of Phenomena Academy, although they still remain registered as a private training establishment

>>> [REDACTED] > 2/11/2005 1:26:37 p.m.

>>>

That's because ,as I understand it, they lost NZQA course accreditation but were never deregistered. They remain on the MOE EDUMIS data base

[REDACTED] - can you clarify this?????

[REDACTED]

-----Original Message-----

From: [REDACTED]
Sent: Wednesday, 2 November 2005 1:17 p.m.
To: [REDACTED]
Subject: Phenomena Academy still a signatory?

[REDACTED]
Business Advisor
Service Delivery
Immigration New Zealand
Workforce
Department of Labour

ph: [REDACTED]
fax: [REDACTED]
mobile: [REDACTED]
PO BOX 3705
Wellington

"The information contained in this document is intended only for the addressee and is not necessarily the views nor the official communication of the Department of Labour. All final/official papers which are sent from the Department will be sent by non-electronic means, on appropriate letterhead, signed by authorised personnel."

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From: [REDACTED]
To: [REDACTED]
Cc: [REDACTED]
Subject: RE: phenomena
Date: Monday, 31 May 2004 3:07:54 PM

Hi [REDACTED], yes they are approved to enrol students under 18 years. I am not sure how many international students are enrolled though. NZIS may have this information. [REDACTED] may also have this information on edimus (he may collect it when collecting the levy). I have just tried to contact him but his phone is busy.

[REDACTED]

-----Original Message-----

From: [REDACTED]
Sent: Monday, 31 May 2004 2:23 p.m.
To: [REDACTED]
Cc: [REDACTED]
Subject: phenomena

[REDACTED] can you confirm if above have signatory status for under 18's? [REDACTED] And any info on the number of students they have indicated they may have ta [REDACTED]

From: [REDACTED]
To: [REDACTED]
Subject: FW: Phenomena Academy - COP info
Date: Friday, 11 March 2005 11:10:02 AM

FYI

[REDACTED]
Advisory Officer, Code of Practice
Ministry of Education
Ph [REDACTED]
Fax [REDACTED]

-----Original Message-----

From: [REDACTED]
Sent: Friday, 11 March 2005 11:06 a.m.
To: [REDACTED]
Subject: FW: Phenomena Academy - COP info

Hi [REDACTED]
From [REDACTED], NZQA Auditor for Phenomena Academy. I shall get in touch with [REDACTED] to see if she would like a new set of examples to help her with updating her Code application.

Kind regards

[REDACTED]
Moderator, Code of Practice
Ministry of Education

PHYSICAL ADDRESS	POSTAL ADDRESS
Level 4	Private Bag 47 911
39 - 45 College Hill	Ponsonby
Ponsonby	Auckland
Auckland	

Direct Dial: [REDACTED]
Fax: (09) 374 5402
Email: [REDACTED]

-----Original Message-----

From: [REDACTED]
Sent: Friday, 11 March 2005 10:27 a.m.
To: [REDACTED]
Subject: RE: Phenomena Academy - COP info

Hi [REDACTED]

I have just returned from Phenomena Academy and the COP report will be forwarded to you in due course. They have no students at present as their accreditation to deliver approved courses was removed last October. They are seeking new course approval and accreditation.

Their set-up is accommodation on-site only (due to their remote location), in the form of apartments ("boarding establishment" under the Code). The contact person is [REDACTED] (not sure of last name, sorry, but you can check with the manager, Sarah Dujmovic). They are building a new accommodation block at present, which will house 28 students in 7 apartments, with one bathroom per four people.

If they regain accreditation and are permitted to enrol international students again, this will not be for some

time.

For any questions about Phenomena Academy in the future, please contact their auditor, [REDACTED]:

Thanks [REDACTED]

Kind regards

[REDACTED]
Quality Auditor
Approvals, Accreditation & Audit
New Zealand Qualifications Authority
Level 15, 125 The Terrace
P O Box 160, Wellington
Ph [REDACTED]

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From: [REDACTED]
To: [REDACTED]
Subject: FW: Fwd: Phenomena Academy
Date: Wednesday, 7 April 2004 5:40:27 PM
Attachments: [REDACTED]

fyi [REDACTED] are they signatories

-----Original Message-----

From: [REDACTED]
Sent: Wednesday, 7 April 2004 16:00
To: [REDACTED]
Cc: [REDACTED]
Subject: Re: Fwd: Phenomena Academy

Thanks [REDACTED] - oh dear

[REDACTED]
Senior Education Private Secretary
Office of Hon Trevor Mallard
Minister of Education
Parliament Buildings
WELLINGTON
PH 64 4 471 9866
FX 64 4 495 8448

To receive Trevor Mallard's education newsletter "Wise Up" click here:
<http://list.beehive.govt.nz/mailman/listinfo/wiseup-releases>

"[REDACTED]"
[REDACTED]
[REDACTED]
07/04/2004 03:45 pm cc: [REDACTED]
Subject: Fwd: Phenomena Academy

Kia ora [REDACTED]

Just a heads up.

We have received this complaint from a former "student" of Phenomena Academy.
We have instigated an investigation into the complaint, as some quite

serious accusations have been made including:

1. children not attending school and working in the kitchens for 8 hours a day;
2. Credit card fraud;
3. tax evasion;
4. storing guns for the "end of the world";
5. digging up conservation land without permission;
6. human rights ignored etc.

At this stage, we are not too sure whether this is a crank complaint. We have decided to treat it seriously and investigate. At this stage we are planning to contact the key government departments that have responsibility for each of the above areas and get them to commence an investigation.

This PTE has received media attention in the past. We are concerned that a copy of the attachment has been sent to [REDACTED]. We are not too sure if it has gone anywhere else at this stage. We are trying to contact [REDACTED] to let him know that we view this seriously and are investigating. Ironically there are very few [REDACTED] - mainly middle Europeans attending.

Will keep you informed of developments - but is classic media fodder.

Let me know if you require any further information.

Hei konei ra

[REDACTED]

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----- Message from [REDACTED] > on Wed, 07 Apr 2004
14:40:53 +1200 -----

To: [REDACTED]

Subject: Phenomena Academy

(See attached file: [REDACTED])

From:

To:



Subject:

CoP

Date:

Wednesday, 8 March 2006 2:52:41 PM

Dear 

This is just to confirm our telephone call a few minutes ago that we would like to remove Phenomena Academy from being signatories to the Code of Practice for the Pastoral Care of International Students, as we are not planning to have any international students for at least the next year.

Thanks

Sarah McCrum (Dujmovic)

4 October 2004

Ms Sarah Dujmovic
Manager
Phenomena Academy
PO Box 225
TE ANAU

Dear Ms Dujmovic

Compliance Notice Outcome
Reference: 380301

I am writing to you regarding the Compliance Notice issued to Phenomena Academy on 13 August 2004 in relation to compliance with the Qualifications Authority Quality Assurance Standard for PTEs, GTEs and Wananga (QA Standard One).

The Authority has considered your submission and as a result requires further information regarding student files and student data held by Phenomena Academy. To meet this request, the Qualifications Authority requires that you:

1. Provide FULL copies of all student files. This would include enrolment forms, contact details, receipts for any funds paid, records of student progress and any other information held on each individual student's file.
2. Provide all information that you hold on your systems regarding student information including assessment records, student progress reports, and any other data held for each individual student as listed in your response dated 25 September 2004.

The information must be supplied by **Monday 18 October 2004**.

Yours sincerely

Karen Van Rooyen
Chief Executive

14 July 2004

Sarah Dujmovic
The Manager
Phenomena Academy
PO Box 225
TE ANAU

Attention: Sarah Dujmovic

Outcome of evaluation of submission regarding cancellation of registration

Reference: 261101

Further to our letter of 18 May 2004 notifying you that the Qualifications Authority considered it had grounds to cancel your organisation's registration as a private training establishment, I now write to you regarding the outcome of our evaluation of that submission.

The Qualifications Authority has considered your submission and as a result is satisfied that Phenomena Academy is compliant with section S236 (1) (a) of the Education Act 1989 (the Education Act), specifically, that the establishment is a suitable body to be registered having regard to the goals and purposes set out in the statement that accompanies the application made in accordance with section 235 of the Education Act.

Please direct any queries to your Quality Auditor, [REDACTED]
[REDACTED]

Yours sincerely

Tony Davies
Acting Chief Executive

MEMORANDUM

DATE: 23 June 2004

TO:

[REDACTED]
[REDACTED]

FROM:

[REDACTED]

SUBJECT: Phenomena Academy

Thank you all for attending the meeting this afternoon.

Update

NZQA

- further communications received from [REDACTED]
- two new testimonials received
- Sec237 response received
- [REDACTED] phoned re TV3 undercover visit
- letter sent 21 June 04 (and faxed) re visit

MOE

- investigated levy: Phenomena has paid for 5 students
- not in line with information that there are up to 50 students attending
- letter presented at meeting. Agreed that letter would be sent today with an additional paragraph re “failure to do so...”
- recommended that the formula in the letter be based on \$88,888 as set out in their letter of offer for the course

NZIS

- Translators: identified 3 croatian and 1 slovanian – not all are court approved
- It is preferable that we use recognised translators, but if not available then will use what is available
- Note that we are dealing with a group of people who have very different cultural and environmental experiences to most Nzers. Could be dealing with emotional, volatile and potentially dangerous situations.

Scope for Interagency Visit

Tuesday 29 and Wednesday 30 June 2004-06-23

The team will consist of:

██████████ *Lead Auditor*

Covering specific areas of the Quality Assurance Standard One

- Personnel (adequate teaching and subject knowledge, assessment and moderation expertise, appraising staff performance)
- Physical and Learning Resources (quality and quantity of resources)
- Learner Information, Entry and Support (providing required information pre enrolment, ongoing support)
- Development, delivery and review of programmes (stakeholder input and ongoing involvement, appropriate content, resources and learning activities, delivering to meet learner needs, monitoring and evaluation of courses including stakeholder satisfaction)
- Assessment and Moderation (processes, methods, evidence, internal moderation, external moderation, reassessments and appeals)
- Notification and Reporting (student records, progress reporting to students, archiving of learner achievement)

██████████
Covering specific areas of the Code of Practice for Providers who enrol International Students

- Pastoral care and welfare
- Accommodation and Food
- Medical and travel insurance

OSH representative (tbc)

Covering all Health and Safety components, in particular

- working conditions
- operating dangerous equipment
- exposure to and use of chemicals
- legal requirements when operating dangerous equipment

████████████████████ (NZIS)

Conducting student interviews, checking passports and interviewing management

NZQA Manager and Auditor 2 (NZQA)

Conducting student interviews, interviewing management

Translators (x2)

Assisting with student interviews

Student Interviews

There are a number of areas which need to be addressed during the student interviews. These are:

Learner expectations

- what information did they receive before they came
- why are they here?
- What did they think the course was about?
- Has the course met their expectations?
- What did they expect to receive when they got there (accommodation, food, course content, delivery)

Freedom of association and movement

- can the learners leave the premises at will
- can they interact with external people (ie: neighbours, township)
- how do they access town facilities? When?

Working conditions

- what work do they do
- how many hours do they work
- how many days per week do they work
- are they trained to use special equipment
- is the environment they work in safe
- what access is there for health care if there is an injury or illness

Money

- what have they paid? What was it for
- did the fee cover all expenses
- what other costs have there been that they were not aware of before coming to the academy
- what documentation do they have re what has been paid, what is still to pay
- what do they think they were paying for

Course delivery

- what course material do they have
- what is the course “schedule”
- what have they learnt
- how have they been assessed
- what feedback do they get on progress
- can they appeal a result

Welfare and Safety

- where are they staying
- how many others are in their room (names)
- what do they eat? When
- have they had any negative experiences during the “sessions”
- have they had any positive experiences during their time at the academy
- what changes when government come to visit

These interview questions will need to be refined and developed by the two interview teams. It is suggested that these questions be used as a base and that each student be asked approximately 6 questions during a session.

Each session is planned to take at least 30 minutes. It is expected that each team will get through approximately 9 interviews on the day.

Timetable

	Monday	Tuesday 29 June 2004						Wednesday 30 June 2004	
		8-10.30		11-12.30		1.00-6.30		9.00-11.00	12.30
		Personnel Tutor interviews		Learner info Notification/ Reporting		Course delivery Resources Assessment/ Moderation		Further investigation if required Management interviews	
		Accommodation		Insurance		Pastoral Care and Welfare		Management interviews	
OSH		H&S		H&S		H&S			
NZQA Manager		interviews (team 1)		interviews (team 1)		interviews (team 1)		Further interviews if reqd	
		interviews (team 1)		interviews (team 1)		interviews (team 1)		Management interviews	
Translator 1		interviews (team 1)		interviews (team 2)		interviews (team 1)		Further interviews if reqd	
Auditor 2		interviews (team 2)		interviews (team 2)		interviews (team 2)		Further interviews if reqd	
		interviews (team 2)		interviews (team 2)		interviews (team 2)		Management interviews	
Translator 2		interviews (team 2)		interviews (team 2)		interviews (team 2)		Further interviews if reqd	
	Pre Visit Debrief		Break		Lunch Break - progress brief		Dinner Debrief back at Te Anau		Lunch debrief and reporting back at Te Anau – then HOME

Contingency Planning

Risk: NZQA advise Phenomena on Monday morning of the intended visit.
Phenomena declines to cooperate (unavailable, not suitable, etc).

Contingency Action

- advise Phenomena that this is not an option, the team IS arriving on Tuesday
-

Risk: Weather means that team cannot access Phenomena.

Contingency action

- rent 4-wheel drive vehicles with chains
- check long range weather forecast

Risk: Team arrives on Tuesday morning and access is not granted.

Contingency Action

Deregistration notice is issued.

Risk: Team arrives on Tuesday morning. Extent of audit causes a defensive reactions from Phenomena and they become un-cooperative.

Contingency Action

Team withdraws and deregistration notice is issued.

Risk: Learners become aggressive and/ or violent during interviews.

Contingency Action

Team withdraws, and reports to Te Anau Police immediately by phone or in person.

22 July 2004

The Minister of Education

The Associate Minister of Tertiary Education (Tertiary Education)

**PHENOMENA ACADEMY TE ANAU: INVESTIGATION OF
ALLEGATIONS: SITE VISIT OF 29 JUNE 2004 AND FLOW ON ACTIONS**

PURPOSE

1. This submission provides a further briefing on the response to a series of complaints about Phenomena Academy, Te Anau ("Phenomena") received by the Qualifications Authority. It updates information in submission S3-244 of 28 June 2004 on the preliminary indications of the site visit to Phenomena, which took place on 29 June 2004.

BACKGROUND

2. Phenomena training is based on a belief in personal "energy" fields, drawing on ancient Chinese belief systems. It is run by a husband and wife formerly from Croatia and China respectively, who have obtained NZ citizenship. Phenomena is an international organisation which operates centres in UK, Switzerland, Germany, Croatia and Slovenia. There are apparently regular televised link ups between Te Anau and these other sites where the spiritual leader addresses students.
3. Phenomena was registered in 1999 and since that time has obtained course approval/accreditation for the following local courses:
 - Energy Instructor Training;
 - Life Consultancy Training;

- Life Design Foundation Course;
- Diploma in Life Technology; and
- Diploma in Advanced Life Technology.

Qualifications Authority/Department of Labour investigation visit conducted 29 June 2004

4. On 29 June 2004, following the preliminary consideration of the serious allegations received, and the preparatory activities (detailed in Submissions S3-207 and S3-244) staff of the Qualifications Authority, and the Department of Labour¹ visited the Te Anau site, accompanied by a Slovenian-speaking interpreter.
5. The investigation visit, which was undertaken with advance notice to Phenomena Academy, involved extensive student interviews, and examination of student records.

Department of Labour concerns

6. Minor Occupational Safety and Health (OSH) non-compliance was identified during the visit, and was formally drawn to the attention of Phenomena management. The immigration status of all foreign residents at Phenomena was found to be correct, based on current Qualifications Authority approval/accreditation status.

Code of Practice for the Pastoral Care of International Students in New Zealandn (COP) compliance

7. Phenomena Academy was found to be non-compliant with the health and travel insurance requirements of the COP. A Compliance Notice was issued on 12 July in this respect. The Qualifications Authority is currently considering other aspects of Phenomena's response to the Compliance Notice.

Quality Assurance Standard One (QAS-1)

¹ New Zealand Immigration Service (NZIS) and Occupational Safety & Health (OSH)

8. The provisional findings from the site visit indicate that Phenomena appears to be non-compliant with various elements of QAS-1. The notable areas of non-compliance appear to be as follows:
- no defined learning activities and learning resources
 - a lack of stakeholder input and ongoing involvement in learning programmes
 - no documentation to show how course objectives are being delivered
 - insufficient evidence relating to the monitoring and evaluation of courses, including stakeholder satisfaction
 - no evidence to show that Phenomena Academy has adequate and appropriate assessment methods in place to assess students
 - there is no evidence of a moderation process to ensure consistent and fair assessment
 - assessment and moderation activities appear not to be in line with what is stated in Phenomena Academy's Quality Management System, and course approval application documentation
 - incomplete student records and progress reports
 - students themselves unclear as to what they had achieved in terms of course outcomes
 - students unable to state what they still had to cover to complete their course
 - some students unclear about what course they were actually enrolled in.
9. The above findings are being brought to the notice of Phenomena Academy by letter dated 21 July as grounds for the possible withdrawal of accreditation. Phenomena Academy now has the opportunity to produce evidence to rebut the findings by 6 August 2004. Following the receipt of Phenomena Academy's response, a decision whether to withdraw accreditation, pursuant to s.259(6) of the Education Act 1989 will be taken.

COMMENT

10. A decision to withdraw accreditation for approved courses is likely to be strongly resisted by Phenomena. The operation of the luxury Takaro Lodge, associated with Phenomena Academy, would appear to be largely reliant on the Phenomena Academy student body, most of whom are in New Zealand on student visas, issued on the basis they are attending New Zealand Qualifications Authority accredited/approved courses.

11. It is therefore likely that in the event that accreditation were to be withdrawn, Phenomena Academy will appeal the decision of the Qualifications Authority. Application for judicial review is also a possibility.
12. In the event that Phenomena Academy's accreditation were to be withdrawn, the student visas issued in respect of Phenomena, would also lapse. From that point on, the ex-students are all liable to be repatriated by NZIS, as there is no other alternative New Zealand provider. It is possible that some may be eligible to stay in New Zealand on visitors permits.

ISSUES

13. The removal from New Zealand of the student body of Phenomena Academy may give rise to two issues which would require sensitive handling.
 - the cost to the Vote Immigration of repatriating some 40 ex-Phenomena students will amount to some \$80,000. Given the wealth of the Phenomena organisation, this taxpayer cost may give rise to controversy.
 - Considering their background and history, a number of the students at Phenomena may be emotionally fragile. These students appear to be able to function in the sort of controlled and controlling atmosphere in the remote location of Phenomena, 30km from Te Anau. They may, however, find enforced repatriation, without financial or support mechanisms in place to receive them, traumatic. This aspect of the repatriation may require liaison with the New Zealand Ministry of Health and the Slovenian and Croatian authorities.

CONCLUSION

14. The 29 June 2004 site visit by staff of NZQA and Department of Labour gave rise to substantial quality issues which are the immediate concern of

the Qualifications Authority, and may become consequential issues for Department of Labour/Ministry of Health.

15. The matters have been brought to the attention of Phenomena, for a response by 6 August 2004 before any decision to withdraw accreditation is considered.
16. The ad hoc interagency committee of officials (which includes the Ministry of Health) convened from time to time to oversee the response to the Phenomena allegations, will reconvene on 30 July to consider recent developments, and in particular a whole of government response to the two issues raised in paragraph 13.
17. A further report will be prepared for you and other Ministers following that meeting.

RECOMMENDATIONS

18. It is recommended that you:
 - a) **Note** that a site visit to Phenomena Academy was conducted on 29 June 2004 by staff from the Qualifications Authority and Department of Labour;
 - b) **Note** that minor OSH non-compliance was found, and that no immigration issues were identified, based on the current accreditation/approval of Phenomena's courses by the Qualifications Authority;
 - c) **Note** that apparent non-compliance with COP and QAS-1 was evident
 - d) **Note** that the non-compliance with COP was brought to the attention of Phenomena on 12 July 2004;
 - e) **Note** that Phenomena has responded to d) above, by producing evidence of newly arranged health and travel insurance;
 - f) **Note** that apparent non compliance with QAS-1 was raised with Phenomena Academy on 21 July 2004 by letter, indicating that the

Qualifications Authority considers there may be reasonable grounds for withdrawing accreditation pursuant to s.259(6) of the Education Act 1989, following the findings from the 29 June site visit;

- g) **Note** that any decision to withdraw accreditation will depend on Phenomena's ability to rebut the findings detailed in the letter of 21 July 2004;
- h) **Note** that if accreditation were to be withdrawn, NZIS will move to repatriate the students attending Phenomena on student permits, as there is no alternative provider in New Zealand;
- i) **Note** that such repatriation, at Vote Immigration expense will be significant and may be controversial;
- j) **Note** that the health and welfare aspects of such repatriation would need to be discussed with the New Zealand Ministry of Health and the Slovenian and Croatian authorities;
- k) **Note** that these issues will be included in the discussions of the ad hoc officials group overseeing the interagency response to the Phenomena academy allegations on 30 July 2004
- l) **Note** that a further submission will be prepared for you and other key Ministers following the 30 July meeting of the ad hoc interagency officials meeting.

Karen Van Rooyen
Chief Executive

DRAFT

23 July 2004

[REDACTED]
Manager
Phenomena Academy
PO Box 225
TE ANAU

Dear [REDACTED]

I am writing to you following the recent site investigation, which took place on 29 June 2004, conducted by the Qualifications Authority and the New Zealand Immigration Services.

In view of the information gathered at that time, it appears to the Qualifications Authority that, under section 259(5) of the Education Act 1989, there may be reasonable grounds for the withdrawal of accreditation relating to the following courses:

- Life Design Foundation
- Diploma in Life Consultancy
- Energy Instructor

Grounds for this opinion are that the Qualifications Authority has carried out a thorough investigation at the Te Anau site of Phenomena Academy, including student interviews, and this investigation has led to findings that show that Phenomena Academy has **historically** failed to satisfy the following requirements for ongoing accreditation defined in the quality assurance standard for private training establishments (QA Standard One):

Physical and Learning Resources 1.2.3 (i), (ii)

Finding:

- Learning resources and learning activities are not defined. There is nothing to say what learners are provided with prior to, or during the

course, to assist their study. For example – specific videos, text books or course notes.

Development, delivery and review of programmes: 1.2.5(ii), (vi)

Findings:

- There was a lack of stakeholder input and ongoing involvement. Your applications listed a number of organisations who offered sector support for the courses. At the time these were taken on face value. However, it has become evident that these organisations are in fact branches of Phenomena Academy and as such cannot be considered to be independent sector support.
- Appropriate content: There is no documentation to show how the objectives are being delivered. Learners are not provided with any documentation outlining modules, outcomes or course timetables. It was difficult for the investigation team to establish exactly what was being taught and when.
- There was insufficient evidence relating to the monitoring and evaluation of courses, including stakeholder satisfaction

Assessment and Moderation: 1.2.6(i), (ii), (iii)

Findings:

- There was no evidence to show that Phenomena Academy has adequate and appropriate assessment methods in place to validly assess students.
- There is no evidence of a moderation process to ensure consistent and fair assessment takes place.
- Assessment and moderation activities **appear not** to be in line with what is stated in Phenomena Academy's Quality Management System, and course approval application documentation

Notification and Reporting 1.2.7(i), (ii)

Finding:

- Student records and progress reports were incomplete and students themselves were unclear as to what they had achieved as far as course objectives were concerned. They were not able to state what they still

had to cover to complete their course. Some students were unclear about what course they were actually enrolled in.

Phenomena Academy ~~purports to deliver~~ing three courses ~~approved and accredited by the Qualifications Authority~~: Life Design Foundation (6 students), Energy Instructor (1 student) and Diploma in Life Consultancy (7 students). It is believed that the other students who are ~~at the Te Anau site~~ are not actually participating in any course at the moment but are enrolled to begin a ~~course in~~ Diploma in Life Technology ~~course~~, due to start in October 2004.

Observations at the Academy during the site investigation ~~lead to an overall finding~~ that there is minimal correlation between ~~what was written in~~ your course approval/accreditation applications and what has actually been taking place at the Academy.

Unless you can adduce evidence to upset these ~~findings~~, the result will be the withdrawal of accreditation to assess against any unit standards you have included in these courses.

In addition it appears to the Qualifications Authority that, under section 259(5) of the Education Act 1989, there may be reasonable grounds for the withdrawal of accreditation relating to the following courses:

- Diploma in Life Technology
- Diploma in Advanced Life Technology

The grounds for this opinion are that, based on the above findings, the Qualifications Authority is not confident that Phenomena Academy has the capability or systems in place to deliver these two courses.

The Qualifications Authority invites a submission from you on these matters and urges you to provide any further information or comment that may influence the decisions of the Authority. Your response is required by Friday 6 August 2004. ~~Please note that the focus of the submission is to be on the accuracy of the findings, not future corrective action which may be contemplated.~~

[SUGGEST DELETE: Please ensure that your submission includes all actions that have been taken to meet the above QA Standard One requirements.]
[This looks like an invitation to detail future corrective action – we're not interested!]

The Qualifications Authority wishes to advise that failure to provide a full submission by the due date of 6 August 2004, **including failure to adduce satisfactory evidence to rebut the above findings**, will result in the withdrawal under section 259 (6) of the Education Act 1989 of the accreditation of Phenomena Academy to deliver the courses listed above.

[SUGGEST DELETE: The Qualifications Authority urges you to ensure that these issues of quality are addressed as a matter of urgency. [This too looks like an invitation to detail future corrective action.]

Yours sincerely

Karen van Royen
Chief Executive

INVESTIGATION REPORT

on

Phenomena Academy

Site Visit Date: 29 June 2004
Report Date: 15 July 2004

This report is draft only and is subject to checking by Phenomena Academy for factual accuracy. These findings will be used by NZQA Approvals, Accreditation and Site visit in its decision on the registration and accreditation status of Phenomena Academy and in the determination of required corrective actions, as it deems appropriate

Part 1 – Overview

1 Objectives

Our site visit aimed to obtain reasonable assurance that Phenomena Academy is a sound and stable provider, has effective quality management systems in place, and is meeting their obligations under the Education Act 1989.

The results of this site visit will be used by Approvals, Accreditation and Audit in its decision regarding the Section 237 notice that was issued to Phenomena Academy in May 2004.

2 Scope

This was a unscheduled site visit at Te Anau and covered specific areas of the QA Standard One.

There was a special focus on:

- Personnel: adequate teaching and subject knowledge, assessment and moderation expertise and appraisals of staff performance;
- Physical and Learning resources: quality and quantity of resources;
- Learner Information, Entry and Support: providing required information pre enrolment, ongoing support;
- Development, delivery and review of programmes: stakeholder input and ongoing involvement, appropriate content, resources and learning activities, delivering to meet learner needs, monitoring and evaluation of courses including stakeholder satisfaction;
- Assessment and Moderation: processes, methods, evidence, internal moderation, external moderation, reassessments and appeals; and
- Notification and Reporting: student records, progress reporting to students, archiving of learner achievement.

The site visit also included an evaluation of their compliance with the Ministry of Education's Code of Practice for the Pastoral Care of International Students (Code of Practice).

There was a special focus on:

- Pastoral care and welfare;
- Accommodation and food; and
- Medical and travel insurance.

This report is draft only and is subject to checking by Phenomena Academy for factual accuracy. These findings will be used by NZQA Approvals, Accreditation and Site visit in its decision on the registration and accreditation status of Phenomena Academy and in the determination of required corrective actions, as it deems appropriate

In addition, the New Zealand Immigration Services accompanied the Qualifications Authority on this visit to conduct student interviews, check passports and interview management on issues relating to immigration policies and procedures.

We also took along a translator who assisted during interviews with Croatian and Slovenian students.

This site visit is a snapshot of the organisation's performance at a given point of time. As such, it is not a guarantee of ongoing compliance and effectiveness. The site visit is based on sampling and instances of non-compliance may remain undetected.

3 Responsibilities

Phenomena Academy is responsible for meeting all requirements of QA Standard One, by ensuring the quality of its management systems and the achievement of its goals and objectives.

Under the Education Act 1989, the New Zealand Qualifications Authority (NZQA) is responsible for registering private training establishments and granting accreditation to organisations offering approved programmes.

4 Background

Phenomena Academy is operates in a communal environment, led and directed by Ai Ping. Ai Ping has developed a philosophy and the organisation has gained approval from the Qualifications Authority to teach this philosophy to students. Most of the students are international students from Croatia and Slovenia. There are also a few students from other countries.

Most of the students are there on a scholarship, which covers their tuition fees, accommodation and food.

After the last audit, a number of complaints were made to the Qualifications Authority, raising a variety of concerns about their operations in Te Anau. As a result two s.237 letters were sent¹. The first of these had been lifted at the time of the investigation. After the second sec237 letter was sent, it was decided that an

¹ A Notice issued under s.237 of the Education Act 1989 has the effect.....[brief explanation]
This report is draft only and is subject to checking by Phenomena Academy for factual accuracy. These findings will be used by NZQA Approvals, Accreditation and Site visit in its decision on the registration and accreditation status of Phenomena Academy and in the determination of required corrective actions, as it deems appropriate

interagency approach was required and that a team would be sent to follow up the sec237 response on site.

This visit took place on 29 June 2004.

5 Summary

Phenomena Academy did not meet the requirements under QA Standard One in any of the areas that were being investigated during this visit. As a result of interviews and analysis of documentation that was available at the time of our visit, the investigation team concluded that the courses Phenomena Academy is delivering bear no real relationship to the courses which Phenomena Academy sought and obtained approval for.

There is therefore a corresponding concern about the methods of delivery and assessment, as it is unclear how or what students are learning during the sessions that they attend each morning and evening.

The results of our site visit are recorded in Part 2 – Findings.

Part 2 – Findings

Quality Assurance Standard One: Section Two

1.2.2 Personnel

QA Standard One requires that the provider recruits, manages and develops its people to achieve its goals and objectives.

There were two requirements not met. The provider has not demonstrated that it has:

- used appropriate recruitment and selection practices to make sure it has enough personnel with:
 - teaching and subject knowledge
 - assessment and moderation expertise
 - educational management experience
 - quality management expertise
 - student support skills
 - financial and administration expertise
- appraised staff performance

During the site visit, it was there was inconclusive evidence as to whether the tutoring staff had the necessary skills and qualifications as specified above. Copies of staff qualifications were taken and are being sent to QES for evaluation.

The Director stated that staff appraisal is an ongoing process, which happens during the daily sessions. There was no documentation to support this statement.

1.2.3 Physical and learning resources

QA Standard One requires that the provider has adequate and appropriate physical and learning resources to achieve its goals and objectives.

This report is draft only and is subject to checking by Phenomena Academy for factual accuracy. These findings will be used by NZQA Approvals, Accreditation and Site visit in its decision on the registration and accreditation status of Phenomena Academy and in the determination of required corrective actions, as it deems appropriate

There were two requirements not met. The provider has not demonstrated that it has:

- defined the quality and quantity of physical and learning resources
- made the resources needed for the course available to students before delivery of training

Currently Phenomena Academy are delivering two courses: Life Design Foundation and Diploma in Life Consultancy. In October a new course will start entitled Diploma in Life Technology, which replaces the Diploma in Life Consultancy course.

In the two courses being currently delivered, physical resources are identified in their course application documentation. There is no reference to what specific learning resources will be used in either course (ie: specific videos, texts, handouts etc).

Interviews with students indicated that no resources for any of the courses delivered were provided to students prior to the commencement of the course, or indeed during the course. Students did not have course notes, had never been issued with a course outline and were not able to identify what resources were used during the course.

1.2.4 Learner information, entry and support

QA Standard One requires that the provider supplies adequate and appropriate information, entry and support services to learners.

There were four requirements not met. The provider has not demonstrated that it has:

Learner information

At Enrolment

- made sure learners fully understand what is required from them in their proposed course of study
- identified learners' specific learning needs and planned how to address those needs to ensure they have reasonable chance of success

Interviews with learners clearly indicated that they did not fully understand what was required from them during their course of study. Some students were not clear

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as to what course they were actually enrolled in. Others could not tell us what they were learning, or where they were up to in relation to the modules as set out in the course approval application. None of the students had ever been provided with a course outline or timetable.

It was evident that some of the students had some unmet learning needs (eg: one student did not speak English. The course is taught in English). [REDACTED] asks: are there other such gross examples. Also, we need to be more specific “some” is a bit vague.] There was no procedure to address this issue, and no evidence to show that learner needs were assessed, identified and addressed.

Ongoing support

- provided access to guidance, support systems and welfare services. The provider has not made sure it:
 - responded appropriately to identified skill gaps or lack of learner achievement
 - informed learners of guidance, support, welfare services, and health and safety procedures

[quantify] learners have been doing the same course for nearly 7 years. As that particular course is documented as being a one-year course, it appears that Phenomena is not responding appropriately to the lack of learner achievement in this case. No policy or procedure is evident to show how Phenomena addresses this issue.

The only support that is provided to the learners is through the Director and other on-site staff. Learners are not provided with contact details for any external agencies.

International students

- complied with the New Zealand Code of Practice for the Pastoral Care of International Students.

Areas of non-compliance in this area are covered in the separate Code of Practice compliance report (attached as Appendix ZZZ). The main area of concern related to the lack of medical and travel insurance for students.

1.2.5 Development, delivery and review of programmes

QA Standard One requires that the provider adequately and appropriately designs, develops, delivers and reviews its education and training programmes consistent with its goals and objectives.

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There were three requirements not met. The provider has not demonstrated that it has:

Delivery

- delivered courses in ways that meets the needs of the learner

The provider did not make it clear how each of the modules is delivered.

Review

- systematically monitored and evaluated all courses and using the results to improve learning outcomes and achievement
- monitored learner and stakeholder satisfaction with the quality of education and training provided

The Director stated that the courses are evaluated and reviewed constantly. There was no evidence to show how this is done, and no policy or procedure about how it should be done.

Phenomena Academy have not identified any independent external stakeholders.

1.2.6 Assessment and moderation

QA Standard One requires that the provider has adequate and appropriate systems of assessment and moderation for assessing learners against the expected outcomes of programmes.

There were two requirements not met. The provider has not demonstrated that it has:

- ensured assessment:
 - processes and decisions are open, systematic and consistent
 - methods are appropriate, fair, manageable, and integrated with work or learning
 - evidence is valid, authentic and sufficient
- internally moderated its assessment materials and judgements

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There is no evident clear assessment process being used by Phenomena Academy, To the extent it exists at all assessment appears to be based on peer feedback in all instances Consistency of assessment, , is therefore also not evident. Use of this method for all assessment is most inappropriate.

From documentation on file it is not clearly evident how learners are being assessed, against what criteria they are being assessed against and when they are being assessed.

There was no documentation to show how Phenomena Academy is internally moderating its assessments.

1.2.7 Notification and reporting on learner achievement

QA Standard One requires that the provider adequately and appropriately report on learner achievement.

There were two requirements not met. The provider has not demonstrated that it has:

- systematically recorded learner achievement
- reported regularly to learners on their progress and achievement

Learner files did not record progress or achievement in a way that related to the modules that are set out in the course approval application.

Many learners were unable to identify what they had achieved or where they were at in the course they were enrolled in.

6 Action taken since visit

After the site investigation, a meeting was held with relevant staff from the Qualifications Authority. The following actions resulted from that meeting:

- the current sec237 letter was lifted [explain why, put so baldly it looks inconsistent]
- a compliance notice relating to the COP non-compliance (provision of medical and travel insurance) was sent on 9 July
- a sec 259 letter was sent on 22 July, detailing the findings of the site visit as outlined in this report

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[REDACTED]: This is our interagency **followup** process: I don't think we need to include that in the report which outlines the reasons leading to the issuing of our letter of 22 July. [REDACTED]

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INVESTIGATION REPORT

on

Phenomena Academy

Site Visit Date: 29 June 2004
Report Date: 15 July 2004

This report is draft only and is subject to checking by Phenomena Academy for factual accuracy. These findings will be used by NZQA Approvals, Accreditation and Site visit in its decision on the registration and accreditation status of Phenomena Academy and in the determination of required corrective actions, as it deems appropriate

Part 1 – Overview

1 Objectives

Our site visit aimed to obtain reasonable assurance that Phenomena Academy is a sound and stable provider, has effective quality management systems in place, and is meeting their obligations under the Education Act 1989.

The results of this site visit will be used by Approvals, Accreditation and Audit in its decision regarding the Section 237 notice that was issued to Phenomena Academy in May 2004.

2 Scope

This was a unscheduled site visit at Te Anau and covered specific areas of the QA Standard One.

There was a special focus on:

- Personnel: adequate teaching and subject knowledge, assessment and moderation expertise and appraisals of staff performance;
- Physical and Learning resources: quality and quantity of resources;
- Learner Information, Entry and Support: providing required information pre enrolment, ongoing support;
- Development, delivery and review of programmes: stakeholder input and ongoing involvement, appropriate content, resources and learning activities, delivering to meet learner needs, monitoring and evaluation of courses including stakeholder satisfaction;
- Assessment and Moderation: processes, methods, evidence, internal moderation, external moderation, reassessments and appeals; and
- Notification and Reporting: student records, progress reporting to students, archiving of learner achievement.

The site visit also included an evaluation of their compliance with the Ministry of Education's Code of Practice for the Pastoral Care of International Students (Code of Practice).

There was a special focus on:

- Pastoral care and welfare;
- Accommodation and food; and
- Medical and travel insurance.

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In addition, the New Zealand Immigration Services accompanied the Qualifications Authority on this visit to conduct student interviews, check passports and interview management on issues relating to immigration policies and procedures.

We also took along a translator who assisted during interviews with Croatian and Slovenian students.

This site visit is a snapshot of the organisation's performance at a given point of time. As such, it is not a guarantee of ongoing compliance and effectiveness. The site visit is based on sampling and instances of non-compliance may remain undetected.

3 Responsibilities

Phenomena Academy is responsible for meeting all requirements of QA Standard One, by ensuring the quality of its management systems and the achievement of its goals and objectives.

Under the Education Act 1989, the New Zealand Qualifications Authority (NZQA) is responsible for registering private training establishments and granting accreditation to organisations offering approved programmes.

4 Background

Phenomena Academy is operates in a communal environment, led and directed by Ai Ping. Ai Ping has developed a philosophy and the organisation has gained approval from the Qualifications Authority to teach this philosophy to students. Most of the students are international students from Croatia and Slovenia. There are also a few students from other countries.

Most of the students are there on a scholarship, which covers their tuition fees, accommodation and food.

After the last audit, a number of complaints were made to the Qualifications Authority, raising a variety of concerns about their operations in Te Anau. As a result two s.237 letters were sent¹. The first of these had been lifted at the time of the investigation. After the second sec237 letter was sent, it was decided that an

¹ A Notice issued under s.237 of the Education Act 1989 has the effect.....[brief explanation]
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interagency approach was required and that a team would be sent to follow up the sec237 response on site.

This visit took place on 29 June 2004.

5 Summary

Phenomena Academy did not meet the requirements under QA Standard One in any of the areas that were being investigated during this visit. As a result of interviews and analysis of documentation that was available at the time of our visit, the investigation team concluded that the courses Phenomena Academy is delivering bear no real relationship to the courses which Phenomena Academy sought and obtained approval for.

There is therefore a corresponding concern about the methods of delivery and assessment, as it is unclear how or what students are learning during the sessions that they attend each morning and evening.

The results of our site visit are recorded in Part 2 – Findings.

Part 2 – Findings

Quality Assurance Standard One: Section Two

1.2.2 Personnel

QA Standard One requires that the provider recruits, manages and develops its people to achieve its goals and objectives.

There were two requirements not met. The provider has not demonstrated that it has:

- used appropriate recruitment and selection practices to make sure it has enough personnel with:
 - teaching and subject knowledge
 - assessment and moderation expertise
 - educational management experience
 - quality management expertise
 - student support skills
 - financial and administration expertise
- appraised staff performance

During the site visit, it was there was inconclusive evidence as to whether the tutoring staff had the necessary skills and qualifications as specified above. Copies of staff qualifications were taken and are being sent to QES for evaluation.

The Director stated that staff appraisal is an ongoing process, which happens during the daily sessions. There was no documentation to support this statement.

1.2.3 Physical and learning resources

QA Standard One requires that the provider has adequate and appropriate physical and learning resources to achieve its goals and objectives.

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There were two requirements not met. The provider has not demonstrated that it has:

- defined the quality and quantity of physical and learning resources
- made the resources needed for the course available to students before delivery of training

Currently Phenomena Academy are delivering two courses: Life Design Foundation and Diploma in Life Consultancy. In October a new course will start entitled Diploma in Life Technology, which replaces the Diploma in Life Consultancy course.

In the two courses being currently delivered, physical resources are identified in their course application documentation. There is no reference to what specific learning resources will be used in either course (ie: specific videos, texts, handouts etc).

Interviews with students indicated that no resources for any of the courses delivered were provided to students prior to the commencement of the course, or indeed during the course. Students did not have course notes, had never been issued with a course outline and were not able to identify what resources were used during the course.

1.2.4 Learner information, entry and support

QA Standard One requires that the provider supplies adequate and appropriate information, entry and support services to learners.

There were four requirements not met. The provider has not demonstrated that it has:

Learner information

At Enrolment

- made sure learners fully understand what is required from them in their proposed course of study
- identified learners' specific learning needs and planned how to address those needs to ensure they have reasonable chance of success

Interviews with learners clearly indicated that they did not fully understand what was required from them during their course of study. Some students were not clear

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Ongoing support

- provided access to guidance, support systems and welfare services. The provider has not made sure it:
 - responded appropriately to identified skill gaps or lack of learner achievement
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[quantify] learners have been doing the same course for nearly 7 years. As that particular course is documented as being a one-year course, it appears that Phenomena is not responding appropriately to the lack of learner achievement in this case. No policy or procedure is evident to show how Phenomena addresses this issue.

The only support that is provided to the learners is through the Director and other on-site staff. Learners are not provided with contact details for any external agencies.

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The provider did not make it clear how each of the modules is delivered.

Review

- systematically monitored and evaluated all courses and using the results to improve learning outcomes and achievement
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28 June 2004

**MINISTER OF EDUCATION
ASSOCIATE MINISTER OF EDUCATION (TERTIARY EDUCATION)**

PHENOMENA ACADEMY TE ANAU: INVESTIGATION OF ALLEGATIONS

PURPOSE

1. This paper provides a further briefing on the response to a series of complaints about Phenomena Academy, Te Anau, received by the Qualifications Authority. It updates preliminary information in submission S3-207 dated 30 April 2004.

BACKGROUND

2. The Qualifications Authority received serious allegations in early April 2004 by an ex-student about activities at the above private training establishment (PTE), located some 30km from Te Anau. Subsequently a further 3 people have also made similar allegations.
3. Phenomena training is based on a belief in personal "energy" fields, drawing on ancient Chinese belief systems. It is run by a husband and wife team, formerly from Croatia and China respectively, who have obtained New Zealand citizenship. Phenomena is an international organisation that operates centres in the United Kingdom, Switzerland, Germany, Croatia and Slovenia. There are apparently regular televised link ups between Te Anau and these other sites where the spiritual leader addresses students.
4. Phenomena was registered in 1999 and since that time has obtained course approval/accreditation for the following local courses developed by Phenomena:
 - Energy Instructor Training;
 - Life Consultancy Training;
 - Life Design Foundation Course;
 - Diploma in Life Technology; and
 - Diploma in Advanced Life Technology.
5. Most of the approx 40 people residing at the Te Anau Phenomena site are from the former Yugoslavia. The majority are in New Zealand on student visas, often extended several times and issued on the basis of attendance at the above courses.

6. Broadly the as yet unproven allegations are:

- Phenomena is, or has, significant elements of a cult (brainwashing, intimidation, group ridicule, doomsday world view);
- students are so manipulated and demoralised that they lose self confidence and become subservient to the will of the spiritual leader, and transfer significant financial assets to the movement while under this influence;
- unstinting physical work is the norm and applies even to the school age children of students;
- untrained people use dangerous machinery as part of this work;
- the “courses” are not educational, consisting mainly of early morning or evening monologues before and after the working day;
- free labour, untroubled by industrial relations and OSH requirements, or the need for work permits is the real purpose behind the establishment of Phenomena Academy. The “students” are used to provide the workers for the luxury lodge and associated infrastructure, to generate income for the family of the spiritual leader;
- certain credit card irregularities have been committed by residents;
- "escapes" from Phenomena have occurred by people who "flee" penniless and on foot to neighbouring farms;
- the spiritual leader has been associated with at least three cases where followers have eschewed conventional medical treatment and died. The most recent case involved the death of the Finance Manager of Phenomena, on 9 May 2004, at the Te Anau site; and
- medicine has been practised by one of the followers, to treat accident injuries and care for the staff member who died on 9 May.

7. Because of the serious nature of the complaints, and because most do not directly relate to the legal responsibilities of the Qualifications Authority, the Authority has convened an interagency group, based on the “Columbus Academy Incident” model to share information, discuss concerns, and to decide on a co-ordinated plan of action to address the various elements of the complaint. The interagency group comprises the Police, New Zealand Immigration Service (NZIS), Ministry of Education, Qualifications Authority, Inland Revenue Department (IRD) and Ministry of Health. Internal Affairs (Documents of National Identity) and Department of Prime Minister and Cabinet also have a watching brief.

8. To date, two complaints sent to Phenomena for comment have each swiftly resulted in detailed rebuttals. Subsequent complaints have now also been notified and will be followed up during the forthcoming audit visit noted below.

COMMENT

9. The nature of the allegations, and the fact that the original complainant has come to New Zealand to make contact with others associated with Phenomena, and possibly to interest news media in the issue, are all reasons why this process has been handled with utmost discretion.

10. Three complainants have been interviewed over the last month, and prima facie appeared credible.
11. The interagency working party has met three times in the last month. At the most recent meeting on Tuesday 8 June, it was agreed that it would be appropriate to apprise you of the coordinated action detailed below, and for you to forward a copy of this submission to the Ministers of Police, Immigration, Health, Internal Affairs, IRD, Tourism and the Prime Minister for their information.
12. The interagency group has resolved that by the end of June an unscheduled visit will be jointly conducted, by the Qualifications Authority and NZIS using their various powers in a co-ordinated fashion to investigate on site as many of the allegations detailed above, as is lawful and appropriate. This visit is scheduled to occur on Tuesday 29 and Wednesday 30 June.

Qualifications Authority

13. The Qualifications Authority visit will focus on the complaints received. The visit will take the form of an unscheduled quality audit with a specific focus on the matters raised in the outstanding notice issued under section 237 of the Education Act and complaints received subsequently.
14. Translators will accompany the auditors, who will interview a cross-section of the students privately about their desire and ability to leave, and also see if there is any spontaneous corroboration about some of the serious allegations, such as lack of a formal course structure. Alleged Code of Practice breaches will also be investigated.

Ministry of Education

15. It appears that there are some children at Phenomena on visitors permits whose parents are in New Zealand on student permits. As the parents' student permits have been extended, so have the children's visitors permits. This has gone on for three years in some cases. While this appears anomalous, these children are legally exempt from the requirements for compulsory education.
16. There is also a suggestion that school age children are required to work long hours most days of the week. This would raise care and protection issues, and will be raised with Child Youth and Family if evidence is gained during the forthcoming audit visit.
17. NZIS has examined the student permits issued for attending Phenomena Academy. The offers of place contain an indication that the per student value of each "scholarship" offered by Phenomena to those attending its courses is \$88,888. This amount is to cover board, lodging and tuition. However, Export Education Levies have not been collected in respect of all students on student visas at Phenomena. The Qualifications Authority staff, on behalf of the Ministry of Education, will investigate this issue.

Ministry of Health

18. The Ministry of Health has a watching brief but will act on prima facie evidence of matters requiring their attention if these are substantiated by NZIS or Qualifications Authority staff during the forthcoming site visit. The matters of interest concern allegations of practice of medicine without a licence and any indications of serious psychiatric illness amongst students.

Immigration/OSH/Employment Relations

19. An OSH staff member accompanying the Qualifications Authority and NZIS staff will examine numerous allegations concerning unsafe work practices by students during the combined audit visit.

IRD

20. The Qualifications Authority and NZIS have informed IRD of details that may be of interest to them.
21. The statutory requirements on IRD mean that it is unable to disclose its possible response, if any. Any financial information obtained during the forthcoming audit will be passed onto IRD to enable a “risk to Revenue” analysis to be carried out.

Police

22. Police have conducted initial investigations, using information referred from NZ Immigration and the Qualifications Authority. The death of the staff member, noted above, has been referred to the Police by the Coroner. At this stage no criminal actions have been identified. The Police will continue with a watching brief, and may be able to assist with logistical arrangements.

Further process

23. Following the unscheduled audit, on 29-30 June, information collected will be carefully analysed by the Qualifications Authority and NZIS. Both agencies will independently consider what action if any should result. It is anticipated that departments will discuss their proposed response at a final interagency meeting in the week of 12 July and a further briefing will be provided to the Ministers noted above.

CONSULTATION

24. This submission has been prepared in consultation with the Ministry of Education, NZIS (representing Department of Labour as a whole) IRD, Ministry of Health and New Zealand Police.

RECOMMENDATION

25. It is recommended that you:
- a) **note** that Phenomena Academy has been the subject of serious and as yet unproven allegations, as indicated in the submission S3-207 of 30 April 2004;
 - b) **note** that three complainants have been interviewed over the last month, and prima facie appeared credible;
 - c) **note** that an interagency group has been formed to coordinate a response to the investigation of the allegations;

- d) **note** that a coordinated unscheduled audit, using interpreters to interview students, is expected to occur on 29- 30 June, and that this will include on-site investigation by the NZ Immigration Service and possibly Occupational Safety and Health;
- e) **note** that you will be briefed on the outcome of this unscheduled audit and associated interagency investigation through a further progress report by 12 July; and
- f) **agree** to copy this submission to the following Ministers: Police, Immigration, Health, Internal Affairs, IRD, Tourism and the Prime Minister for their information.

Karen Van Rooyen
Chief Executive

25 June 2004

The Minister of Education

The Associate Minister of Tertiary Education (Tertiary Education)

PHENOMENA ACADEMY TE ANAU: INVESTIGATION OF ALLEGATIONS

PURPOSE

1. This submission provides a further briefing on the response to a series of complaints about Phenomena Academy, Te Anau received by the Qualifications Authority. It updates preliminary information in submission S3-207 of 30 April 2004.
2. The original complaints have subsequently been followed up by the first complainant (who had never personally attended the Phenomena site in New Zealand) coming to New Zealand (NZ) to pursue the complaints with the Qualifications Authority (and possibly the news media). [REDACTED] presence has prompted three others, also in New Zealand, to also make similar allegations.

BACKGROUND

3. The Qualifications Authority has received serious allegations about activities at the above Private Training Establishment (PTE), located some 30km from Te Anau.
4. Phenomena training is based on a belief in personal "energy" fields, drawing on ancient Chinese belief systems. It is run by a husband and

wife formerly from Croatia and China respectively, who have obtained NZ citizenship. Phenomena is an international organisation which operates centres in UK, Switzerland, Germany, Croatia and Slovenia. There are apparently regular televised link ups between Te Anau and these other sites where the spiritual leader addresses students.

5. Phenomena was registered in 1999 and since that time has obtained course approval/accreditation for the following local courses developed by Phenomena:
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6. Most of the approx 40 people residing at the Te Anau Phenomena site are from the former Yugoslavia. They majority are in NZ on student visas, often extended several times and issued on the basis of attendance at the above courses.
7. Broadly the as yet unproven allegations are that:
 - Phenomena is or has significant elements of a cult, (brainwashing, intimidation, group ridicule, doomsday world view)
 - students are so manipulated and demoralised that they lose self confidence, and become subservient to the will of the spiritual leader, and transfer significant financial assets to the movement while under this influence
 - unrelenting physical work is the norm and applies even to the school age children of students
 - untrained people use dangerous machinery as part of this work
 - the “courses” are not educational, consisting mainly of early morning or evening monologues before and after the working day,
 - free labour, untroubled by industrial relations and OSH requirements, or the need for work permits is the real purpose behind the establishment of Phenomena Academy. The “students” are used to provide the workers for the luxury lodge and associated infrastructure, to generate income for the family of the spiritual leader
 - certain credit card irregularities have been committed by residents

- "escapes" from Phenomena have occurred by people who "flee" penniless on foot to neighbouring farms
 - the spiritual leader has been associated with at least three cases where followers have eschewed conventional medical treatment and died. The most recent case involved the death of the Finance Manager of Phenomena, on 9 May 2004, at the Te Anau site
 - medicine has been practiced by one of the followers, to treat accident injuries and care for the staff member who died on 9 May.
8. Because of the serious nature of the complaints, and because most do not directly relate to the legal responsibilities of the Qualifications Authority, the Authority has convened an interagency group, based on the "Columbus Academy Incident" model to share information, discuss concerns, and to decide on a co-ordinated plan of action to address the various elements of the complaint. The interagency group comprises Police, Immigration, Education, Qualifications Authority, IRD and Ministry of Health. Internal Affairs (Documents of National Identity) and Department of Prime Minister & Cabinet also have a watching brief.
9. To date, two complaints sent to Phenomena for comment have each swiftly resulted in detailed rebuttals. Subsequent complaints have now also been notified and will be followed up during the forthcoming audit visit noted below.

COMMENT

10. The nature of the allegations, and the fact that the original complainant has come to New Zealand to make contact with others associated with Phenomena, and possibly to interest news media in the issue, are all reasons why this process has been handled with utmost discretion.
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Qualifications Authority

14. The Qualifications Authority visit will focus on the complaints received: the visit will take the form of an unscheduled quality audit with a specific focus on the matters raised in the outstanding notice issued under section 237 of the Education Act and complaints received subsequently.
15. Translators will accompany the auditors, who will interview a cross-section of the students privately about their desire and ability to leave, and also see if there is any spontaneous corroboration about some of the serious allegations, such as lack of a formal course structure. Alleged Code of Practice breaches will also be investigated.

Ministry of Education

16. It appears that there are some children at Phenomena on visitors permits whose parents are in New Zealand on student permits. As the parents' student permits have been extended, so have the children's visitors permits. This has gone on for three years in some cases. While this appears anomalous, these children are legally exempt from the requirements for compulsory education.
17. There is also a suggestion, however, that school age children are required to work long hours most days of the week. This would raise care and protection issues, and will be raised with Child Youth and Family if evidence is gained during the forthcoming audit visit.
18. NZ Immigration has examined the student permits issued for attending Phenomena Academy. The offers of place contain an indication that the

per student value of each “scholarship” offered by Phenomena to those attending its courses is \$88,888. This amount is to cover board, lodging and tuition. However, Export Education Levies have not been collected in respect of all students on student visas at Phenomena. This issue will be investigated, by the Qualifications Authority staff on behalf of the Ministry of Education.

Ministry of Health

19. The Ministry of Health has a watching brief but will act on prima facie evidence of matters requiring their attention if these are substantiated by NZ Immigration or Qualifications Authority staff during the forthcoming site visit. The matters of interest concern allegations of practice of medicine without a licence and any indications of serious psychiatric illness amongst students.

Immigration/OSH/Employment Relations

20. Numerous allegations concerning unsafe work practices by students will be examined during the combined audit visit by an OSH staff member accompanying the Qualifications Authority and NZ Immigration staff.

IRD

21. IRD has been informed of details which may be of interest to it by the Qualifications Authority and NZ Immigration.
22. The statutory requirements on IRD mean that it is unable to disclose its possible response, if any. Any financial information obtained during the forthcoming audit will be passed onto Inland Revenue to enable a “risk to Revenue” analysis to be carried out.

Police

23. Police have conducted initial investigations, using information referred from NZ Immigration and the Qualifications Authority. The death of the staff member, noted above, has been referred to the Police by the Coroner. At this stage no criminal actions have been identified. The Police will continue with a watching brief, and may be able to assist with logistical arrangements.

Further process

24. Following the unscheduled audit, to on 29-30 June, information collected will be carefully analysed by the Qualifications Authority and NZ Immigration. Both agencies will independently consider what action if any should result. It is anticipated that departments will discuss their proposed response at a final interagency meeting in the week of 12 July and a further briefing will be provided to the Ministers noted above.

CONSULTATION

25. This submission has been prepared in consultation with the Ministry of Education, NZ Immigration Service (representing Department of Labour as a whole) IRD, Ministry of Health and New Zealand Police.

RECOMMENDATION

26. It is recommended that you:

- a) **Note** that Phenomena Academy has been the subject of serious and as yet unproven allegations, as indicated in the submission S3-207 of 30 April 2004;
- b) **Note** that three complainants have been interviewed over the last month, and prima facie appeared credible;
- c) **Note** that an interagency group has been formed to coordinate a response to the investigation of the allegations;
- d) **Note** that a coordinated unscheduled audit, using interpreters to interview students, is expected to occur on 29- 30 June, and that this will include on-site investigation by NZ Immigration and possibly Occupational Safety & Health;

- e) **Note** that we will brief you on the outcome of this unscheduled audit and associated interagency investigation through a further progress report by 12 July;
- f) **Agree** to copy this submission to the following Ministers: Police, Immigration, Health, Internal Affairs, IRD, Tourism and the Prime Minister for their information.

Karen Van Rooyen
Chief Executive

Appendix A

Proposed Scope of Audit: Unscheduled Audit for Phenomena Academy, Te Anau

It is proposed that the unscheduled audit will focus on the following elements of *Quality Assurance Standard 1 “QAS-1”* and the Code of Practice for the Pastoral Care of International Students “COP”.

ELEMENTS

QAS-1

A general concern will be to identify and compare the approved course content with actual practice at Phenomena, including the degree to which the content of the learning process differs for students undertaking different courses.

The audit will examine evidence about the degree to which Phenomena is meeting the following specific requirements of QAS-1.

Learner Information Entry and Support

- what information is provided to students regarding total costs for enrolment and pursuing a proposed course of study, withdrawals and refunds, disciplinary procedures, complaint processes, health and safety requirements (including medical care).

Ongoing Support

- protecting learners from any physical, cultural, psychological, moral or emotional harm that may result from the teaching programmes or related activities
- informs learners of guidance, support, welfare services and health and safety procedures

Development, delivery and review of programmes

- Delivery: delivering courses in ways that meet the needs of the learner

Assessment and Moderation

- ensuring that assessment methods are appropriate, fair, manageable, and integrated with work or learning
- evidence is valid, authentic and sufficient
- complying with external moderation requirements of the Qualifications Authority and national standard setting bodies
- making sure learner work is adequately stored to meet moderation requirements, reassessments and learner appeals

Code Of Practice (COP)

- 4.2.1: cost of tuition and all other course-related costs, so that there are no substantial hidden costs
- 4.2.8: information on medical and travel insurance requirements
- 4.3: information on accommodation
- 7.4: current and appropriate medical and travel insurance for all students
- 10: Immigration requirements (in association with NZIS)
- 15: Support services
- 17: Accommodation provisions
- 24: Internal grievance procedures

METHODOLOGY

It is proposed that individual, private, student interviews will take place with each resident who is in New Zealand on a student permit to obtain learner feedback on the actual activities in relation to the elements of QAS-1 and the COP as outlined above. A translator for these interviews is required to ensure that nothing is missed through the learner's limited English capability.

The results of the interview process will be analysed and compared with the requirements of QAS-1 and the COP.

TIMING

The unscheduled audit will take place on [date to be agreed].

QUALIFICATIONS AUTHORITY RESOURCES

Two auditors plus two translators for two days.

The unscheduled special audit will need to be integrated with the on site work of other agencies, (NZ Immigration, Occupational Safety & Health). The Scope of Audit will be finalised in consultation with those agencies.

OUTCOME

An audit report will be prepared, which details evidence against the QAS-1 and COP elements identified above. It will reach conclusions and make appropriate recommendations for action by the Authority and/or the provider.

The Quality Audit report will be considered in conjunction with the results of investigative work on-site by other agencies. The decision will be communicated to Phenomena Academy.

Appendix A

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A general concern with the QAS-1 elements will be to identify and compare the approved course content with actual practice at Phenomena, including the degree to which the content of the learning process differs for students undertaking different courses.

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- informs learners of guidance, support, welfare services and health and safety procedures

Development, delivery and review of programmes

- Delivery: delivering courses in ways that meet the needs of the learner

Assessment and Moderation

- ensuring that assessment methods are appropriate, fair, manageable, and integrated with work or learning
- evidence is valid, authentic and sufficient
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The unscheduled audit will take place on [date to be agreed].

QUALIFICATIONS AUTHORITY RESOURCES

Two auditors plus two translators for two days.

The unscheduled special audit will need to be integrated with the on site work of other agencies, (NZ Immigration, Ministry of Education and possibly Health and IRD). The Scope of Audit will be finalised in consultation with those agencies.

OUTCOME

An audit report will be prepared, which details evidence against the QAS-1 and COP elements identified above. It will reach conclusions and make appropriate recommendations for action by the Authority and/or the provider.

The Quality Audit report will be considered in conjunction with the results of investigative work on-site by other agencies. The decision will be communicated to Phenomena Academy.

CHRONOLOGY OF ACTIONS		
Complaint Investigation Chronology Phenomena – 268301		
Name of provider: Phenomena Academy 2004		
Date	Action	Who by
29 September 1999	Registration as a PTE	[REDACTED]
February 2000	Course approval/accreditation for Energy Instructor Training	[REDACTED]
January 2001	Course approval/accreditation for Diploma in Life Consultancy Training	[REDACTED]
June 2002	Course approval/accreditation for Life Design Foundation Course	[REDACTED]
December 2003	Course approval/accreditation for Diploma in Life Technology	[REDACTED]
December 2003	Course approval/accreditation for Diploma in Advanced Life Technology	[REDACTED]
March 2002	Audit 9 requirements not met (subsequently addressed)	[REDACTED]
4 November 2002	Audit – 5 requirements not met (subsequently addressed)	[REDACTED]
September 2003	Audit – 6 requirements not met (subsequently addressed)	[REDACTED]
2 April 2004	Email sent to [REDACTED], MoE with attached document headed: SUBJECT BEING ROBBED AND DECEIVED BY THE PHENOMENA ACADEMY, TE ANAU, NEW ZEALAND (Same email referred to NZQA via [REDACTED] Wellington)	[REDACTED]
5 April 2004	Above email received by [REDACTED]	[REDACTED]
5 April 2004	MFAT, MoE, NZIS contacted re whole of Government approach to the issues raised	[REDACTED]

CHRONOLOGY OF ACTIONS		
Complaint Investigation Chronology Phenomena – 268301		
Name of provider: Phenomena Academy 2004		
Date	Action	Who by
6 April 2004	[REDACTED] email acknowledged	[REDACTED]
6 April 2004	Further email received from [REDACTED] with attached document headed: MORE INFORMATIONS ABOUT PHENOMENA ACADEMY	NZQA ?
7 April 2004	Further email received from [REDACTED] with attached document headed: CRIME BEHIND ENERGY BANK, LONDON and Miss Wang	NZQA
7 April 2004	Meeting held to discuss allegations received and specifically an approach to police re weapons allegations	[REDACTED]
7 April 2004	NZ Police alerted by telephone (on-referred to Te Anau Police) with particular regard to credit card and firearms allegations	[REDACTED]
13 April 2004	Further email sent by [REDACTED] Headed: SWINDLE WITH THE STUDENTS OF PHENOMENA ACADEMY	[REDACTED]
13 April 2004	Further email sent by [REDACTED] Headed: GROUP RAPE WITH THE APPROVAL OF THE DIRECTOR OF THE PHENOMENA'S ACADEMY, NEW ZEALAND	[REDACTED]
19 April 2004	Email sent to [REDACTED] asking her to detail allegations made in earlier set of emails	[REDACTED]
22 April 2004	s.237 letter sent to Phenomena Academy requiring response by 6 May	[REDACTED]
28 April 2004	Meeting with [REDACTED]	[REDACTED]
30 April 2004	Submission to Minister briefing him on developments	[REDACTED]
3 May 2004	Response to s.237 letter received by NZQA	[REDACTED]

CHRONOLOGY OF ACTIONS		
Complaint Investigation Chronology Phenomena – 268301		
Name of provider: Phenomena Academy 2004		
Date	Action	Who by
5 May 2004	Email from Phenomena attaching earlier emails from [REDACTED] praising Aiping Wong	[REDACTED]
6 May 2004	Meeting to discuss s.237 response Agreed to rescind current s.237 and send a second one, covering emailed allegations received on 13 April	[REDACTED]
12 May 2004	First s.237 notice rescinded	[REDACTED]
17 May 2004	Meeting with [REDACTED], L13, 125 The Terrace	[REDACTED]
17 May 2004	Email sent expanding on original 2 April allegations in relation to credit card misuse, and	[REDACTED]
17 May 2004	Email sent expanding on original 2 April allegations in relation to Children not enrolled in compulsory schooling	[REDACTED]
17 May 2004	Email sent expanding on original 2 April allegations in relation to Escaped students from Phenomena, giving names of [REDACTED] and [REDACTED], and mentioning a possible TV documentary on Phenomena	[REDACTED]
18 May 2004	Email sent by an ex Phenomena student introducing [REDACTED] and offering to meet NZQA staff	[REDACTED]
18 May 2004	Email sent by [REDACTED] asking for name to be kept confidential	[REDACTED]
18 May 2004	Email attaching testimonial by [REDACTED] about allegations of happenings at Phenomena	[REDACTED]
18 May 2004	Second s.237 notice issued relating to three emails sent on 7 April (1) and 13 April (2) response due 8 June	[REDACTED]
19 May 2004	Email from [REDACTED] re allegations (death through withholding treatment of [REDACTED] on 9/5/2004)	[REDACTED]

CHRONOLOGY OF ACTIONS		
Complaint Investigation Chronology Phenomena – 268301		
Name of provider: Phenomena Academy 2004		
Date	Action	Who by
19 May 2004	Meeting to discuss interagency approach and media strategy	[REDACTED]
20 May 2004	Interagency meeting Immigration, Police, Education, Human Rights Commission organised for Monday 24 May	[REDACTED]
20 May 2004	Email received from [REDACTED] with allegations about Phenomena in Europe	[REDACTED]
20 May 2004	Email correcting date in testimonial sent 18 May and expanding statement	[REDACTED]
21 May 2004	Scanned enrolment documentation	[REDACTED]
23 May 2004	Further email from [REDACTED] alleging unauthorised environmental changes at Phenomena, Te Anau	[REDACTED]
24 May 2004	Interagency meeting held and actions agreed	Education, QA, Police, Immigration
24 May 2004	Email to [REDACTED] with agreed questions from interagency meeting	[REDACTED]
24 May 2004	Email from [REDACTED] with further allegations	[REDACTED]
24 May 2004	Email from [REDACTED] clarifying previous email	[REDACTED]
25 May 2004	Letter from Phenomena, Te Anau to KVR concerning allegations forwarded in 18 May QA letter	[REDACTED]
26 May 2004	Email from [REDACTED]	[REDACTED]

CHRONOLOGY OF ACTIONS		
Complaint Investigation Chronology Phenomena – 268301		
Name of provider: Phenomena Academy 2004		
Date	Action	Who by
27 May 2004	Emails forwarded to [REDACTED] and [REDACTED] [REDACTED] NZ Immigration	[REDACTED]

Draft Agenda

Meeting to discuss allegations concerning Phenomena Academy

Purpose: To share information and agree on any co-ordinated action which may properly be taken

Date: 24 May

Time: 10:30 am – 12:30 pm,

Place: L13 Boardroom, NZ Qualifications Authority,
125 The Terrace, Wellington

- 1 Welcome ([REDACTED])
- 2 Introductions (All)
- 3 Background to allegations [REDACTED])
- 4 Discussion (All)
- 5 Agreed actions (All)

2004 ALLEGATIONS CONCERNING PHENOMENA ACADEMY, TE ANAU

The following disclosure is made to officials of various New Zealand Government agencies attending a meeting on 24 May 2005 at NZQA

- a) in reliance on the exemptions in the Privacy Act Principles 10(c) (i) and 11(e)(i)

- b) on the grounds that the public and social interests support the free flow and exchange of information between Government agencies for the purpose of prevention and detection of possible offences and the right of Government to achieve its objectives in an efficient way.

PA was registered in 1999 at Te Anau

It is the worldwide HQ of a movement with other sites in Europe (including Croatia, Slovenia, UK, Switzerland). Regular satellite link ups take place with these other sites.

Ms Aipeng Wang/Fullep born in China is the spiritual leader of the movement and is married to Mr Sasha Fullep born in Croatia. Both now apparently have NZ citizenship.

Many of the Te Anau site staff are Slovenian/Croatian, as are many of those residing there.

Various "local courses" were approved/and PA accredited to teach these during 2000-2003

- Life Consultancy Training
- Life Design Foundation course
- Diploma in Life Technology
- Diploma in Advanced Life Technology

Regular Audits took place during 2002 and 2003, with items being notified and subsequently addressed.

In early April 2004 a series of emails began arriving from [REDACTED] in Slovenia, who made allegations about untoward activities taking place at Phenomena. It was not always clear whether these were supposed to have taken place in New Zealand or at other Phenomena sites. The allegations included:

- Children of compulsory age being denied access to schooling
- Importation of weapons
- Serial credit card fraud to fund the "donations" required by the movement
- People who could no longer afford to make "donations" being forced to flee penniless in only the clothes they stood up in
- Unauthorised earthworks, building and construction activity
- Inexperienced persons operating dangerous/heavy machinery
- Unrelenting physical labour which is unpaid
- That Aipeng Wang/Fullep had been prosecuted for the deaths of a teenager who had eschewed traditional medical treatment

Almost none of these allegations related to the operation of a Private Training Establishment in the terms of the Education Act 1989.

It was established from NZ Immigration that [REDACTED] had never entered New Zealand, so [REDACTED] allegations were clearly hearsay. [REDACTED] was sent an email on 19 April asking for details which would corroborate [REDACTED] allegations, for example dates, names, places.

On the basis of [REDACTED] emails, a s.237 notice was issued on 22 April, asking Phenomena to respond. This was responded to on 3 May. The response pointed out that [REDACTED] had never attended the Te Anau site, and had in the past sent laudatory testimonials to Aipeng Wang/Fullep.

During the time that Phenomena was preparing its response to the first s.237, further allegations came in alleging criminal activities, including rape, in off shore Phenomena sites.

The first s.237 notice was rescinded on 12 May on the basis that the response had addressed the issues raised, and a second s237 notice was imposed with a response date of 8 June

On 17 May [REDACTED] turned up unannounced at NZQA reception, asking to speak to responsible staff. [REDACTED] met [REDACTED]. We explained that we had asked for corroborating details and had not had a response. [REDACTED] indicated that [REDACTED] had left that employer to come to New Zealand, and had not received it. We explained the importance of obtaining such details, and forwarded the email again to [REDACTED]. [REDACTED] spent the next couple of days sending us further emails alleging further details about children who had not been enrolled, credit card misuse and people who had had to leave, emotionally destroyed and broke. [REDACTED] also indicated [REDACTED] would forward the request for corroboration on to others with information to pass on.

This has resulted in further allegations coming forward from [REDACTED] who actually did attend Phenomena from November 2001 to February 2004, and is now temporarily resident in Taupo with [REDACTED] boyfriend [REDACTED]. These two are apparently in communication with "television" people trying to interest them in a TV expose.

[REDACTED] is now reportedly in Christchurch trying to organise [REDACTED] a lawyer.