





Open Education Resource Foundation Annual Report 2011



OER is a sustainable and renewable resource

Annual report approved by the Board of Directors, 24 May 2012.
Financial statements authorised for issue by the Directors on 24 May 2012.

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2011 was yet another big year for OER initiatives. As Paul Stacey's comprehensive review highlighted, 2011 was indeed the "[Year of Open](#)" when numerous OER activities gathered momentum on a huge scale worldwide.

There is now a significant critical mass of OER to underpin numerous cost-effective innovation partnerships. Core activities of the OER Foundation have continued to provide exemplary leadership in the use of "creative commons sense", including the promotion and adoption of open licensing through the international reach of the highly successful OCL4Ed online workshops. Other noteworthy contributions of the OERF during 2011 were the continued growth in the use of WikiEducator and the expansion of the OERTen (15 institutions drawn from 6 countries: Australia, Canada, India, New Zealand, South Africa and USA) and the associated development of the OER university (OERu), which is now in a position to proceed to offer a number of prototype courses in 2012.



*Professor James Taylor AM
Professor Emeritus, University of
Southern Queensland, Australia.*

The OERu will establish a new business model providing affordable access to higher education, especially to those non-traditional students who are currently excluded. Participating students will be placed at the centre of the educational process so that they will develop learning and digital literacies as a foundation for lifelong learning. The courses offered by various OERu anchor partners will provide students with the opportunity to contribute to a broad range of rich academic interactions incorporating multiple modes of pedagogical engagement aimed at fostering the learning literacies underpinning contemporary digital scholarship and digital professionalism.

The expertise developed by successful OERu students will enable them to contribute proactively to multi-disciplinary teams working across international boundaries in an increasingly networked society.

Jim Taylor AM
Professor Emeritus, University of Southern Queensland
Board Member of the OER Foundation.



The Open Education Resource Foundation ([OERF](#)) is an independent, not-for-profit organisation that provides leadership, international networking and support for educators and educational institutions to achieve **their** objectives using open educational resources (OER).

2011 was a landmark year for the OERF achieving the critical mass of universities, colleges and polytechnics from four continental regions to implement the OER university (OERu) network. The OERu is an international innovation partnership planning free access to OER courses with pathways for learners to gain formal academic credit towards credible credentials on a fee-for-service basis. The OERu will contribute to achieving more affordable access to post-secondary education especially for those learners who are currently excluded from the formal education sector.

True to the Foundation's vision of open philanthropy, all planning and operational activities of our projects continue to be conducted openly and transparently as a matter of policy. This commitment to open planning is illustrated, for example, by the live streaming on the Internet of two international meetings hosted in Dunedin with funding support from the UNESCO Office for the Pacific States. These open meetings combined with open and editable planning documents in the wiki have succeeded in providing opportunities for active stakeholder engagement in planning OER futures on a global scale.

[WikiEducator](#) is also a flagship project of the OERF and continues to report positive growth exceeding our target of registered users by 26% with 27,004 WikiEducators by 31 December 2011.

The OERF successfully completed the project funded by the William and Flora Hewlett Foundation to continue capacity development in wiki skills for OER and technology improvements for reusable content. The [Learning4Content](#) initiative is the world's largest training project to build wiki skills for educators in the formal sector and has provided free training to 5,230 educators worldwide. The Learning4Content model will now continue as a volunteer training initiative. The experience gained from conducting these large-scale online workshops will be incorporated into the OERu delivery model. The Hewlett Foundation has continued to provide funding support for the implementation planning of the OERu. The OERF received a financial contribution from the Commonwealth of Learning (COL) towards the technology infrastructure of the WikiEducator websites and invited Otago Polytechnic and the OERF to submit an application to host a COL Chair in OER which was approved early in 2012.

The OERF is now well positioned to establish a financially sustainable and scalable organisation to support mainstream adoption of OER in the formal sector.

Robin Day, Ph.D. May 2012.



Board of directors



Philip Cullen

Secretary

B.A., B.Com., CA.
Chief Operating Officer, Otago Polytechnic, New Zealand.



Robin Day

Chair

B.Sc. Dip.Soc.Sc., Ph.D.
Independent Chair, OER Foundation.
Emeritus Member Otago Polytechnic.



Wayne Mackintosh

Nominee of International Centre for Open Education.

B.Com, B.Ed, M.Ed, HED (Postgraduate), Ph.D.
Director, International Centre for Open Education and Commonwealth of Learning Chair in OER, Otago Polytechnic, New Zealand



Rory McGreal

International Representative.

B.A., B.Ed., M.A . (History), M.A. (Applied Linguistics), Ph.D.
UNESCO-COL Chair in OER and Director of the Technology Enhanced Knowledge Research Institute (TEKRI), Athabasca University, Canada.



Christopher Staynes

Nominee of Council, Otago Polytechnic.

B.Sc. (Physics)
Council Member, Otago Polytechnic and Dunedin City Council, New Zealand. Director of Scott Technology Limited and George Street Wines Limited, and member of the Institute of Directors in New Zealand (NZIM)



James Taylor AM

Representative, University Contributing Member.

B.Ed., M.Ed. (Hons), Ph.D.
Professor Emeritus, University of Southern Queensland, Australia.





Corporate governance

The OER Foundation (OERF) is a non-profit company registered under the New Zealand Companies Act of 1993. [Activities](#) of the OERF are restricted to charitable education activities and the organisation is duly registered with the New Zealand Charities Commission (Registration No.: CC40964).

The OERF is governed by a Board of Directors appointed in accordance with the constitution of the OER Foundation Limited.

[WikiEducator](#), the [OER Tertiary Education Network](#) (OERTen) and the [OER university](#) projects are flagship initiatives of the OERF. The constitution requires the foundation to support the WikiEducator community in accordance with the policies approved by the WikiEducator Community Council. The OERTen and OER university projects use open governance models in consultation with relevant stakeholders.

Objectives and activities

The objectives and activities of the OERF are carried out exclusively for charitable purposes. The Foundation provides leadership in support of open education by carrying out the following activities in accordance with the constitution:

1. Raise and administer funds for the purpose of supporting the adoption and implementation of open education resources for the benefit of education institutions and the learner communities they serve.
2. Support and encourage innovative open education resource projects which show potential in reducing the cost of provision while widening access and improving quality of education.
3. Establish and operate the International Centre for Open Education based at Otago Polytechnic through collaboration nationally and internationally.
4. Manage and administer the domain names for the WikiEducator community and OERF registered domain names.
5. Maintain the technical and operational infrastructure of the WikiEducator community in accordance with the policies approved by the WikiEducator Community Council.
6. Operate and maintain electronic technologies that support educators working on open education resources and related projects.
7. Initiate activities that build capacity among educators in the design, development and use of OER.
8. Assist education institutions in lowering the cost of provision, while widening access and improving the quality of their educational offerings through the implementation of OER.
9. Provide advice and support to educational practitioners, policy makers, decision makers and institutions implementing OER.
10. Provide financial assistance for collaborative projects working on the design, development and delivery of education materials.
11. Facilitate research, dissemination and sharing of knowledge and experiences regarding the sustainable implementation of OER.
12. Promote and facilitate independent commercial services as a mechanism to



achieve economic sustainability of OER.

13. Develop and support quality assurance through peer review mechanisms to enhance the quality of OER materials on the supported wiki sites.
14. Support the development of staff capability to produce OER.

Open governance approaches

The OERF subscribes to the principles of open philanthropy and open governance for its operations and projects. Open philanthropy promotes radical transparency, sharing, and collaboration to effect real social change in education. The OERF supports and encourages autonomy and open governance of its flagship initiatives to mature as independent projects. This enables the OERF to provide a clear distinction between legal and financial governance from community-based governance of the flagship initiatives while providing the agility for individual projects to mature utilising shared infrastructure.

WikiEducator is a community of association, and individual users are responsible in their personal capacities for their activities in the wiki.

WikiEducator policies are stewarded by an open [WikiEducator Community Council](#) comprising 15 elected and 10 nominated members to promote diversity, equality and regional representation on the Community Council.

The WikiEducator Open Community Governance Policy has succeeded in striking a healthy balance between community representation and bringing relevant skills and experience to the table.

Similarly, all planning activities of the Foundations' other flagship initiatives are conducted according to the same principles of transparency. The planning activities of the [OER Tertiary Education Network](#) (OERTen) who are

implementing the [OER university](#) (OERu) project are conducted openly in WikiEducator. To date, face-to-face meetings have been streamed on the Internet encouraging wide international participation. The OERu project uses an open consensus model for decision-making and members from the open community participate by providing advice into the activities of the key initiatives of the [logic model](#) for the OERu. OERTen partners retain decision-making autonomy and voting rights for OERu implementation decisions.

This commitment to radical transparency provides an effective voice for minority opinions and respects diversity, while mitigating against the weakness associated with “group think”. The model builds trust because all members of the open community can observe the conduct of meetings in real time with the freedom to voice their opinions at any time.

As a general practice informed by the core values of the institution, the OERF staff do not participate in projects in their official capacity where the outputs are not licensed under a [free cultural works approved](#) open license. In addition, funding proposals are developed transparently and endorsements or participation from the OERF in philanthropic partnerships prefers that these documents are openly licensed.

The OERF open governance model enables the organisation to separate strategic planning, financial management, and human resource management of the Foundation from the open community projects like WikiEducator. OERTen and the OERu. However, the Foundation's commitment to open planning provides the opportunity for any member of society to participate and add value to the open education projects of the Foundation.





Revenue model

The [financial model](#) of the OERF is designed to distribute and to share cost and expertise among OERF partners and beneficiaries on a global scale. As a philanthropic organisation, a key feature of our sustainability model is to reinvest any surplus funds back into open content development for the benefit of contributing members. In this way organisations can reduce cost and save time for course development.

The OERF derives revenue from the following sources:

1. [Membership contributions](#) from education institutions using a tiered membership model (Bronze, Silver, Gold and Platinum) for varying levels of OER service provision. The OERF also has a strategic partner category for corporate citizenship contributions from the corporate sectors and non-teaching institutions .
2. Government funding to support national education priorities using OER approaches and support from international aid agencies and international government agencies.
3. Donations and grants including public gifting, corporate citizenship and grants from the international donor community for strategic projects.
4. Open education services.

The OERF operates under a [Privacy Policy](#) for Donors and Contributing Members and has endorsed the [Donor Bill of Rights](#). The

Foundation administers the technology and record keeping infrastructure required for online donations and membership applications.

Staffing model

The OERF is a virtual and distributed international organisation which employs a very small staff compliment. Currently the Foundation has only two full-time staff. The model is surprisingly efficient when considering that WikiEducator is a popular international website recording over 1.7 million unique visitors in 2011.

The OERF has an extensive international network of experienced OER practitioners which are sourced from the community. This enables us to provide regional based services for our members. Gold contributing members of the OERF donate a 0.2 full-time equivalent staff member(s).

Technology philosophy

As an open education project, the OERF uses open source software and we promote the use of open file formats. We use the same software as the popular Wikipedia website with a proven track record for security, reliability and scalability. Apart from the significant cost efficiencies gained from using free software, our choice is a values-based decision. In this way we can ensure that no educator in the world is restricted from participating in OER because they have to purchase software licenses or sacrifice their freedoms in software choices.





The WikiEducator prototype was established in February 2006 as a social software initiative for educators to collaborate on the development of open source teaching materials. Today, WikiEducator is one of the most productive OER wiki projects in the world. WikiEducator's formative years were nurtured by the [Commonwealth of Learning \(COL\)](#), an intergovernmental organisation created by Commonwealth Heads of Government to encourage the development and sharing of open learning/distance education knowledge, resources and technologies. Since July 2009, the WikiEducator community has been hosted by the OERF.

which corresponds with the demographic profile of the education profession. The majority of users are over 40 years of age and 54% of users are female. WikiEducator's gender ratio is significantly better than Wikipedia's gender gap where only 12.6% of contributors are female.

Indicator	2010	2011	Change
No. of registered users	17,219	27,004	+56.8%
Page views	4,097,136	4,215,771	+2.9%
Visits	1,599,057	2,028,915	+26.8%
Unique visitors	1,356,915	1,738,748	+28.1%
Content growth			
No. of pages	12,000	16,000	+33.3%
No. of pages > 0.5 Kilobytes	8040	10,720	+33.3%

WikiEducator demographics

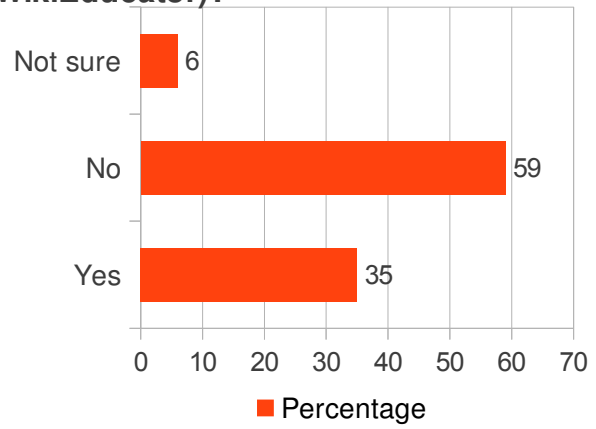
[WikiEducator](#) is a flagship initiative of the OERF and continues to report positive growth exceeding targets specified in the 3-year plan.

The OERF targeted to increase the number of registered WikiEducator users from 9,600 in May 2009 when the Foundation was established to 21,375 by the end of 2011. This target was exceeded by 26% achieving 27,004 registered users.



Wikis as a collaborative web technology are now more than 15 years old. Surprisingly, drawing on data collected over the past 3 years, the majority of new WikiEducator users have not created a wiki account prior to joining our community.

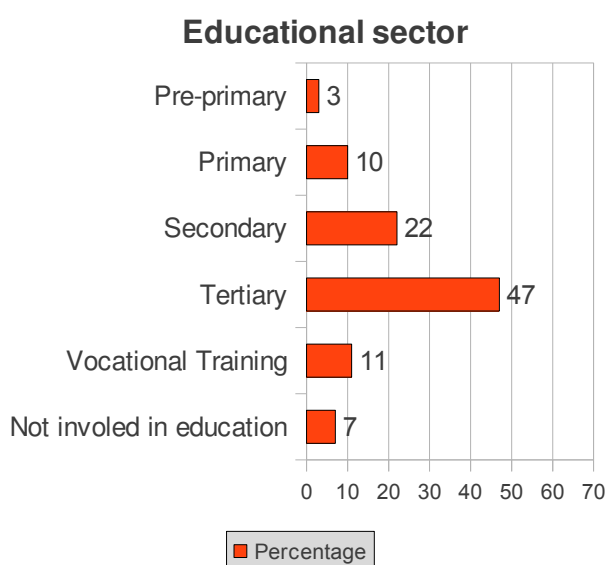
In the past, have you created a user account on a wiki (other than WikiEducator)?



WikiEducator continues to attract members from its intended target audience. 74% of the community are teachers, lecturers or trainers working in the formal education sector. WikiEducator attracts a mature user audience

These figures suggest that the formal education sector has not yet succeeded in integrating the potential benefits of the mainstream adoption of collaborative wiki development approaches for OER and therefore signifies an area of strategic growth for the OERF's work in supporting education institutions in using open education approaches.

The OERF aimed to increase the proportional participation from the school sector in WikiEducator from 30.1% in 2009 to 35% by 31 December 2012 and has achieved this objective.



This growth is largely attributed to an initiative funded by the New Zealand Ministry of Education to support the establishment of a national OER collaboration for New Zealand schools ([OERNZ](#)) during 2009 and 2010.

The scope and scale of the OERNZ project should be read in conjunction with the relatively small level of funding support received from the Ministry of Education when compared with multimillion dollar initiatives like Wikiwijs sponsored by the Dutch Ministry of Education. The total value of this Ministry project was approximately NZ\$184,000 with only

NZ\$105,000 earmarked for OER Foundation convened activities over an 18 month period.

National uptake in collaborative OER development in the school sector was disappointing. The issues associated with default copyright provisions of the New Zealand Copyright Act 1994 may be a barrier to participation. In the case of commissioned OER resources, an open copyright license can be specified as a requirement. However, in the case of voluntary open content development, the copyright of teaching materials developed by New Zealand teachers belongs to the Board of Trustees of the individual schools, and defaults to a "all rights reserved" position. The perceived lack of time for teachers to participate in open content development may be a constraint but the long term savings in cost and time for OER development should, in theory, outweigh this constraint. This suggests more advocacy and education work in the operational benefits of OER is needed in the sector.

Notwithstanding a few exemplary OER contributors – mainly the two New Zealand schools who have adopted open source software on campus – the majority of New Zealand schools have not embraced OER collaborative content development at this time.

New Zealand schools are funded centrally by Government. In the absence of funding support from the Ministry, the OERF will not be able to develop a financially sustainable model to support New Zealand schools with OER projects. However, the OERF continues to provide free access to all teachers worldwide who are using WikiEducator to support their teaching in the classroom. For this reason, the OERF is focusing its attention on the post-secondary sector as this will provide a financially sustainable model for the Foundation.

Learning4Content

Tell me and I'll forget, show me and I may not remember, involve me, and I'll understand.



The [Learning4Content](#) project is inspired by this meaningful native North American proverb and is the OERF's flagship capacity building project. Learning4Content is the world's largest project to develop wiki skills for education.

With generous funding support from the William and Flora Hewlett Foundation, teachers and educators receive free training in wiki skills through a series of workshops. In return, they become WikiEducators themselves by developing and donating one free content resource back to the WikiEducator community.

Since the inception of Learning4Content in January 2008, we have provided free training to more than 5,000 registered attendees.

The Learning4Content (L4C) initiative has demonstrated a powerful yet cost-effective model to scale-up capability development on an international scale. The L4C model provides valuable experience for the OERF for the development of OERu courses in the future.

While funded by the Hewlett Foundation, the Learning4Content project presented 129 free workshops proving training opportunities to 5230 educators worldwide.

Learning4Content will now continue as a community volunteer project. The OERF will continue to seek sponsorships for providing free professional development opportunities, however, in the absence of external funding support to cover the costs of the facilitator honorarium, we anticipate a reduction in the number of wiki skills workshops. However, the

OERF will explore opportunities for the integration of digital skills development courses within the OERu curriculum.

Open content licensing for educators workshop

Drawing on the experiences gained from presenting large-scale open workshops under the Learning4Content initiative, with funding support from the UNESCO Office for the Pacific States, the OERF developed training materials for the Open Content Licensing for Educators (OCL4Ed) workshop.



Refining copyright using Creative Commons. Image courtesy of [Tyler Stefanich](#) (CC-BY)

OCL4Ed is a free online professional development workshop designed for educators and students who want to learn more about OER, copyright, and Creative Commons licenses.

The course materials were developed as a collaborative project by volunteers from the OERF, WikiEducator, the OpenCourseWare Consortium and Creative Commons. The course provides prerequisite knowledge required by educators to legally remix open education materials and helps institutions to take informed decisions about open content licenses. The OERF implemented a modular design to improve reuse options for different contexts and



completed the development of four core units designed for independent study:

- [Educators care: Why open matters](#)
- [Copyright: Your educational right to copy](#)
- [Creative Commons unplugged](#)
- [The right license](#)

The inaugural offering of this workshop was presented from 21 to 25 March 2011 with funding support from UNESCO.

The workshop incorporated micro-blogging features into the activities providing an opportunity to integrate ICT skills development for educators who may not be familiar with this technology. The OER Foundation created an additional support tutorial aimed at guiding educators on how to [create a micro-blogging account](#) and developed a feature to embed a live stream of tagged posts into WikiEducator pages which was used successfully during the pilot workshop. This feature is being trialled as a method for scalable peer-learning support for the OERu.

The OERF also tested a new feature to integrate WikiEducator pages into third party websites based on the <iframe> HTML tag developed as an output of the Hewlett Foundation grant. This

feature will enable institutions around the world to easily integrate the wiki course materials for into their own learning management systems and websites. The OCL4Ed materials are available in open file formats and can be downloaded for reuse and adaptation worldwide under the Creative Commons Attribution license. The inaugural workshop attracted 332 registered participants from 61 different countries and survey data confirms that the profile of attendees were representative of the demographic profile of the formal education sector as per comparative data of the WikiEducator community representing +30,000 educators worldwide.

Half the of the OCL4Ed participants were older than 45.37 years with 72% of the participants confirming that they work as teachers, lecturers or trainers in the formal sector. The remainder of participants indicated that they were professional staff developers, researchers or independent consultants. 52% of respondents indicated that the school sector was their main focus of interest with 65% confirming their main focus in post-secondary education. (Note that some respondents could be working in both the school and post-secondary sectors.) 64% of participants reported that English was not their home language and the course achieved a

respectable gender balance with 54% of attendees being female.

The workshop attracted wide international participation from all the major regions including: the Caribbean (9%), East Asia and Pacific (13%), Europe and Central Asia (10%), North America (25%), South America (7%), South Asia (8%), Sub-Saharan Africa and Indian Ocean Islands (6%) and Oceania and South Pacific (25%). (Note that 3% of attendees

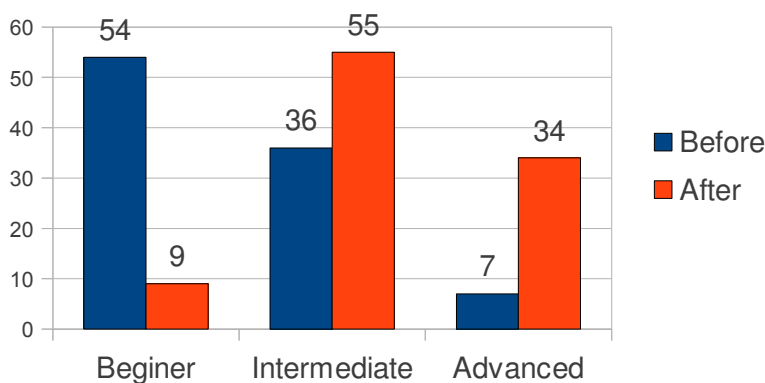


Example of microblog feed in WikiEducator aggregating notes posted from different sources

indicated that they work in more than one geographical region.)

Survey data evaluating the OCL4Ed delivery has produced evidence of learning. The OER Foundation administered a self-assessment of knowledge of creative commons licenses comparing the pre- and post-workshop situation using a “Beginner”, “Intermediate” and “Advanced” rating scale.

Self assessment evaluation



The workshop succeeded in reducing the number of “Beginners” identified in the pre-workshop self-evaluation from 54% to 9% representing an improvement of 85% for this category. The “Advanced” category increased from 7% to 34% in the post-workshop self-evaluation. The course has succeeded in improving the outcomes for both the “Intermediate” and “Advanced” level course participants confirming the design of the materials to address diverse learning needs with reference to prior knowledge of Creative Commons licensing.

The delivery model will scale for large numbers of participants. In January 2012, the OERF hosted an #OCL4Ed workshop using the same model attracting 1067 participants from 90 different countries. These workshop prototypes provide invaluable experience for the OERF to design scalable pedagogy for the OERu initiative.



The need for the OERu and its new pathways to learning is becoming more apparent as tuition fees continue to rise precipitously and as the demand for higher education increases in both the developing and developed world. Professor Rory McGreal, UNESCO-COL Chair in OER, Athabasca University, Canada





OER Tertiary Education Network

The OER Tertiary Education Network (OERTen) is an international innovation partnership of accredited post-secondary institutions leading the implementation of the OERu.

A logic model for the OERu concept was first proposed and discussed at the international meeting for the *OER for assessment and credit for students project* in February 2011. In November, the founding anchor partners of the OERTen convened for the OERu 2011.11 meeting to commence implementation planning for the project.

OER for assessment and credit for students project meeting

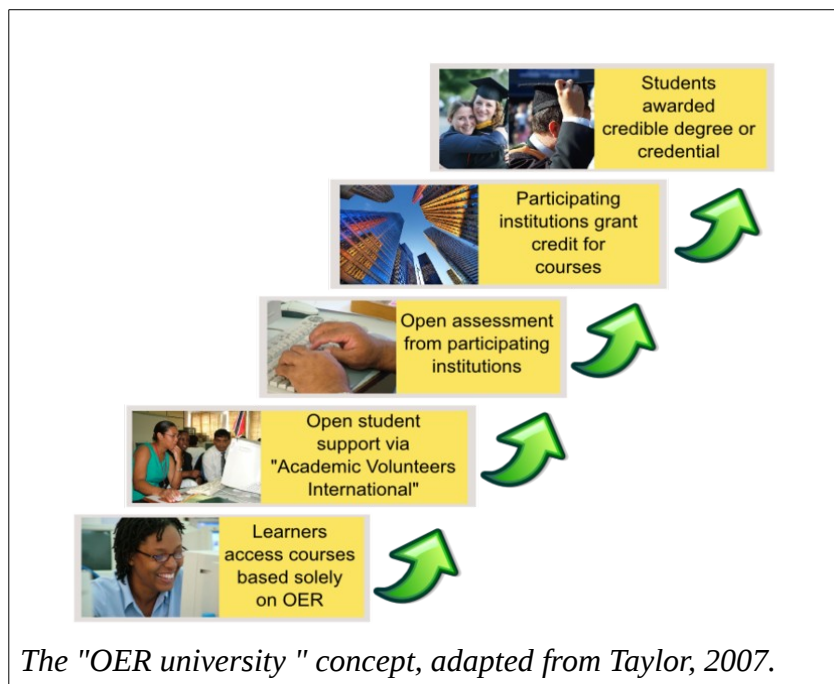
The [OER Foundation](#) hosted a strategic international planning meeting for the [OER for assessment and credit for students project](#) at [Otago Polytechnic](#) on 23 February 2011 in Dunedin, New Zealand.

Individuals are free to learn from OER hosted on the open web. The problem is that learners who access digital OERs on the web and acquire knowledge and skills either formally or informally, alone or in groups, cannot readily have their learning assessed and subsequently receive appropriate academic recognition for their efforts.

The meeting discussed the design and implementation of a parallel delivery model using OER courses to provide free learning opportunities for all students worldwide with pathways to achieve credible credentials. Participating institutions could provide assessment and credentialing services on a fee-for-service basis.

Athabasca University, Otago Polytechnic and the University of Southern Queensland collaborated on the development of a concept logic model for the [OERu](#) which was discussed at this meeting.

UNESCO provided financial support to stream the meeting from Dunedin on the Internet to allow participation from education leaders and interested persons from around the globe. [BCcampus](#) in British Columbia Canada,



The "OER university" concept, adapted from Taylor, 2007.



hosted a pre-meeting [SCoPE online seminar](#) to generate [inputs](#) for the planning meeting. The meeting attracted 202 [registered virtual participants](#) from 46 different countries. Representatives from, Australia, Canada, Fiji, New Zealand and Samoa attended the meeting in Dunedin including representatives from the university and polytechnic sectors, Ako Aotearoa, the New Zealand Ministry of Education, and the Tertiary Education Commission of New Zealand. Virtual participants were encouraged to provide input and feedback using the [OERu microblog stream on identi.ca](#), the online proposal for action forms, and relevant wiki pages set up for the meeting in WikiEducator.



The OERu could cut the costs of higher education dramatically. Sir John Daniel, President and Chief Executive Officer, Commonwealth of Learning.



Dr Visessio Pongi, Director of the UNESCO Office for the Pacific States stressed the importance of OER in realising the mission of education for all in his welcome address. Sir John Daniel, President and Chief Executive Officer of the Commonwealth of Learning commended the project's focus on providing pathways for credible qualifications. Phil Ker, Chief Executive of Otago Polytechnic remarked that the OER university is history in the making. Professor Jim Taylor AM, from the [University of](#)

[Southern Queensland](#) led discussions on the [OERu concept](#) and presented a [logic model](#) for planning the [OER university](#). Key issues and appropriate responses were discussed at the meeting. The meeting commenced work on developing proposals for action relating to open business models, open pedagogy, open curriculum and open student support. A follow-up meeting was agreed to refine the draft proposals for action generated at this landmark meeting.

OERu 2011.11 meeting of founding anchor partners

Thirteen accredited universities and polytechnics and two non-teaching institutions joined the OERTen as founding anchor partners to implement the OERu. The OERu partners are collaborating to implement a viable and sustainable education model to widen access to higher education for those learners excluded from the formal system.

The [OER Foundation](#) hosted an open international planning meeting for the founding anchor partners of the [OERTen](#) on 9 - 10 November 2011 at [Otago Polytechnic](#) in Dunedin, New Zealand.



OERu 2011.11 Participants. From left to right: Graham Bell, Terry Neal, David Bull, Rory McGreal, Niki Davis, Narend Baijnath, Judith Murray, Irwin Devries, Frances Ferreira, Herbert Thomas, Vasi Doncheva, Toshiyuki Matsumoto, Wayne Mackintosh, Robin Day, Peter Brooke, Savithri Singh, Jim Taylor, Jim Tittsler, Sandra Wills, Kevin Bell, Ellen Murphy, and virtual participants are represented in the display of microblog feeds in the rear. (Absent: Phil Ker and Mark Brown)



Twenty-two senior education leaders and decision-makers from the OERu anchor partners and representatives from UNESCO and the Commonwealth of Learning representing six countries and four continents convened face-to-face in Dunedin for the 2011.11 OERu implementation planning meeting of founding anchor partners. This meeting was also streamed live on the Internet with funding support from the UNESCO Office for the Pacific States.

One hundred and forty eight individuals from forty-one different countries registered as virtual participants to assist the meeting in charting more affordable and sustainable post-secondary education alternatives.

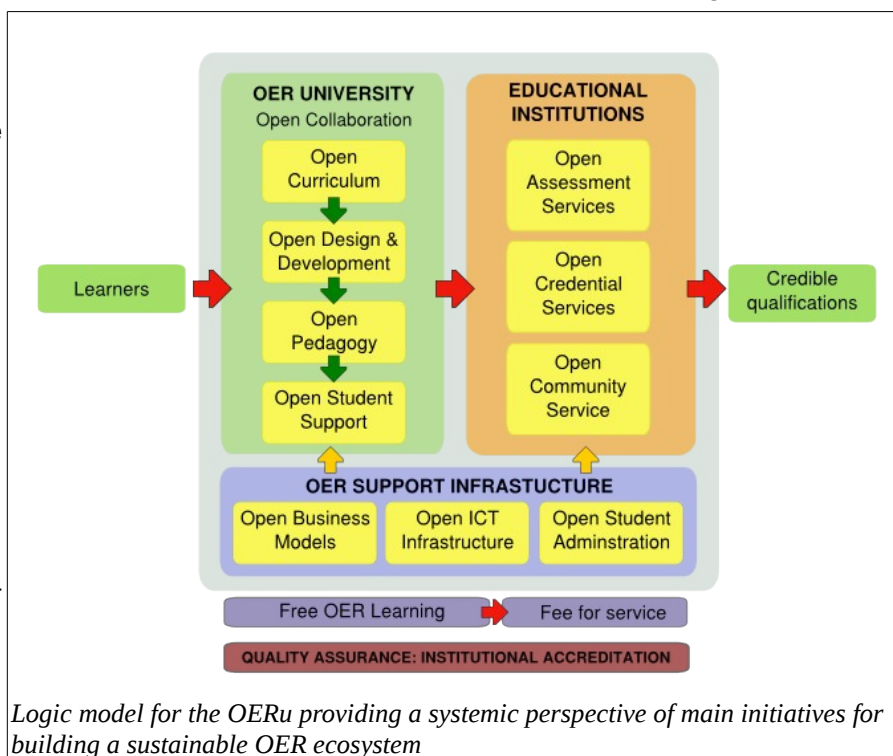
The Dunedin 2011.11 meeting brought together representatives from twelve of the thirteen founding OERu anchor partner institutions comprising colleges, polytechnics and universities from Africa, Asia, North America and Oceania.

Drawing on the depth of collective experience in open learning, technology mediated pedagogies and recognition of prior learning within the OERu network, the meeting was able to cover considerable ground in achieving its planning objectives. The partners have now agreed a Bachelor of General Studies (or equivalent) as the inaugural credential and commenced planning for the prototype course(s) to be trialled in 2012 in preparation of the official launch of the OERu in 2013.

The OERu 2011.11 meeting was designed to build on the collective work done prior to this

meeting on the [logic model and corresponding initiatives](#) to avoid duplication of effort and revisiting aspects already addressed at the [previous meeting](#) held in February 2011.

The OERu 2011.11 meeting focused on the following initiatives of the logic model: Open Curriculum; Open Design and Development; Open Pedagogy; Open Student Support; Open Assessment Services; Open Credential Services; Open ICT Infrastructure and Open Student Administration. The OERu logic model is based on the foundation of quality assurance and credible credentials. The meeting introduced



high-level discussions on the principles for a quality accreditation model. OERTen partners affirmed that:

- prospective OERu members must be formally accredited institutions within their local jurisdictions;
- programmes will be quality assured by the network; and
- member institutions retain decision-making autonomy regarding credit



transfer within the network in accordance with institutional accreditation policies.

- The OERu will collaborate with the Commonwealth of Learning to consider reuse and modifications of the Transnational Qualifications Framework developed for the Virtual University of Small States of the Commonwealth.

The open and transparent planning model used by the OERF encourages contributions from all institutions and educators worldwide with final decision-making authority for the OERu vesting with the OERTen anchor partners. BCcampus, based in British Columbia in Canada, collaborated with the OERF in hosting a consultative online SCoPE seminar for [designing OERu credentials](#) in August 2011. BCcampus prepared a summary of the community recommendations for the [inaugural OERu credential](#). These recommendations were considered by the OERTen members leading to the adoption of a Bachelor of General Studies as the inaugural credential to inform the decisions for the Open Curriculum initiative of the logic model.

The meeting considered a number of operational decisions for progressing development of the 2012 prototype courses and the operations of the OERu network:

- OERTen members will assemble a minimum of two courses from OERs for the OERu network.
- OERTen members must be Gold or Silver contributing members of the OERF.
- OERu course materials will be developed collaboratively in WikiEducator under a free cultural works approved open license to facilitate: integration of learning materials for the local institutional delivery system; collaborative

development; and a detailed revision history of edits.

- All OERu planning will be conducted transparently in WikiEducator.

The OERu network will adopt a strategy innovation and incremental development approach informed by the following principles of engagement:

- Keep the OERu model open, transparent and simple;
- OERu courses will prioritise the reuse and remix of existing OER;
- OERTen partners retain institutional autonomy for core services including assessment and credentialing within the institution's accepted quality frameworks;
- Partners are free to determine their own price points within local markets for the services provided under the OERu network and identified courses and credentials.
- Focus on strategic collaboration, namely the areas where a networked approach will save time and cost in realising the goals of the OERu;
- Build on existing policy frameworks and practices as agile and incremental development will achieve greater success for the collective.

The OERu 2011.11 meeting has affirmed that the model is a low cost, low risk but high impact innovation partnership because: partner institutions do not need to invest new money; recurrent costs for providing assessment and credentialing services will be recouped on a fee-for-service basis (or alternate revenue sources); and OERTen partners will reduce the capital costs of course development by reusing existing OERs.





The founding anchor partners will be recorded in history as the pioneers implementing the OERu. These institutions are leading the open education movement by providing free learning opportunities for all students worldwide using courses based solely on OERs with pathways for OER learners to achieve credible credentials in the formal post-secondary sector.

The OERu partners are motivated by a clear commitment to providing more affordable education to those learners currently excluded from the formal education system in a financially sustainable way. This is evident in the collection of [founding anchor partner statements](#) prepared for OERu 2011.11 meeting.

Athabasca University, Canada

[Athabasca University](#) (AU) is Canada's Open University. All courses are delivered at a distance. It is a comprehensive research institution which offers online courses and programs. The university hosts more than 39,000 students in over 70 000 courses at the undergraduate, Master's and Doctoral levels. Canadian athletes, politicians and broadcasters have chosen AU to complete their studies due to the flexibility in the university's schedule, that allows students to start and finish whenever they wish. The enabling legislation is the province of Alberta's Post-secondary Learning Act and AU is the only Canadian public university that is accredited in the USA with the Middle States Commission on Higher Education.

Why AU joined OERTen

AU, as an open university supports



opening up learning and making it accessible to as many learners as possible; joining the OERTen network supports the strategic goals of AU by opening up learning to a wider population.

BAOU, India

[Dr. Babasaheb Ambedkar Open University](#) (BAOU) is the first and the only open university established by the Government of Gujarat in the state of Gujarat (the eastern-most state of India). In a recent national survey in India, BAOU is ranked amongst the top five Open Universities across India in terms of performance and output in 2011. BAOU offers seventy four courses ranging from certificate to post-graduate level and covering diverse disciplines like Education, Social Sciences, Humanities, Information

Why BAOU joined OERTen



Dr. Babasaheb Ambedkar Open University
 ડૉ. બાબાસાહેબ આંબેડકર સુક્ષ્મ વિશ્વ વિદ્યાલય

The BAOU finds a powerful synergy between OERTen network and its own [O M K A R model](#), which is a multi-institutional, virtual multi-media classroom, accessible to millions of students and aspirants across the globe.



Technology, Commerce and Management, and Foreign Languages.

BAOU is proud to be the first and the only open University in Asia to join the proposed OER University as one of the founding Anchor partners of this international network.

BCcampus, Canada (Non-teaching partner)

[BCcampus](#) is a publicly-funded organization that uses information technology to connect the expertise, programs, and resources of all BC post-secondary institutions under a collaborative service delivery framework. We:

- Federate common online student services and facilitate open data exchange and reporting between all BC institutions;
- Gain system benefits and reduce costs using collaborative shared services;
- Share educational resources and professional expertise using open licenses and open practices.

Why BCcampus joined OERTen

As a long
time
advocate of
OER,



BCcampus sees the OERu as an emergent model for leveraging existing OER and using global institutional services to provide access, support and graduation services to millions of learners around the world.

Empire State College (State University of New York), United States

SUNY Empire State College's dedicated faculty and staff use innovative, alternative and flexible approaches to higher education that transform people and communities by providing rigorous programs that connect individuals' unique and diverse lives to their personal learning goals.

We do this through students working with their mentor to develop an individual degree program. These programs can include a significant amount of credit attained through other institutions (accredited) and through a PLA process.

Why ESC SUNY joined OERTen



Our commitments, based on our mission include many intersections with the mission of OERTen, including working in a global environment, embracing new approaches to learning and expanding access to affordable, high-quality higher education.



Nelson Marlborough Institute of Technology, New Zealand

[NMIT](#) serves the 'Top of the South' of the South Island in New Zealand. We have four main campuses in the Nelson and Marlborough regions and work in collaboration with a range of overseas and New Zealand organisations to increase our range of learning opportunities. We constantly seek to develop more flexible delivery models and have clear targets for the expansion and quality of blended learning.

Why NMIT joined OERTen

We are delighted to have become a founding anchor partner, joining our New Zealand and overseas partners in this exciting and challenging initiative. We recognise the advantages both to educational organisations in terms of improving the cost effectiveness of provision and to the millions of people who will potentially benefit from greater access to learning.



NorthTec, New Zealand

[NorthTec](#) is the largest provider of tertiary education in the northern region of New Zealand, servicing a population base of approximately 160,000. Our largest campus is based at Raumanga, a suburb of Whangarei city, with close to 60 other learning centres and community based delivery sites throughout the north. NorthTec has achieved flexibility in programme provision for smaller or more isolated areas through community based delivery, blended delivery and fully online programmes. This has been made possible through the development of memorandums of

Why NorthTec joined OERTen

We believe that the future of education is open and accessible. We not only want to be part of that future, but to help invent and build it.



agreements with education providers, industry, iwi and charitable trusts. NorthTec offers a range of programmes in health, science, business, technology, tourism, education, Maori studies and the arts. These programmes cater for student learning from foundation to degree level and provide pathways with partner organisations like Te Wananga O Aotearoa, Te Wananga O Awanuiarangi, AUT University and Unitec.



OER Foundation, International (Non-teaching partner)

The [Open Education Resource \(OER\) Foundation](#) is an independent, not-for-profit organisation that provides leadership, international networking and support for educators and educational institutions to achieve their objectives through Open Education. The OER Foundation is coordinating the OER Tertiary Education network of accredited colleges, universities and polytechnics who are implementing the OER university initiative.

Why the OERF joined OERTen

The OER Foundation has joined the network to facilitate partnerships that can provide free learning opportunities for all students worldwide using open education approaches with pathways for these learners to gain credible credentials.



Open Polytechnic, New Zealand

[The Open Polytechnic](#) is New Zealand's specialist provider of open and distance vocational learning at tertiary level. Nearly 29,000 students enrolled with us in 2010, studying anything from basic skills to degree level and living throughout New Zealand and overseas. Three-quarters of our students are in the workforce and studying part-time to improve job skills or career development.

We remove the barriers of time, place and cost to deliver effective learning solutions. We often work with partners to support learning in a wide range of other contexts. We supply training and education in conjunction with commercial clients, industry training organisations, schools and other training providers, both in New Zealand and internationally.

Why the Open Polytechnic joined OERTen

As an institution that has thought

differently about teaching and learning to increase access for 65 years, the Open Polytechnic wishes to be part of a group that it believes will lead innovation in affordable, accessible teaching and learning for the immediate future.



Otago Polytechnic, New Zealand

Established in 1890, [Otago Polytechnic](#) is New Zealand's oldest institute of technology. As a regional polytechnic we serve students in the Dunedin and the wider Otago region with a growing number of national students choosing to study at Otago Polytechnic. Otago Polytechnic is building a leadership role in open education. We are the first post-secondary institution to adopt a default [Creative Commons intellectual property policy](#). Otago Polytechnic provides a world-leading Assessment of Prior Learning (APL) service that can serve the formal accreditation needs of OERu learners. Otago Polytechnic hosts the head office of the OER Foundation and the Commonwealth of Learning Chair in OER.

Why Otago Polytechnic joined OERTen

OER is the means by which education at all levels can be more accessible, more affordable and more efficient. OER is a sustainable and renewable resource and is well aligned with our strategic commitment to sustainable education practice.



Southern New Hampshire University, United States

[Southern New Hampshire University](#) is mid-sized, not-for-profit and based in New England USA.

- 2,500 on campus / traditional students
- 8,000+ online / continuing education students (and growing)

Dynamic school with forward-thinking leadership and a social mission to disrupt and explore new models for teaching and learning. We have recently established an Innovation Lab with the following (draft) mission statement (feedback please):

"The SNHU innovation lab seeks to (disrupt and) increase access to a viable, relevant and transformational educational experience with a focus on under-served students."

Why SNHU joined OERTen

We believe that a sea-change in education is coming - the perfect storm of rising tuition, exorbitant textbooks and dated models of teaching and learning is close to upon us - we want to be involved with those shaping the future, with Open Educational Resources and Social Mission as core values.



Thompson Rivers University, Canada

[Thompson Rivers University](#) (TRU), located in Kamloops, British Columbia, Canada, is a dual-mode, dual-sector, nationally accredited public university offering a wide range of post-secondary programs including undergraduate and graduate degrees, career diplomas and a variety of vocational and developmental certificates. Founded in 1970, the institution now serves more than 25,000 students on campus, at a distance and with international partners around the world.

The Open Learning Division of TRU has a legacy rooted in its origins as the British Columbia Open University, which formerly operated as the Open Learning Institute (OLI) in 1978, and is one of the pioneers in open and distance education globally.

Thompson Rivers University, Open Learning (TRU-OL) mandate is to provide excellence in service and high quality education in order to meet the open and distance needs of learners provincially, nationally and worldwide. The barriers to quality post-secondary education are removed by offering continuous enrolment, flexible scheduling, minimal admission requirements, recognition and acceptance of credits earned at other national and international institutions through an established credit bank and recognition of knowledge and experience gained from past work experience through Prior Learning Assessment and Recognition (PLAR).

Why TRU joined OERTen

We believe that TRU Open Learning's outcomes based educational philosophy -- the articulation of learning outcomes required to receive TRU credits and credentials, the development of a variety of assessment mechanisms to validate that the learning outcomes have been achieved (of which recognition of prior learning is one), accepting that there are multiple pathways that a learner can take to acquire the necessary learning, and provides the ability to credential the learning that meets our outcomes-- is congruent with the work of the OERTen network.



University of Canterbury, New Zealand

The [University of Canterbury](#) (UC) is a research intensive university with its main campus in Christchurch. Established in 1873, UC is ranked in the top 200 universities in the world, with over 100 programmes, from [foundation](#) to doctoral studies, and over 150 disciplines, from [Accounting](#) to [Zoology](#). As one of the largest providers of teacher education in New Zealand, the College of Education has evolved multiple modes of course offerings, including culturally sensitive flexible learning options that may be studied from a distance. The Postgraduate Diploma in e-Learning and Digital Technologies is particularly relevant to OERu.

Why UCan joined OERTen

To increase understanding of co-evolutionary processes of education and digital technologies to counter decreasing equity - 'UCan' goes global with OERu.



University of South Africa (Unisa), Republic of South Africa

The [University of South Africa](#) (Unisa) is a mega university with over 374 000 students.

- We are a dedicated and comprehensive Open and Distance Learning institution.
- We house one of the largest libraries in Africa and host a massive digital repository.
- Unisa offers a diverse PQM -from certificates and diplomas to Doctoral studies.
- We predominantly serve African students but have students and exam centres around the world.
- We are constantly in pursuit of national and international networks and alliances that resonate with the University's social justice and development-orientated mission so we are better able to address local and global challenges.

Why Unisa joined OERTen

UNISA 
university of south africa

Our vision to be "the African university in service of humanity", our locatedness on the African continent and our significant global footprint place us in the unique position to represent African perspectives within the OERten network while displaying local relevance and global consciousness.

University of Southern Queensland, Australia

The [University of Southern Queensland](#) (USQ) is a dual mode university with three regional campuses in Toowoomba, Fraser Coast and Springfield respectively. USQ has forged a reputation as one of Australia's leading providers of on-campus and distance education programs. More than 75 percent of USQ's 25,000 students are studying off campus, including more than 5,000 international students across 85 countries. USQ has five Faculties : Arts, Business and Law, Education, Sciences, and Engineering and Surveying. It also hosts the Open Access College and the Australian Digital Futures Institute.

Why USQ joined OERTen

USQ UNIVERSITY OF
SOUTHERN QUEENSLAND

USQ joined the OERTen network because the OERu initiative is consistent with its mission to enable broad participation in higher education and to a make significant contribution to research and community development.



University of Wollongong, Australia

University of Wollongong (UOW) Mission: To enrich people, communities and the environment by making original and creative connections across disciplinary, social and cultural boundaries.

Founded in 1951, UOW has awarded over 93,000 degrees & diplomas and currently has more than 30,000 students at 7 Australian campuses and a major campus in Dubai which has been operating for 20 years. International enrollments onshore and offshore total over 10,000.

Some relevant achievements include:

- Top 200 Times Higher Ed Rankings 2009, 2006 & 2007
- #1 for Student Satisfaction Sweeney Research Group 2009
- Top 500 Shanghai Jiao Tong Index 2006
- Decade of 5 stars in Australia's Good Universities Guide
- #1 for 3 years of Australian Teaching & Learning Performance Fund
- #1 for 4 years of Australian Learning & Teaching Council Citations
- Inaugural Commonwealth University of the Year Award for Community Engagement 2006
- University of Year for Preparing Graduates for e-World 1999

Why UOW joined OERTen

Central to the university's mission is its social responsibility to engage in open public debate and knowledge transfer, to raise our community's aspirations for lifelong learning and to provide effective pathways into formal university education.



University of Wollongong pioneered open and free delivery of academic content in the 1990s via national television broadcast and it now joins the OERTen network to profile via the Internet its quality teaching.

We have been opening content in both research and teaching for a number of years and the next logical step is to offer whole courses in the open at a time which coincides with the Australian government's strong Social Inclusion Agenda.





WikiEducator performance


The OER Foundation was able to maintain an enviable 99.95% availability rate for its flagship WikiEducator project over 2011. The only brief outages were a caused by problems at our cloud hosting provider. The advantages of cloud hosting are dramatic for a small, budget-conscious organization, allowing us the flexibility to start a temporary server with a copy of our data for analysis and statistics gathering without impacting the public service. We also were fortunate that we could move software development to a separate host donated by a couple that are a member of the community, removing the potential for disruption of the production server.

We implemented two forms of caching to improve the performance (and lessen the computational demands) of reading WikiEducator pages. This proved especially worthwhile as web spiders became ever more aggressive at monitoring WikiEducator for fresh content. We also have improved our detection and removal of spam that a popular site with good search engine rankings attracts.

Technology development focus

A significant development focus in 2011 was in experimenting with technologies that educators

might exploit to make content in WikiEducator more “live” in anticipation of OERu course development and delivery.

 **Quiz**

Indicate whether the following statements are true or false:

1. The origins of plagiarism can be traced to society's moral conviction that it is wrong to copy someone's work
 True
 False
2. Copyright was first introduced to protect the rights of the copyright holder.
 True
Incorrect. Copyright was originally introduced to **restrict** the rights of the copyright holder.
 False

Example of interactive quiz widget in WikiEducator

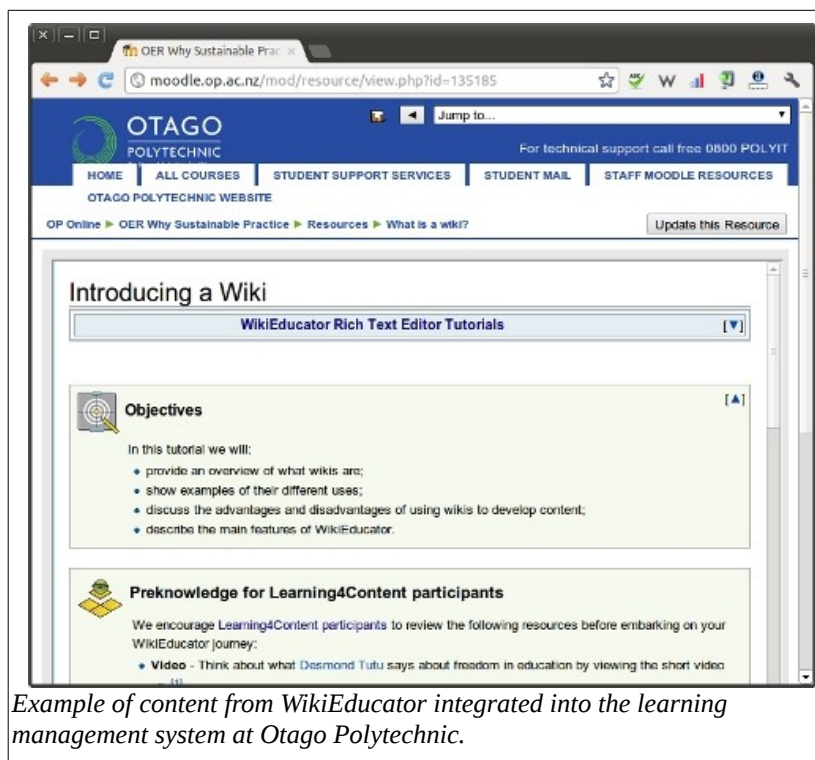
“Widgets” were prototyped that allow:

- authoring and presenting “slideshows” built with standard wikitext
- interaction, for example quizzes and voting polls
- displaying mindmaps
- providing more information about the status of development of a resource
- opening links in separate pages
- providing “live” microblog feeds from the CC-licensed identi.ca service (and starting some experiments at amalgamating feeds from a variety of sources into a single stream)
- simplified registration forms (that also hint at possible directions for more generic template use simplifications)



The OER Foundation created an extension to improve the display of licenses that are supported by the WikiEducator community, adding the ability to prominently display the CC-BY and CC0 license badges in addition to our default CC-BY-SA license for the site. We also added an extension that improves the display of software code within the wiki for computer resources. All of the OER Foundation software development is Open Source and readily available in public repositories.

We continue to explore ways of simplifying reuse of resources authored in WikiEducator. In particular, this year we enhanced the ability to pull pages of WikiEducator content directly into popular learning management systems (LMS) and content management systems (CMS). This integration has been successfully tested with the preferred technologies of the founding anchor partners of the OER Tertiary Education Network.



Example of content from WikiEducator integrated into the learning management system at Otago Polytechnic.

The lead software engineer has also been hosting weekly informal “office hours” to provide authoring and implementation support to educators via video and text chats.





Independent auditors report

AUDIT NEW ZEALAND

Mana Arotake Aotearoa

To the readers of Open Education Resource Foundation Limited's financial statements for the year ended 31 December 2011

The Auditor-General is the auditor of The Open Education Resource Foundation Limited (the company). The Auditor-General has appointed me, Ian Lothian, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements of the company on her behalf.

We have audited the financial statements of the company on pages 29 to 39, that comprise the statement of financial position as at 31 December 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information.

Opinion on the financial statements

In our opinion, the financial statements of the company on pages 29 to 39:

- comply with generally accepted accounting practice in New Zealand; and
- give a true and fair view of the company's:
 - financial position as at 31 December 2011; and
 - financial performance and cash flows for the year ended on that date.

Opinion on other legal requirements

In accordance with the Financial Reporting Act 1993 we report that, in our opinion, proper accounting records have been kept by the company as far as appears from an examination of those records.

Our audit was completed on 27 April 2012. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Board of Directors and our responsibilities, and we explain our independence.



Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the company's preparation of the financial statements that give a true and fair view of the matters to which they relate. We consider internal control in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Board of Directors;
- the adequacy of all disclosures in the financial statements; and
- the overall presentation of the financial statements.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements. In accordance with the Financial Reporting Act 1993, we report that we have obtained all the information and explanations we have required. We believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of the Board of Directors

The Board of Directors is responsible for preparing financial statements that:

- comply with generally accepted accounting practice in New Zealand; and
- give a true and fair view of the company's financial position, financial performance and cash flows.

The Board of Directors is also responsible for such internal control as it determines is necessary to



enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Board of Directors' responsibilities arise from the Education Act 1989, the Crown Entities Act 2004 and the Financial Reporting Act 1993.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the Public Audit Act 2001 and the Crown Entities Act 2004.

Independence

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the New Zealand Institute of Chartered Accountants.

Other than the audit, we have no relationship with or interests in the company.

Ian Lothian
Audit New Zealand
On behalf of the Auditor-General
Dunedin, New Zealand



Statement of financial performance

For the year ended ended 31 December 2011

		Actual 2011 \$000	Budget 2011 \$000	Actual 2010 \$000
	Notes			
Revenue				
Other Income	3 (a)	249	236	201
Total Revenue		249	236	201
Expenditure				
Employment Expenses	3 (b)	228	222	242
Consumable Expenses	3 (c)	7	6	6
Operating Expenses	3 (c)	25	7	14
Depreciation Expense	6	1	0	0
Total Expenditure		260	236	262
Net Surplus/(Deficit)		(12)	0	(62)

Statement of comprehensive income

For the year ended 31 December 2011

		Actual 2011 \$000	Budget 2011 \$000	Actual 2010 \$000
	Notes			
Net Surplus/(Deficit) for the year		(12)	0	(62)
Other Comprehensive Income		0	0	0
Total Comprehensive Income		(12)	(0)	(62)



Statement of changes in equity

For the year ended 31 December 2011

	Actual 2011 \$000	Budget 2011 \$000	Actual 2010 \$000
Public Equity at the start of the year	(23)	0	39
Total Comprehensive Income	(12)	0	(62)
Total Recognised Revenues and Expenses	(12)	0	(62)
Public Equity at the end of the year	(34)	0	(23)

Statement of financial position

as at 31 December 2011

	Actual 2011 \$000	Budget 2011 \$000	Actual 2010 \$000	
ASSETS				
Current Assets				
Cash and Cash Equivalents	4	21	0	17
Trade and Other Receivables	5	49	0	0
Total Current Assets	69	0	17	
Non Current Assets				
Property, Plant and Equipment	6	1	0	2
Total Non Current Assets	1	0	2	
Total Assets	70	0	19	
LIABILITIES				
Current Liabilities				
Trade and Other Payables	7	105	(0)	(41)
Total Current Liabilities	105	(0)	(41)	
Total Liabilities	105	(0)	(41)	
NET ASSETS	(35)	0	(23)	
EQUITY				
Retained Earnings	8	(34)	0	(23)
Total Equity	(34)	0	(23)	



Notes to the financial statements

For the year ended 31 December 2011

1. REPORTING ENTITY

Open Education Resource Foundation Limited (the "Company") is a company incorporated and domiciled in New Zealand and registered under the Companies Act 1993.

The primary objective of the Company is to provide education services for community or social benefit, rather than making a financial return. Accordingly the Company has designated itself as a public benefit entity for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

The financial statements of the Company for the year ended 31 December 2011 were authorised for issue by the Directors on 29 April 2011 [**Check date with auditors - -should be 2012?**]

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand and the requirements of the Financial Reporting Act 1993.

The financial statements have been prepared on a historical cost basis.

The Company qualifies for differential reporting exemptions as it has no public accountability and is classified as small. All available reporting exemptions allowed under the Framework for Differential Reporting have been adopted.

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$'000). The functional and presentation currency of the Company is New Zealand dollars (\$).

(b) Statement of compliance

The financial statements have been prepared in accordance with New Zealand generally accepted accounting practice (NZ GAAP). They comply with NZ IFRS and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

(c) Significant accounting policy

The accounting policies set out below have been applied consistently in the preparation of these financial statements.



The Company has adopted the following revision to accounting standards during the financial year which have only had a presentational or disclosure effect:

- Nil

Standards, amendments and interpretations issued but not yet effective that have not been early adopted, and are relevant to the Company are:

- NZ IFRS 9 *Financial Instruments* will eventually replace NZ IAS 39 *Financial Instruments: Recognition and Measurement*. NZ IAS 39 is being replaced through the following three main phases: Phase 1 Classification and Measurement, Phase 2 Impairment Methodology and Phase 3 Hedge Accounting. Phase 1 on the classification and measurement of financial assets has been completed and has been published in the new financial instrument standard NZ IFRS 9. NZ IFRS 9 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in NZ IAS 39. The approach in NZ IFRS 9 is based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the many different impairment methods in NZ IAS 39. The new standard is required to be adopted for the year ended 31 December 2013. The Company has not yet assessed the impact of the new standard and expects that it will not be early adopted.

(d) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Other Income

Other Income is recognised when earned. For the sale of materials this is when the significant risk and rewards of ownership have passed to the buyer and can be measured reliably.

Interest

Interest revenue is recognised using the effective interest method.

(e) Borrowing cost

Borrowing costs are recognised as an expense in the period in which they are incurred, except that borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset shall be capitalised as part of the cost of that asset until substantially all activities necessary to prepare the qualifying asset for its intended use are complete.

An asset that takes a substantial period of time to get ready for its intended use is considered as a qualifying asset.

(f) Goods and Services Tax (GST)

All items in the financial statements are stated exclusive of GST, except for trade receivables and



payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

(g) Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand and short-term deposits or highly liquid assets with an original maturity of three months or less.

(h) Trade and other receivables

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

An estimate for impairment is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

(i) Financial instruments

Financial instruments are contracts that give rise to financial assets and liabilities or an equity instrument in another enterprise. A financial instrument is recognised when the Company becomes party to its contractual provisions.

A financial asset is cash, a contractual right to receive cash or another financial instrument from another enterprise.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial instrument to another enterprise. An equity instrument is any contract that evidences a residual interest in the assets of another enterprise after deducting all of its liabilities.

Categories of investment and financial assets held by the Company:

- *Loans and receivables (including cash and cash equivalents, trade and other receivables and other financial assets)* Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method less any provision for impairment. Gains or losses are recognised in the surplus or deficit when the loans and receivables are derecognised or impaired. These are included in current assets, except for those with maturities greater than 12 months after balance date, which are classified as non-current.

Impairment of financial assets

At each balance date, the Company assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the surplus or deficit.

- *Loans and receivables (including cash and cash equivalents, trade and other receivables and other financial assets)* Impairment of a loan or receivable is established when there is objective evidence that the Company will not be able to collect amounts due according to the original



terms of the debt. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy and default in payments are considered indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For debtors and other receivables, the carrying amount of the asset is reduced through the use of a provision account and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectable, it is written off against the provision account. Overdue receivables that have been renegotiated are reclassified as current (ie not past due). For other financial assets, impairment losses are recognised directly against the instruments carrying amount.

(j) Property, plant and equipment

Property, plant and equipment consists of computer hardware.

The measurement bases used for determining the gross carrying amount for each class of assets is as follows:

- Property, plant and equipment is stated at cost less accumulated depreciation and impairment losses.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to the Company and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit. When revalued assets are disposed, the amounts included in the asset revaluation reserves in respect of those assets are transferred to retained earnings.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Company and the cost of the item can be measured reliably.

Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Class of Assets	Useful lives	Rate
Computer hardware	4 years	25% per annum

(k) Impairment of non-financial assets

Non-financial assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that have a finite useful life are reviewed for impairment whenever



events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits or service potential.

If an asset's carrying amount exceeds its recoverable amount the asset is impaired and the carrying amount is written down to the recoverable amount.

(l) Budget figures

The budget figures are those approved by the Directors and have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Company for the preparation of the financial statements.

(m) Critical accounting estimates and assumptions

In preparing these financial statements the Company has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities.

(n) Taxation

The Company is exempt from the payment of income tax as it is registered with the Charities Commission as a charitable organisation. Accordingly, no charge for income tax applies or has been provided for.

3 REVENUES AND EXPENSES

	2011	2010
	\$'000	\$'000
(a) Other income		
Revenue from other operating activities	249	201
	<u>249</u>	<u>201</u>
(b) Employment expenses		
Wages and salaries	212	207
Post employment benefits	2	2
Other employment expenses	14	32
	<u>228</u>	<u>242</u>



(c) **Consumable, Operating and Occupancy expenses**

Audit fees - annual audit 2011	3	0
Audit fees – annual audit 2010	2	2
Bad debts written off	0	0
Donations	0	0
Minimum lease payments – operating leases	0	0
Administrative and other expenses	27	18
	<u>32</u>	<u>20</u>

4 CASH AND CASH EQUIVALENTS

	<i>2011</i>	<i>2010</i>
	<i>\$'000</i>	<i>\$'000</i>
Cash at bank and in hand earns interest at floating rates based on daily bank deposit rates.	21	17
	<u>21</u>	<u>17</u>

5 TRADE AND OTHER RECEIVABLES

	<i>2011</i>	<i>2010</i>
	<i>\$'000</i>	<i>\$'000</i>
Student fees receivables	0	0
Other receivables	49	0
Other related parties	0	0
Provision for doubtful debts	0	0
	<u>49</u>	<u>0</u>
As at 31 December the age of receivables is as follows		
Current	49	0
30 – 60 days		
60 – 90 days		
90 days +		
	<u>49</u>	<u>0</u>

6 PROPERTY, PLANT AND EQUIPMENT

	<i>Computer Equipment</i>	<i>Total \$'000</i>
At 1 January 2011		
Cost or fair value	2	2
Accumulated depreciation and impairment	0	0
Net carrying amount	<u>2</u>	<u>2</u>
Year ended 31 December 2011		
Balance at 1 January 2011	2	2
Additions	0	0



Revaluations	0	0
Disposals	0	0
Depreciation expense	(1)	(1)
Balance at 31 December	<u>1</u>	<u>1</u>

At 31 December 2011

Cost or fair value	2	2
Accumulated depreciation and impairment	(1)	(1)
Net carrying amount	<u>1</u>	<u>1</u>

At 1 January 2010

Cost or fair value	2	2
Accumulated depreciation and impairment	0	0
Net carrying amount	<u>2</u>	<u>2</u>

Year ended 31 December 2010

Balance at 1 January 2010	2	2
Additions	0	0
Revaluations	0	0
Disposals	0	0
Depreciation expense	(0)	(0)
Balance at 31 December	<u>2</u>	<u>2</u>

At 31 December 2010

Cost or fair value	2	2
Accumulated depreciation and impairment	(0)	(0)
Net carrying amount	<u>2</u>	<u>2</u>

7 TRADE AND OTHER PAYABLES

	<i>2011</i>	<i>2010</i>
	<i>\$'000</i>	<i>\$'000</i>
Trade payables	49	0
Owing to Otago Polytechnic (related party)	56	41
	<u>105</u>	<u>41</u>

8 EQUITY

	<i>2010</i>	<i>2009</i>
	<i>\$'000</i>	<i>\$'000</i>
<i>Retained Earnings</i>		
At 1 January	(23)	39
Net Surplus/(Deficit)	(12)	(62)
At 31 December	<u>(34)</u>	<u>(23)</u>



9 FINANCIAL INSTRUMENT RISKS

The Company's activities expose it to a variety of financial instrument risks, including market risk, credit risk and liquidity risk. The Company has a series of policies to manage the risks associated with financial instruments and seeks to minimise exposure from financial instruments. These policies do not allow any transactions that are speculative in nature to be entered into.

Market risk

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company has transactional currency exposures arising from receipts from customers and purchases of contracted services in currencies other than the Company's functional currency.

The Company's exposure to foreign currency risk is limited.

Interest rate risk

Interest rate risk is the risk that the fair value of a financial instrument will fluctuate, or the cash flows from a financial instrument will fluctuate, due to changes in market interest rates.

The Company's exposure to market risk for changes in interest rates relates only to cash held and is therefore regarded as minimal.

Credit risk

Credit risk is the risk that a third party will default on its obligation to the Company, causing the Company to incur a loss.

The Company has no significant concentrations of credit risk. The Company invests funds only with registered banks and its investment policy limits the amount of exposure to any one institution. There is no collateral held as security against these financial instruments. The advance to Otago Polytechnic (parent entity) is considered to be low risk.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through its parent entity, Otago Polytechnic.

10 COMMITMENTS AND CONTINGENCIES

Capital commitments

The Company has no capital commitments as at balance date.



Legal claim

The Company has no unresolved contingent matters as at balance date.

Contingent liability

The Company has no contingent liabilities as at balance date.

11 RELATED PARTY DISCLOSURE*Parent and ultimate controlling party*

The immediate parent and ultimate controlling party of the Company is Otago Polytechnic, which controls 100% of the voting shares of the Company.

Key management personnel

The Company has a related party relationship with its directors and executive officers.

Outstanding balances

The only outstanding balance at year-end is the Trade and Other Payables with Otago Polytechnic as per note 5. No provision has been required, nor any expense recognised, for impairment of receivables from related parties. No amounts were forgiven to related parties.

12 EVENTS AFTER THE BALANCE SHEET DATE

There were no post balance date events.

