

# 立法會 *Legislative Council*

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## **Panel on Education**

**Updated background brief prepared by the Legislative Council Secretariat  
for the meeting on 21 June 2011**

### **Debundling of textbooks and teaching and learning resources for pricing**

#### **Purpose**

This paper summarizes the deliberations of the Panel on Education ("the Panel") on issues relating to the debundling of textbooks and teaching and learning resources for pricing.

#### **Background**

2. According to the Administration, in the spirit of free market economy, it adheres to the principle of not interfering with the textbook trade and leaves the pricing and selection of textbooks to publishers and schools respectively. Nevertheless, the Administration has implemented a number of measures to reduce textbook costs and curb increases of textbook prices with a view to alleviating parents' financial burden. These include advising textbook publishers not to provide schools with any forms of advantages, donations, free gifts or luxurious hospitality during textbook promotion to avoid including the related costs when pricing the textbooks; issuing the "Guidelines for Printing of Textbooks" to publishers for reference and requesting them to adopt the "functional and cost-effective approach" by making use of appropriate printing methods, paper and design with low-cost features to reduce the production costs of textbooks; issuing to schools a circular memorandum on "Notes on Selection of Textbooks and Learning Materials for Use in Schools" every year; and providing guidelines on how to select suitable textbooks and help students minimize textbooks through teacher seminars.

3. In response to public concern about the increasing textbook prices, the Education Bureau ("EDB") set up the Working Group on Textbooks and e-Learning Resources Development ("the Working Group") in October 2008 to study the development of textbooks and e-Learning resources. In its report submitted to the Secretary for Education in October 2009, the Working Group recommended, among others, implementation of the "five-year no revision rule" for textbooks and the policy of debundling textbooks and teaching and learning materials for pricing ("the debundling policy") from the 2010-2011 school year to achieve reduction of textbook prices in the long term.

4. Textbook prices cover textbook costs and publishers' costs, which include the cost of providing complimentary teaching materials to schools. The Working Group considered the current practice of bundled sale and purchase of textbooks and teaching and learning materials undesirable. In the view of the Working Group, schools and parents should be able to choose and pay only for the resources that fit their needs. Through the implementation of the debundling policy based on the user-pays principle, textbook publishers would be encouraged to produce the appropriate amount of teaching materials as required by schools. This will help reduce cost and avoid wastage, thereby lowering the textbook prices. The Administration advised the Panel at the meeting on 14 December 2009 that it would adopt the Working Group's recommendation on the implementation of the debundling policy and would liaise with the textbook publishers via the Textbook Committee on the means to implement the policy.

### **Deliberations of the Panel**

5. The Panel deliberated issues relating to the debundling of textbooks from teaching and learning resources at a number of meetings. It also received views from deputations at three of the meetings. The views and concerns raised by members are summarized below.

#### Textbook prices

6. Prices of school textbooks had been a long standing concern of the Panel. Members noted with concern that although the Administration had put in place a number of measures to reduce textbook costs, the prices of textbooks had been increasing. According to the Consumer Council, textbook prices of the primary and secondary school sectors had increased by 103.8% and 23.7% respectively in the 12-year period from the 1997-1998 school year to the 2009-2010 school year. Members expressed concern that the increases, which far exceeded the average rise of gross domestic product and inflation of the same period, had posed serious financial hardships for low-income families.

7. Members noted that one of the reasons for the increasing textbook prices was excessive bundling of textbooks with various teaching and learning resources. Members were given to understand that only a very small part of these teaching and learning resources were used by teachers and students. For the purpose of reducing textbook prices, members considered it necessary to require publishers to debundle textbooks from teaching and learning materials and provide the prices for individual items.

#### Resources to schools for purchasing teaching materials

8. Members noted that with the implementation of the debundling policy, schools would no longer be provided with teaching materials by publishers free of charge. Members were concerned about the provision of adequate funds for schools to purchase teaching materials.

9. According to the Administration, the existing Operating Expenses Block Grants ("OEBG") and Expanded Operating Expenses Block Grants ("EOEBG") could be deployed by schools for the purchase of teaching materials. However, members pointed out that OEBG and EOEBG were not purported for the purchase of teaching materials. A proposal was put forward at the meeting on 11 April 2011 that the Administration should consider reimbursing schools with the median value of the amount spent by them on teaching materials. Members urged the Administration to work out with schools on the resources needed and to undertake to provide additional resources for the purchase of necessary teaching materials.

10. In the Administration's view, in the absence of information on pricing of teaching materials, it could not ascertain whether schools had sufficient resources to purchase teaching materials. The Administration would not commit to allocating a specific amount of fund to schools for the purchase of teaching materials before textbook publishers released the pricing for such materials. Neither would the Administration agree to provide a special funding to make up for the shortfall in publishers' revenue arising from the implementation of the debundling policy. The Administration would closely monitor the situation and provide appropriate funding if schools had genuine financial difficulties in purchasing necessary teaching materials.

11. To allay members' concern, the Administration also advised that teaching materials that came with textbooks were not the only source of teaching resources. The EDB had all along been providing a wide range of teaching resources to schools. In addition to textbooks and their related teaching materials, schools should also make flexible use of other learning resources, including teaching materials developed by the EDB and educational organizations, as well as e-Learning resources. The EDB had expedited the

development of the existing Depository of Curriculum-based Learning and Teaching Resources and expanded the coverage of the Depository in terms of Key Learning Areas. The developed materials had been uploaded to the HKedCity website for use by primary and secondary teachers. In support of the development of e-learning resources in schools, the EDB provided all subsidized schools with a one-off grant in the 2010-2011 school year, amounting to some \$30,000 to \$70,000 per school, for the purchase of teaching materials as required over a three-year period.

#### Adequacy of the debundling policy

12. Members were of the view that the textbook market was distorted in two ways. First, parents had to pay high prices for textbooks not chosen by them. Second, the market was monopolized by a small number of textbook publishers and the lack of competition allowed textbook publishers to raise prices without hampering demand. While generally welcoming the implementation of the debundling policy, members considered that the debundling policy was only a short-term measure which could at best help stabilize, and could not lower substantially, textbook prices. The long-term solution lay in introducing fundamental changes to the textbook market. Members had put forward various suggestions to the Administration. They considered that the Administration might publish textbooks by itself, or commission credible textbook publishers and universities/educational publishers to publish textbooks. EDB should simplify the vetting and approval procedure for inclusion of textbooks in its Recommended Textbook List with a view to bringing in more competition to the market. Textbook price should be one of the criteria in the vetting and approval of textbooks. The feasibility of imposing a cap on textbook prices should also be explored.

13. In the view of the Administration, the debundling policy would create conditions for the reduction of textbook prices as it would help lower the cost of textbooks, thereby opening up the textbook market to small and medium publishers. The Administration had been adopting a multi-pronged approach in reducing textbook prices, including implementation of the "five-year no revision rule", promoting the recycling of textbooks, taking into account the reusability of textbooks in vetting and approving textbooks and introducing more competition into the market. Educational organizations and tertiary institutions had expressed interest in participating in the development of teaching resources, and the EDB would promote further development in this regard.

#### Market of teaching materials

14. On the concern of textbook publishers about the small market of teaching

materials, the Administration advised that the market of teaching materials would be activated following the implementation of the debundling policy. Schools could purchase teaching materials that suited their specific needs and were no longer required to use the teaching materials produced by the same publishers. Moreover, following the approval of the \$140 million funding proposal for the promotion of e-Learning in the school sector at the Finance Committee meeting on 5 February 2010, the publishing and the information technology sectors could participate in developing e-Learning materials and there were new business opportunities for textbook publishers.

#### Gifts and donations

15. Members were concerned that publishers provided free gifts, donations, luxurious hospitality as well as ceremonial and promotional items to schools. These items added to the costs of textbooks which would inevitably be passed onto parents. Members considered that there was room for reducing textbook prices by 20% if textbook publishers would cut promotion costs. Under the existing guidelines concerning the acceptance of advantages by schools, the approval of the school management committee concerned was required for such acceptance and no personal advantage should be involved. Members were of the view that such criteria were inadequate as school management committees readily accepted donations to schools which seldom involved personal advantage. Members called on the Administration to review the current criteria and to issue guidelines to schools to forbid their acceptance of luxurious gifts and donations from publishers. Textbook publishers were suggested to make use of e-Learning platforms to promote their products.

16. According to the Administration, EDB had all along worked closely and held regular/ad hoc meetings with publishers, school councils, the Consumer Council and the Independent Commission Against Corruption on matters relating to the acceptance of advantages by schools such as free textbook copies and gifts from publishers. To align with the implementation of the debundling policy, the Administration would revise and issue to schools the circular memorandum on "Notes on Selection of textbooks and Learning Materials for Use in Schools" specifying clearly that schools were not allowed to accept any donations or any form of benefits from textbook publishers or textbook retailers, so as not to increase the cost of textbook publishers and have the choice of textbooks being influenced in any way.

#### Textbook recycling

17. According to some deputations, many private independent schools and Direct Subsidy Scheme schools had adopted the arrangement to provide textbooks to their students on one-year loan. Students were required to return

the books to the schools by the end of the school year and to pay for any damage to the books. The costs of the textbooks on loan had been included in their school fees. There was a view from the school sector that it was more suitable to implement textbook recycling in secondary schools as primary school students were less capable of keeping their textbooks in good condition. For the purposes of environmental protection and lowering textbook prices, members expressed support for textbook recycling. Members called on the Administration to collaborate with the Committee on Home-School Cooperation to promote the benefits of textbook recycling to parents and students.

18. The Administration acknowledged the benefits of textbook recycling. It pointed out that it had discussed with some schools some years ago regarding the implementation of a pilot scheme on the provision of textbooks by schools for loan to students. The response from parents and students was not encouraging as local children were accustomed to making notes on textbooks. The Administration noted members' view that schools had no confidence in the pilot scheme because textbook revision was frequent. The Administration would continue to promote textbook recycling. It would plan the implementation schedule of curriculum changes to enable schools to have regard to such changes for individual subjects, and hopefully this would enhance the feasibility of textbook recycling.

#### Implementation timetable

19. The debundling policy was originally scheduled for implementation in the 2010-2011 school year. The Administration reported to the Panel in July 2010 that textbook publishers had indicated that as they needed to clear the copyright of a large number of teaching resources which they had provided to schools free of charge, they had great difficulty to complete the task if the debundling policy was to be implemented in the 2010-2011 school year. In view of the difficulties encountered by the textbook publishers and the efforts they had made in freezing textbook prices for the 2010-2011 school year, the Administration had agreed to defer the implementation of the debundling policy for one year, i.e. until the 2011-2012 school year.

20. When the subject was discussed at the Panel meeting on 11 April 2011, members noted with concern that the Administration and textbook publishers had yet to reach consensus on the details of the implementation of the debundling policy. Representatives of textbook publishers had indicated that they were facing great difficulties in clearing the copyright of a large number of teaching materials which had been provided to schools free of charge. They pointed out that for the 500 sets of existing textbooks, there was a need to clear the copyright of some 900 000 items. They had therefore proposed to the Administration to debundle the prices of textbooks and teaching/learning

materials only for new textbooks first starting from the 2011-2012 school year.

21. Noting that new textbooks accounted for only 5% of the textbooks in the market, members were concerned that the textbook publishers' proposal would not help alleviate the financial burden on parents. Members shared the Administration's view that textbook publishers should provide information on the prices of teaching materials as soon as possible. Members urged the Administration and textbook publishers to continue their discussion with a view to resolving their differences expeditiously for the implementation of the debundling policy in the 2011-2012 school year. The Panel had requested the Administration to report to members on the outcome of its discussion with textbook publishers as soon as practicable.

### **Relevant papers**

22. A list of the relevant papers on the Legislative Council website is in the **Appendix**.

Council Business Division 2  
Legislative Council Secretariat  
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**Relevant papers on debundling of textbooks and teaching and learning resources for pricing**

<b>Committee</b>	<b>Date of meeting/ issue date</b>	<b>Paper</b>
Panel on Education	28.7.1998 (Item III)	<a href="#">Agenda Minutes</a>
Legislative Council	29.7.1998	<a href="#">Official Record of Proceedings (Question 15)</a>
Legislative Council	29.7.1998	<a href="#">Official Record of Proceedings (Question 17)</a>
Legislative Council	17.10.2001	<a href="#">Official Record of Proceedings Pages 7 - 12 (Question)</a>
Panel on Education	11.6.2007 (Item VI)	<a href="#">Agenda Minutes</a>
Legislative Council	17.12.2008	<a href="#">Official Record of Proceedings Pages 69 - 71 (Question)</a>
Panel on Education	11.5.2009 (Item V)	<a href="#">Agenda Minutes</a>
Legislative Council	13.5.2009	<a href="#">Official Record of Proceedings Pages 77 - 80 (Question)</a>
Legislative Council	3.6.2009	<a href="#">Official Record of Proceedings Pages 101 - 105 (Question)</a>
Panel on Education	14.12.2009 (Item VI)	<a href="#">Agenda Minutes</a>
Panel on Education	8.2.2010 (Item V)	<a href="#">Agenda Minutes CB(2)2078/09-10(01)</a>
Panel on Education	10.3.2011	<a href="#">CB(2)1249/10-11(01)</a>
Panel on Education	11.4.2011	<a href="#">Agenda Minutes</a>