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Panel on Education

Meeting on 9 December 2013

**Updated background brief on
issues related to the development of e-textbooks**

Purpose

This paper summarizes the concerns of the Panel on Education ("the Panel") on issues related to the development of e-textbooks.

Background

Information Technology in Education Strategies

2. In 1998, the Administration launched the first Information Technology ("IT") in Education Strategy which focused on equipping schools with necessary IT facilities and Internet connection. The second IT in Education Strategy launched in 2004 aimed to enhance students' information literacy, build up the capacity of teachers, disseminate best practices in using IT in the learning and teaching process. The third IT in Education Strategy was launched in 2008 with the objectives to provide a depository of curriculum-based teaching modules with appropriate digital resources, sharpen teachers' IT pedagogical skills, assist schools to draw up and implement school-based IT in education development plans, strengthen technical support to schools and teachers, as well as raise parents' information literacy. Since the 1998-1999 school year, the Administration has invested more than \$9 billion in promoting IT in education.

3. Following the implementation of the three IT in Education Strategies and in response to public concern about rising textbook prices, the Administration set up in October 2008 the Working Group on Textbooks and e-learning Resources Development ("the Working Group") to study the use and development of textbooks and e-learning resources. The Working

Group submitted its report to the Secretary for Education ("SED") in October 2009. One of its recommendations was the debundling of textbooks and teaching/learning materials for pricing starting from the 2010-2011 school year; and the recommendation was followed up by the Task Force to Review Learning and Teaching Materials ("the Task Force") set up in June 2011.

4. In its report published in December 2011, the Task Force considered that the Government should play a more proactive role in promoting the use of e-textbooks to provide interactive and diversified learning as well as to address the current market distortion problem of printed textbooks. SED accepted the report and the recommendations of the Task Force.

E-Textbook Market Development Scheme

5. The Administration launched the E-Textbook Market Development Scheme ("EMADS") after obtaining approval of the Finance Committee ("FC") on 1 June 2012 to create a new commitment of \$50 million for providing seeding grants on a 50:50 matching basis to approved applications from non-profit-making ("NPM") organizations¹. The EMADS aims to encourage potential and aspiring e-textbook developers to develop a diverse range of e-textbooks in line with the local curricula and to try out a quality vetting and assurance mechanism with a view to drawing up a Recommended Textbook List for e-textbooks ("e-RTL") similar to that for printed textbooks. It also aims to encourage the participation of new market players and pave the way for the development of a new e-textbook market in the long run.

6. A Steering Committee on the Selection, Quality Assurance and Review of EMADS ("the Steering Committee") was set up to oversee the implementation of EMADS and to approve applications. The Steering Committee comprises experienced school principals and teachers, representatives from the business and the IT sectors, the Hong Kong Consumer Council, parents and the Hong Kong Education City Limited.

7. The Administration informed the Panel at the meeting on 7 February 2013 that a total of 86 applications for the development of e-textbooks had been received and subsequently, 30 applications from 13 applicants were approved in November 2012. A Subject Vetting Panel was set up for each set of e-textbook to review the quality of e-textbook deliverables.

8. As part of the quality assurance process, the Administration had recruited 89 Partner Schools to field-test the e-textbooks by three phases during their development period of about 15 months until the first quarter of

¹ Please see FCR(2012-13)35 for details of the financial proposal on EMADS.

2014. A task force was set up to monitor the development and progress of the try-out of the e-textbook deliverables and oversee the quality assurance mechanism. The task force had endorsed a set of review guidelines in trying out the e-textbook deliverables for reference of the Partner School teachers. Having gone through the stringent quality assurance process including field-testing, the e-textbooks developed under EMADS would be recognized for inclusion into the e-RTL and would be launched in the market for use in the 2014-2015 school year.

9. According to the Administration, an interim review with stakeholders would be conducted after completion of the first phase field-testing of e-textbooks in the first quarter of 2013 on the need to invite a second round of applications for the EMADS.

Deliberations of the Panel

Launch and operation of EMADS

10. At its meeting on 14 May 2012, the Panel was consulted on the Administration's financial proposal on EMADS before it was submitted to FC. In the course of deliberation, members raised a number of concerns and considered that the Administration should -

- (a) help schools upgrade their IT infrastructure to facilitate the use of e-textbooks;
- (b) ensure that e-textbooks and relevant equipment would only include the necessary material or features so as to keep their prices at a reasonable level; and
- (c) continue to introduce measures to lower the prices of textbooks, as the e-textbook market might take years to fully develop.

11. When receiving a briefing on the progress of EMADS in February 2013, members stressed the importance of maintaining the transparency of the evaluation process and vetting criteria under EMADS. The Administration advised that in addition to fulfilling the quality criteria applicable to printed textbooks, e-textbooks were required to meet additional requirements on e-features to enhance learning and teaching effectiveness. It was expected that the e-textbooks developed under EMADS and field-tested in Partner Schools would be launched in the market for use in the 2014-2015 school year and by that time, the relevant e-textbook vetting criteria would be announced.

12. Members noted that each Partner School would be provided with a maximum of 16 tablet computers to test the e-features of the e-textbooks. The Administration advised that the Partner School Scheme would help build the professional capacity of teachers and also provide useful experiences and practices for the reference of other schools in future.

Pricing of e-textbooks

13. Members noted that according to the Administration, the e-textbooks to be developed under EMADS were generally priced lower than those of their printed counterparts on the same subject with the largest difference being over 60%. There was concern that out of the successful applications under EMADS as at February 2013, the prices of the e-textbooks under some applications were much higher than those of printed textbooks.

14. As advised by the Administration, it had engaged a consultant to study the pricing of e-textbooks prior to the launch of EMADS. On average, the cost of developing e-textbooks was about 80% of that for printed textbooks. While there were differences in pricing which might be due to various factors such as lower costs for storage, the Administration highlighted the need to focus on the quality of the e-textbooks.

E-textbook Market

15. Members were concerned about the possible unfair competition in the e-textbook market. As the resources available for small and medium e-textbook developers were limited while most of the NPM organizations were well-resourced tertiary institutions, some members considered that the former category of developers might have been disadvantaged. There was also a view that EMADS was tilted in favour of NPM organizations which could benefit from the seeding grant of the Government to develop their e-textbook business. They asked the Administration to safeguard against unfair competition and ensure the sustainability of e-textbook publishers and the quality of e-textbooks in the long run. Those organizations that had not participated in EMADS should be given equal opportunity to seek the inclusion of the e-textbooks developed by them in the future e-RTL.

16. Regard the competition in the e-textbook market, the Administration advised that EMADS did not operate to restrict any developers from entering the market, but to provide an impetus for the development of a diverse range of e-textbooks in line with the existing local curricula. It was envisaged that after 2014, all e-textbook developers could submit e-textbooks for review and for inclusion into the future e-RTL. The Administration highlighted that the

majority of successful applicants under EMADS were not NPM organizations. NPM developers in receipt of the seeding grant under EMADS must maintain their NPM status throughout the project period.

17. Noting that the development of e-textbooks was one of the measures to cope with the rise in textbook prices, concerns were raised about the progress in the development of the e-textbook market and the timeframe, if any, to replace printed textbooks by e-textbooks. According to the Administration, a two-pronged approach was adopted. Through EMADS, a diverse range of e-textbooks covering the primary to junior secondary curricula were expected to be available by the 2014-2015 school year. The Education Bureau ("EDB") also developed the Depository of Curriculum-based Learning and Teaching Resources through the website of Hong Kong Education City.

Recent developments

18. The Administration issued an information note to FC in August 2013 informing Members of the launch of the second phase of EMADS and the invitation for applications in early August 2013². According to EDB, the second phase would cover more subjects (especially those without any approved application in the first phase such as Science, History and Computer Literacy) and drawing in more potential players. Similar to the first phase, the e-textbooks developed under the second phase would undergo field-testing in Partner Schools so as to better test out the quality vetting and assurance mechanism for e-textbooks.

19. In its reply to Hon Charles MOK's question on EMADS at the Council meeting of 30 October 2013, the Administration advised that having regard to the experience gained in the try-outs and the development of e-textbooks under the first phase of EMADS, it was found that the project schedule was rather tight. In view of this, applicants under the second phase of EMADS were allowed to choose to launch their e-textbooks in the market in either the 2015-2016 or 2016-2017 school year.

20. In another reply to the written question raised by Hon MA Fung-kwok at the Council meeting of 13 November 2013, the Administration informed Members that three successful applicants for the first phase of EMADS did not sign the project agreement with the Government out of commercial decision. The implementation of EMADS, including the Partner Schools Scheme, had not been affected by the withdrawal of individual applicants. At the close of the three-month application period for the second phase of

² Please see FCRI(2013-14)8.

EMADS on 1 November 2013, a total of 57 applications had been received from 17 organizations, of which 34 applications were from NPM organizations and 23 applications from other organizations or companies. Most of the applications covered the subjects of Mathematics, English Language and Chinese Language.

21. The Administration will consult the Panel at its meeting on 9 December 2013 on its proposal to seek FC's approval of funding for supporting schools to adopt e-textbooks as well as upgrading the Web-based School Administration and Management System in public sector schools.

Relevant papers

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

Council Business Division 4
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List of relevant papers

Meeting	Date of meeting	Paper
Panel on Education	11.5.2009 (Item V)	Agenda Minutes
Legislative Council	13.5.2009	Official Record of Proceedings Pages 77 – 80 (Question 11)
Legislative Council	3.6.2009	Official Record of Proceedings Pages 101 – 105 (Question 18)
Panel on Education	14.12.2009 (Item VI)	Agenda Minutes
Executive Summary of Main Report of the Working Group on Textbook and e-Learning Resources Development		CB(2)518/09-10(01)
Panel on Education	8.2.2010 (Item V)	Agenda Minutes CB(2)2078/09-10(01)
Legislative Council	16.2.2011	Official Record of Proceedings Pages 84 – 86 (Question 9)
Panel on Education	10.3.2011	CB(2)1249/10-11(01)
Panel on Education	11.4.2011 (Item VI)	Agenda Minutes
Panel on Education	21.6.2011 (Item I)	Agenda Minutes
Panel on Education	14.5.2012 (Item IV)	CB(2)1916/11-12(01) Agenda Minutes CB(2)2296/11-12(01)
Finance Committee	1.6.2012 (Item No.4)	FCR(2012-13)35 Minutes

Meeting	Date of meeting	Paper
Panel on Education	7.2.2013 (Item IV)	Agenda Minutes
Finance Committee	1.8.2013*	FCRI(2013-14(8))
Legislative Council	30.10.2013	Administration's answer to a written question raised by Hon Charles MOK (Question 20)
Legislative Council	13.11.2013	Administration's answer to a written question raised by Hon MA Fung-kwok (Question 12)

* issue date

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