



PROPOSED REPRESENTATIONS MADE BY PUBLISHERS ASSOCIATION OF SOUTH AFRICA (“PASA”) TO THE HONOURABLE MINISTER OF THE DEPARTMENT OF BASIC EDUCATION (“the Department”)

Introduction

The Publishers’ Association of South Africa (PASA) hereby provides written submissions on the Draft National Policy for the Provisioning and Management of Learning and Teaching Support Material for grades R to 12 (“**the Draft Policy**”), in accordance with the notice published by the Minister of Basic Education in Government Notice no. 698 dated 4 September 2014.

PASA is the largest publishing industry body in South Africa, representing 141 entities in the publishing industry.

PASA is committed to creativity, literacy, the free flow of ideas and encouraging a culture of reading. It aims to:

- Promote and protect the rights and responsibilities of the publishing sector in South Africa;
- Promote creativity, literacy, and the free flow of ideas;
- Establish and apply policy guidelines and codes of conduct; and
- Examine policy or legislative proposals likely to affect publishing.

In the circumstances, PASA is a stakeholder body entitled to comment on the relevant policy changes set out in the notice.

It is PASA’s view that, in order to improve educational outcomes:

- There should be **access** to (universal provision of) a **minimum** set of core material as well as library resources of good **quality**,

- determined through a regular screening and catalogue system that assesses all LTSM in the education system by the same evaluation standards in an equitable, fair, and transparent process,
- facilitated through accurate and realistic budgeting by the provinces,
- at reasonable and affordable prices,
- through full and efficient ordering, procurement and delivery,
- and retention of LTSM,
- in the process ensuring a long-term sustainable educational LTSM ecosystem,
- which is transparent and transformative.

Research over the years has demonstrated that the most effective form of intervention in an education system is teacher training; but the most *cost-effective* form of intervention is generous supply of resources in the form of books and equipment. The national funding norm stipulated by the Department is that the ratio of personnel to non-personnel funding should reflect an 80:20 split, but the actual split in 2013/14 was 86:14¹. In the context of the education budget (R254 billion for 2014/15) a mere 2% (or R5.097 billion²) will be spent on workbooks and textbooks.

PASA supports the Draft Policy to the extent that it is congruent with the principles set out above.

In accordance with the notice, PASA has formulated its comments and submissions under the headings listed in the policy document. Where PASA does not wish to comment under a particular heading, we have indicated this with “No Comment”. After PASA’s comments in relation to each respective paragraph in the Draft Policy, we have made some further general comments and recommendations for improved means of achieving educational objectives.

¹ Public Service Accountability Monitor, “Education Budget Analysis 2013/14”, accessed at www.psam.org.za on 26 August 2014

² Basic Education Budget Vote Speech, 2014/15, National Assembly, 15 July 2014

EXECUTIVE SUMMARY

- The move provided for in the Draft Policy away from the historical policy of establishing a national catalogue comprising of multiple books per subject, per grade, per language with teachers being able to choose suitable books for their circumstances and those of their learners, to establishing a national catalogue comprising of one book per subject, per grade, per language chosen by the department, is a fundamental, significant and far-reaching change.
- The Department has not consulted with stakeholders in this regard, when this is required prior to such a fundamental change being made.
- The Department has not given any reasons, whether in the Draft Policy or otherwise, for such a proposed change.
- The Draft Policy will have serious implications for learners, teachers and the publishing industry in South Africa.
- PASA submits that the cycle of curriculum reform should be linked to the life of the National Catalogue and linked to the anticipated life span of purchased books.
- A move to one book per subject, per grade, per language will not advance the development of Small, Medium and Micro Enterprises and historically disadvantaged individuals. In fact, it will achieve the opposite.
- If the aim of the proposed move to one book per subject, per grade, per language is to reduce costs, then there are other better ways to do so.
- PASA submits that an open-ended submission and multi-book system in which all books, including sponsored and free books, are subject to the screening process, should be implemented, failing which, the current model of eight books on the national catalogue per subject, per grade, per language should be retained.
- The concept of a Minimum School bag should be included in the Draft Policy.
- The procurement, delivery and utilisation model with regard to the provision of e-books is an integral part of the DBE's policy provided for in the Draft Policy. The failure of the department to include it in the Draft Policy is a material omission that renders the Draft

Policy incomplete and the process of obtaining public comment in relation thereto, nugatory.

1. Glossary

Core LTSM

PASA recommends that dictionaries and atlases be included as part of the core LTSM (Minimum School Bag) and not as part of supplementary LTSM, since these are essential resources for the acquisition of language and geographical skills respectively.

Supplementary LTSM

The Draft Policy defines Supplementary LTSM as follows:

“Supplementary LTSM - refers to LTSM in addition to the Core LTSM, is generally used to enhance a specific part of the curriculum. Examples include a geography atlas, dictionaries, Science, Technology, Mathematics, Biology apparatus, electronic/technical equipment etc.”

This definition does not make sense and needs to be clarified. There appears to be a superfluous “*is*” between “*LTSM,*” and “*generally*”.

It is also not clear how Science, Technology and Mathematics can be categorized as Supplementary LTSM. Presumably, there is an error in the phraseology and what is meant to be referred to is “*Science, Technology, Mathematics and Biology apparatus*”.

The examples should also include items common to classrooms, such as wall charts, flash cards, big books, phonics workbooks, handwriting workbooks, DVDs and videos.

Teacher Created Resources

This definition should provide that no teacher created resource shall infringe the intellectual property rights of another person and that any teacher created resource that does infringe the intellectual property rights of another person, shall not qualify as a Teacher Created Resource.

Teacher guide

The definition should provide that a teacher guide includes solutions and answers, since this is the most important part of a teacher's guide for many teachers.

2. Introduction

It is apparent from the Draft Policy that in fact, it does not deal at all with the development and production of LTSM or the development of the National Catalogue of Core LTSM. These matters are not addressed at all in the Draft Policy and accordingly, they are not elements of it.

PASA submits, for the reasons set out below, that in fact, the Draft Policy, particularly the implementation of one book, per subject, per grade, per language will, if implemented, have the effect of inhibiting development of LTSM and the National Catalogue of Core LTSM.

Clarity is required as to whether the statement "*The LTSM policy is aimed at all levels in the system*" includes Grade R. In the version of the Draft Policy sent to provinces, the Minimum School Bag does not include provision for Grade R, although Grades R-12 are referred to in the paragraphs dealing with Background.

3. Background

While PASA will support a policy that ensures that all the injustices and inequalities of the past, with regards to learner support, are addressed, the Draft Policy contains no explanation as to how it will do so. No contention is made that the current policy is inadequate in this regard, nor is any explanation given.

PASA will support a policy that ensures that every learner and teacher has access to the minimum set of core material required to implement the National Curriculum Statement Grades R-12, however, it is not alleged in the Draft Policy that the current policy has failed to do this, nor is it explained how and why it has failed to do so. Moreover, it is not explained how the Draft Policy will ensure that this occurs.

4. Guiding Principles

Redress and equity

The Draft Policy provides for a move away from the current procurement policy of compiling a national catalogue of eight books per subject, per grade, per language, to the **National Catalogue**, which comprises of one book per subject, per grade, per language.

Achieving redress and equity in educational outcomes for learners requires learners to have access to a wide choice and range of quality materials and not just to one book. A variety of books are required in order to ensure that all abilities are catered for.

Achieving redress and equity in LTSM procurement means ensuring a wide range of suppliers, particularly Small, Micro and Medium-sized enterprises (“**SMMes**”) and Historically Disadvantaged Individuals, have the opportunity of participating in the development and supply of LTSM. As explained below (in our comment in relation to paragraph 7.7.1) the Draft Policy will have the effect of raising barriers to entry in the publishing industry in South Africa and ensuring that the industry will be dominated by a few large publishers.

Social cohesion

In order to achieve “*the building of community and social capital and [reflect] the culture and values of the school and broader community*” a wide range LTSMs that reflect the rich diversity of South Africa, is required. It is not possible for the proposed policy of one book per subject, per grade, per language to deliver the full range of culture and values.

Resource provision

The Draft Policy, in providing schools, teachers and learners with only a single book per subject, per grade, per language, does not embody the principle of providing a “*wide variety of curricular resources, exposing learners to diverse ideas, experiences and opinions*” nor will it “[ensure] *that every learner and every teacher has access to a range of quality resources*”. In fact, it will do the

opposite. Learners and teachers will only be exposed to one book containing one set of ideas, experiences and opinions.

Independent learning and Learner support

These principles can only – or at the least can best - be attained only in a resource-rich environment, which is not supported by the proposed policy of one book, per subject, per grade, per language.

Accordingly, the Draft Policy fails to comply with several of its own guiding principles.

5. Vision

One of the key professional skills for teachers is the ability to identify, distinguish between and choose the tools of their trade, which obviously includes LTSM. The imposed top-down supply of one book per grade, per subject, per language will not allow teachers to use this skill.

Accordingly, the Draft Policy will not achieve the vision that “*Teachers receive the training they require to continuously improve their use of LTSM and to become confident in their profession.*”

6. Legislative Context

Section 28(2) of the Constitution of South Africa prescribes that:

“A child’s best interests are of paramount importance in every matter concerning the child”

The language of this section is clear. The most important consideration the Department should take into account in matters regarding children is their best interests. The state’s duty to progressively provide resources to safeguard the right to education to all South Africans, must be read together with section 28(2) of the Constitution.

In other words, the Department must be careful not to favour economic considerations over the best interests of the child.

7.1 Policy Objectives

The Department has not explained in which respects and how the current policy fails to achieve the stated objectives and accordingly, why there is a need to abandon the current policy and adopt a new one. The Department (and the Draft Policy) also does not explain how the Draft Policy will achieve the stated objectives.

An “*environment that encourages and supports the production of high quality LTSM*” is one that not only encourages competition, innovation, creativity, and raises the bar of best practice in development each year among publishers, but also ensures that there is a reasonable incentive for the risk of investment. The proposed policy of one book per subject, per grade, per language is a high stakes, winner-takes-all system, which encourages monopolies, potential corruption, is antithetical to innovation and creativity, and ensures that none but the largest publishers will undertake development.

There is also no difference between the current policy and the Draft Policy that will result in a material additional benefit arising out of economies of scale under the Draft Policy. We refer to what we say in this regard below.

Accordingly, PASA submits that the approach outlined in the Draft Policy of limiting the National Catalogue to one book per subject, per grade, per language is not rationally connected to policy objectives (i) and (iii) and will fail to achieve those objectives. In fact, the approach will develop an environment in which barriers to entry into the publishing industry will be higher, the risks associated with developing and publishing textbooks will be higher, competition will ultimately decrease, as will diversity and quality, and prices will inevitably rise.

7.2 Statements of Policy

- (i) While this statement of policy is appropriate in relation to all printed forms of LTSM purchased by the State, it is not appropriate in relation to licensed e-books (which are

incorporeal in nature) where the state will only enjoy a license of use but will not own the LTSM.

- (iv) All items in the National Catalogue should be subject to the same fair and transparent submission and evaluation standards and processes. There should not be separate categories of “*open submissions*” and “*other sources*” and they should not be treated differently.
- (vii) and (viii) A description is required as to what the nature of the standards referred to will be. For instance, will they be broad? For example, “books must be sufficiently durable to last for five years”. Or will they be restrictive? For example, “the book must be no more than 150 pages, printed 60 gsm SuperSixty paper”. Without a description of the nature of the standards that the Department intends to impose, PASA is unable meaningfully to comment on this aspect of the policy. PASA requests clarity in this regard.

Restrictions that are too narrow are likely to stifle innovation and creativity. The best way to ensure quality and cost effectiveness is, to have an on-going open and competitive environment for the publishing industry, and to use quality and price as criteria in the approval process of compiling a National Catalogue of multiple books per subject, per grade, per language.

- (ix) This statement of policy is unhelpfully vague and as a result, PASA is unable meaningfully to comment on it. PASA requests clarity on what the “*government regulations*” are that are being referred to. Is reference being made to existing regulations or does the Department intend to ensure that new regulations are passed to regulate the procurement of LTSM?

There is also no description or explanation of who the “*other stakeholders*” are which may participate and what the nature and extent of their participation is intended to be. Further information in this regard is required. This is particularly significant in the context of the changes made to the earlier version of the Draft Policy that was circulated to the Provinces for comment, in which the phrase “*while allowing for the widest participation*”

from the private sector” was used. This reference to the private sector has now been removed.

- (x) PASA requests that the cycle be made known to facilitate the long-term planning necessary to achieve the production of quality books.

PASA submits that the cycle of curriculum reform should be linked to the life of the catalogue and linked to the anticipated life span of purchased books. We refer to what we have said in this regard below in response to paragraph 7.7.

- (xi) and (vi) Will print and e-LTSM be assessed separately, particularly in the case of interactive e-books which may contain content that is not in the print book?

PASA requests that the DBE indicate quality standards for e-LTSM, including Digital Rights Management standards and protocols, and operating systems.

The criteria for the procurement of e-books on their own or procured with print books is not clear, and should be driven by learning goals, issues of access, and budgetary constraints.

- (xii) PASA wholly supports the effective retention of LTSM in the school system as the most effective means of reducing cost. (See comparative cost-savings referred to below.)

7.3 Decentralised Development and Centralised Procurement

This paragraph is unclear. The content of the paragraph does not relate to, nor does it explain, the heading of the paragraph.

Read in the context of the policy as a whole, it may be that what is being said is that the policy provides for a centralized approach in relation to Core LTSM and a decentralised approach in relation to Supplementary LTSM.

If that is correct, it is not explained how a decentralised approach encourages the development of the best quality educational materials (presumably only Supplementary LTSM) from a range of sources. It is also not explained how the current system does not do so and why a change in policy is required.

Furthermore, the current system of procurement is also based on a centralised approach of the kind provided for in the Draft Policy in relation to Core LTSM. Accordingly, the current policy and approach to procurement must also gain the greatest cost benefits. It is not explained why a change in policy is therefore required.

If what is being said is that the policy is one of a decentralised approach to development and a centralised approach to procurement (as suggested by the heading) then the proposal that the National Catalogue be restricted to one book per subject, per grade, per language is inimical to the rationale behind a decentralised approach to development. Developers of material – including NGOs, OER developers, and commercial companies – are not likely to invest in LTSM development (and the significant costs associated with it) if the risks are disproportionate to the incentives. The proposed one book policy provides for a winner-take-all situation where a given developer's chances of successfully recovering its development costs have substantially decreased and the risks of losing the entire investment have increased. Only the large publishing houses will be able to absorb these costs over the short term, but even they will not be able to do so over the longer term. This will result in publishers leaving the publishing industry and increased barriers to entry into the industry.

In addition, OER are not likely to be produced in a single book per subject, per grade, per language system since it is not worth the sponsor's while to generate OER material that has a high chance of not being used.

7.4 LTSM development

In the normal course of events, state publishing should never be necessary. As a principle, the state should not use taxpayer funds to compete with commercial publishers. The one exception is when there is no competition, for example, when enrolment figures for a particular subject in a

particular language are so small as to not make the publishing of relevant text books economically viable.

7.5 Intellectual Property

Copyright in LTSM is regulated by the Copyright Act No. 98 of 1978, which determines who owns copyright in various works in which copyright exists. The provisions of this legislation cannot be amended by a policy implemented by the DBE, or by the DBE itself.

7.6 Quality Assurance

The split of the approval process in respect of Core LTSM (which occurs at national level) and Supplementary LTSM (which occurs at provincial level) is illogical and irrational and no explanation is given for the need for it. The proposed system will result in a multiplication by 10 times (1 for national and 9 for each province) of the infrastructure necessary to review LTSM. This infrastructure, which deals with one of the most important issues in the entire process of procurement of LTSM, includes qualified staff, office space, hardware and software. This will add significant and unnecessary (and unexplained) costs to the basic education system. This is inimical to the rationale of cost-effectiveness behind the Draft Policy.

In addition, the Draft Policy does not deal with the approval system in relation to Supplementary LTSM. It is said that Supplementary LTSM will be independently assessed prior to use in schools, but no detail is given as to how this is going to take place in order to be practically effective. Will it be *ad hoc* as and when a school requires Supplementary LTSM, or will a catalogue of Supplementary LTSM be established? If so, how is the catalogue going to be established?

Furthermore, PASA submits that the definition of "*independent assessment*" requires expansion to provide for an ethical, equitable, fair, and transparent process, with an agreed code of conduct for all parties, including developers, assessors, and the DBE, with penalties for non-compliance.

7.7 Processes for the development of a National Catalogue for Core LTSM

As we have said above, the state should not use taxpayer funds to compete with commercial publishers and other LTSM developers, and in the normal course of events, state publishing should never be necessary.

The notion of state publishing implies an assumption that the State is better able to produce cost-effective high quality material than the skilled and experienced private sector, but the Draft Policy contains no mechanism for independent assessment of either the cost-effectiveness or the quality of such material. Such monitoring, evaluation and accountability is critical.

- (ii) The holding of a compulsory briefing session will disadvantage smaller publishers in cities other than the one in which the briefing is to be held. In order to ensure the equitable treatment of all stakeholders, the Draft Policy should provide that a comprehensive written briefing will be furnished and for questions to be asked and answered by e-mail, or for a briefing to be conducted by video-conferencing or webinars.
- (v) PASA submits that the evaluation report should be made available to each respective publisher, and should be qualified along the following lines:
 - “approved”
 - “approved with corrections required”
 - “rejected” (specific, objective reasons should be given).

This will ensure that the quality of LTSM improves over time.

The policy should provide for an accessible and efficient appeals process.

- (vi) PASA submits that the cycle of curriculum reform should be linked to the life of the catalogue and linked to the anticipated life span of purchased books. For example, in an eight-year cycle of reform (which used to be the case) books were kept for four years,

and were replaced half way through the cycle. Schools could choose to switch books at that stage. The life cycle of the catalogue is then eight years, i.e. the selected books are on the catalogue for eight years.

In a ten-year cycle of curriculum reform, books could be kept for five years and then replaced. It is wasteful, and therefore expensive, for there to be a disconnect between the cycle of curriculum reform and the life span of books. By way of illustration, if the curriculum cycle is six years, and books are kept for five years, there will be massive replacement in the sixth year, with the books immediately becoming obsolete, i.e. the first year's purchases are kept for five years, and replaced in year 6, then replaced again in year 7 when the new curriculum cycle starts.

The shortfall for textbooks in provincial budget allocations that has been experienced in recent years is more a result of the pace of curriculum reform than the prices of textbooks. Where two to four grades are implemented each year to achieve total curriculum reform within a period of three years, it places considerable strain on provincial textbook budgets, since 100% purchase rates for the implementing grades are required each year. From a budgetary point of view, an eight-year curriculum reform cycle would be more manageable and affordable. In addition, the logistics of managing a four-grade submission and provisioning are considerably more complex and onerous than the logistics of managing a two-grade submission and provisioning.

Similarly, if there is a move to a policy of one book per subject, per grade, per language, it would need to be implemented gradually to avoid not only significant waste in the system (the currently supplied new books need to be kept for five years) but to avoid the budgetary strain of repurchasing new books for all grades.

7.7.1 Criteria for the screening of commercially produced textbooks

Equal treatment of all stakeholders requires that all LTSM to be used in schools should be subjected to the same screening process, whether the material has been produced by commercial publishers, NGOs, OERs, or the state.

It is not clear what is meant by the statement that “[p]ublishers of the selected titles will make them available as e-books.” If what is meant is that Publishers must be able to provide all of their LTSM in both hard-copy and e-book format, then the procurement, delivery and utilisation model with regard to the provision of e-books is an integral part of the DBE’s policy provided for in the Draft Policy and the statement that “[t]he DBE and material developers must develop a procurement, delivery and utilisation model with regard to the provision of e-books” is hopelessly deficient. Publishers and other stakeholders are not able to consider their positions in regard thereto and accordingly, are unable to consider their positions in regard to the DBE’s proposed policy as a whole, or order their affairs to enable them to address the proposed policy.

This is particularly critical for SMMes.

The failure of the department to include in the Draft Policy the procurement, delivery and utilisation model with regard to the provision of e-books, is a material omission that renders the Draft Policy incomplete and the process of obtaining public comment in relation thereto, nugatory.

PASA would like to point out that e-book equivalents of print books have separate ISBNs, and would therefore need to be listed as separate line items.

- *“Each catalogue will list one book per subject, per grade per language and will be valid for a minimum period of five years, or earlier should there be a revision of the national curriculum. Thereafter, a new process will lead to the development of a new catalogue.”*

The move away from the historical (and current) policy of establishing a national catalogue comprising of multiple books per subject, per grade, per language with teachers being able to choose suitable books for their circumstances and those of their learners, to establishing a national catalogue comprising of one book per subject, per grade, per language chosen by the department, is the most fundamental, significant and far-reaching change provided for in the Draft Policy.

The Department has not consulted with stakeholders (such as teachers and publishers) in this regard, when this is required prior to such a fundamental change being made. In addition, as has already been said above, the Department has not given any reasons, whether in the Draft Policy or otherwise, for such a proposed change. Nowhere is it said – let alone explained - what the weaknesses are (if any) in the current model or how they should be addressed. Nor is it explained how the proposed new model seeks to address those weaknesses. Not a single comparison is drawn between the current model and the proposed new model, nor are any benefits of the proposed new model referred to so as to justify the new policy. Stakeholders are simply left in the dark as to why the department has chosen to effect such a radical and far-reaching change in the procurement of LTSM.

For the reasons set out below, the Draft Policy will have serious implications for learners, teachers and the publishing industry in South Africa.

In regard to the former, teachers will no longer be able to choose text books that are appropriate to their circumstances, including their school and their learners, and the learners will be exposed to less diverse learning materials.

In regard to the implications for the publishing industry, the system of having eight books per subject, per grade, per language books in the national catalogue substantially reduces the risks for publishers as it is very unlikely that their books will be excluded altogether once they are in the catalogue. This enables publishers to invest considerably in the development of books, as the prospect of a reasonable return is better. Reducing the national catalogue to one book per subject, per grade, per language substantially increases the risks for publishers. It results in an “all-or-nothing situation” in which publishers are expected to invest in the development in books with the prospect that they may not sell any at all and will lose their investment. This will severely prejudice the smaller publishers and new entrants into the market as they will be unable to cover that risk. This will result in the exit from the market of SMMEs, a concentration of the market in the hands of a few big publishers and a decrease in competition towards a monopolistic situation. Monopolies are ultimately not competitive in price, service or quality, although initially the economies of scale which they offer appear attractive. Large monopolies also create barriers to entry for new players, and do not ensure a spread of skills or capital throughout the country.

Competition ensures quality and drives down prices. In the eternal quest to innovate and provide better service, a competitive industry will be undertaking research and development, experimentation and investment in new areas such as digital publishing, and offering after-sales service such as training of teachers.

A move to the supply of a single title per subject, per grade, per language will not only reduce the number of publishers in the industry, but will also prove both disruptive and non-incentivising at the critical time of investing and innovating in new technology. This would be to the detriment of education.

It will also discourage publishers from investing in the development of books relating to the marginal subjects and in languages that are not as widely used. The risk in relation to the development of these books remains the same, but the possible return may be too small to make their publication commercially viable.

On these bases alone, a change from the current model to the model contemplated in the Draft Policy is arbitrary, irrational and unreasonable.

While there is a wealth of research linking improved educational outcomes with the supply and effective use of a basic level of LTSM or, preferably, a wide range and plentiful supply of LTSM, there is no research that indicates that having a limited national catalogue or supplying only one book per subject, per grade, per language improves educational outcomes. The few countries which have implemented such a system have, first of all, homogeneous pupil populations and teacher cohorts, rather than the extraordinarily diverse range of pupils and teachers that South Africa has. Secondly, where they have good educational outcomes, this is attributable to other factors such as teacher qualifications, commitment, and attitude, the quality of teaching, the time on task, parental and community support.

PASA submits that improved educational outcomes and the need to advance the development of SMMes and historically disadvantaged individuals, are best served by the former system of an open-ended national catalogue that includes all books that meet the required quality standards, which is updated annually to allow for new submissions. Failing that, the current system of a

national catalogue of eight books per subject, per grade, per language should be retained. In this regard:

- One size does not fit all: a single textbook will not meet the widely differing needs of the South African school population. For example, students aiming at university entrance require books that are content-enriched, and which teach higher order skills. At the other end of the spectrum may be students in poorly resourced schools, learning through a medium of instruction which is not their home language, requiring basic content and significant language support. Students in additive bilingualism classrooms require a different kind of book altogether.
- An education system in an open, free, fair, non-racist and democratic society must offer a diversity of materials to all learners. There is no rainbow with only one colour. A national catalogue with diversity of content, methodology and approach offers diversity and fosters innovation and creativity.
- Unlike many other countries, South Africa's teaching *corps* is exceptionally diverse in background, teaching ability, language ability, and content knowledge. A single book on its own will not address these differing needs.
- Part of professional development for teachers is assessing material and choosing what is appropriate for their classes. To remove from teachers the professional decision as to which "tools" to use is to hobble their professional capacity and to exclude an important area of skill and growth. In addition, attitude and commitment are essential features of teachers' performance in the classroom. It's well-known that a person's commitment to a chosen course of action is greater if they are involved in as much of the decision-making process as possible. Part of gaining teachers' psychological commitment to using LTSM is to allow them to choose the tools of their trade.
- A multi-text environment is educationally richer, offering different points of view and different content, teaching students to discriminate between texts.
- A competitive publishing environment drives quality up and prices down. A single option catalogue will create monopolies, which ultimately are not cost-effective.
- A multi-option catalogue encourages a degree of equity for SMMEs and historically disadvantaged individuals by providing more opportunities for listing on the catalogue.

The introduction of one book per subject, per grade, per language will naturally have the effect of fewer titles being produced. There is a significant cost for publishers in developing new books. With only one book being selected for the National Catalogue, the risks faced by publishers increase dramatically, which will result in less being spent on development of new titles. This will have a negative impact on the economic sustainability of the industry.

The book value chain consists of paper manufacturers, printers, publishers, booksellers, libraries, freelancers (editors, proof-readers, designers, artists, indexers, translators) and authors, for whom the book chain represents skills, income, and jobs. Although the book chain consists of academic, general, and educational publishers, educational publishers consist of 66% (R2.8 billion) of the total turnover of the industry (R4.2 billion – which, to put it in context, is 7% of Pick 'n Pay's turnover in 2012). Thus, any significant change to the educational publishing sector – particularly one which drastically reduces its 'biodiversity', such as limiting the national catalogue or moving to a single title per subject, per grade, per language, will eliminate many publishing businesses and will have a negative impact on the rest of the ecosystem.

In considering the system of selection, procurement, distribution and supply to achieve the provision of a good range of high quality resources in schools, PASA believes that the following factors are important ones for the Department to consider, in order to ensure that there is a healthy and sustainable educational LTSM ecosystem that can support the education system over the long term. These factors include the following overt and hidden costs, and broader economic and cultural considerations:

- The cost/ price;
- Service levels and efficiency;
- The potential for corruption (high stakes generally attract high corruption, while more decentralised decision-making and smaller stakes attract smaller pockets of corruption, which are generally more visible within the community);
- Outsourcing versus internal management requiring specialised knowledge and skills, investment in human and financial resources;
- Employment (generating jobs, with transferable skills);

- The economy's need to encourage emerging businesses and a wide range of skills;
- The impact of the wide availability of books on literacy, and on the cultural and intellectual life of the country.

There is no indication in the policy document to suggest that the Department has considered any of these factors, or indeed, any of the issues referred to in this submission.

If the move to the policy of one book per subject, per grade, per language is motivated by an attempt to achieve cost savings, then PASA submits that it will have a long-term cost in terms of significant damage to educational outcomes and transformation, which outweighs the benefit of relatively small cost-savings in the short-term.

- *“In addition to functionality, consideration will be given to price and Government's commitment to economic growth by implementing measures to advance the development of Small, Medium and Micro Enterprises and historically disadvantaged individuals.”*

PASA strongly recommends that price be one of the criteria that is assessed when placing books on the approved national catalogue instead of a second tier process of bidding and that price bands be established for each grade. This measure should establish the cost-effectiveness that the department seeks.

A move to one book per subject, per grade, per language will not advance the development of SMMes and historically disadvantaged individuals. In fact, it will achieve the reverse, since it will raise the barriers to entry into the publishing industry. Only large publishers have the capital and cash flow to invest in high-risk publishing where there may be, for example, a 1 in 20 chance of having their book selected for the national catalogue.

Prior to the implementation of the CAPS curriculum, there were approximately 90 educational publishers servicing all or parts of the education system. After the implementation of the CAPS curriculum and the eight-title limited catalogue, the number dropped to fewer than 30 publishers. Many small publishers went out of business. If only one title per subject, per grade, per language

is approved, selected, bought, and supplied to schools, the number of publishers is likely to drop further to an estimated 2 or 3 publishers.

The educational publishing environment already has high barriers to entry for small publishers. The high cost of developing material in a high-risk environment, as well as the exceptionally late payments to publishers by education departments, which affects cash flow, means that it is likely to be only the largest publishers who both have the capital and who can afford to take such a risk. The smaller ones will fall away. This is contrary to the fifth pillar of the National Treasury's procurement guidelines, which state that *"... government is committed to economic growth by implementing measures to support industry generally, and especially to advance the development of Small, Medium and Micro Enterprises and Historically Disadvantaged Individuals. ... no public procurement system should be operated if it is not founded on this pillar."*

PASA submits that the best way in the current circumstances of reducing barriers to entry and encouraging the development of SMMes and historically disadvantaged individuals, is to implement an open-ended submission system and multi-book system in which all books, including sponsored and free books, are subject to the screening process. Failing that, the current model of multiple books on the national catalogue per subject, per grade, per language should be retained.

7.8 Two Tier Procurement Model

No comment.

7.8.1 Centralised Procurement Model for Core LTSM

- *"Where one or more texts for a subject per language per grade are selected from the National Catalogue by a Bidding Committee, the Bidding Committee will procure LTSM in line with the Public Finance Management Act (PFMA) to ensure the best cost-efficiency in selecting from the National Catalogue. ..."*

This statement contradicts several other statements made in section 7.7.1 of the Draft Policy. It is plain from section 7.7.1 that a National Catalogue will be selected by the Department and that it will comprise of one book per subject, per grade, per language. This paragraph, however, suggests that a Biding Committee may select more than one book per subject, per grade, per language, from the National catalogue. This must be clarified by the Department.

PASA also requests clarity on the definition of a “Bidding committee” and its function. If there is a policy of a national catalogue containing only one book per subject per grade per language, where one of the criteria for selection is price, then there would be no need for a bidding committee.

- (ii) The national LTSM Procurement and Distribution Plan should ensure that the cost of distribution and VAT are included in the prices in the catalogue, and in the provincial budgets. In the recent past, some provinces required prices that excluded distribution costs, and therefore did not budget for this aspect of procurement.
- (v) The process for the receipt of e-books should be included, for the reasons set out above in our comments under paragraph 7.7.1.
- (vi) A critical element of the retention process is having a dedicated storeroom for the storing of received and returning LTSM. In the past, the lack of such a storeroom has been used by schools as one of the main reasons for not retaining books. Accordingly, it is essential for retention that the DBE takes steps to ensure that dedicated storerooms are established at each school prior to implementation of the policy. This is not dealt with in the Draft Policy.

8. Retention and Retrieval

PASA understands that the single biggest factor in the reduction of costs is the retention of books and accordingly supports a move to implement and manage an effective retention system.

PASA suggests that publishers print the user record on the front inside cover of all books, thus saving schools some cost and time.

The policy in relation to retention and retrieval deals only with hard copy text books. e-LTSM are not dealt with at all. Complicated issues relating to licensing arise and need to be addressed. Given that e-books are clearly an important part of the policy, they should be included in retention arrangements.

- (v) PASA recommends that this policy should cover the process of top-ups of lost, damaged, or destroyed books, both from the point of view of budgetary allocations and processes.
- (ix) While PASA supports the notion of rewarding schools which have high retention rates of LTSM, it is suggested that the reward should not be permission to divert expenditure to non-book items, but take the form of a cash reward to the school, preferably for additional expenditure on library books.

9. Monitoring, supporting, reporting and evaluation

PASA recommends that there should be an annual meeting of the DBE, provinces and LTSM providers to assess the effectiveness of the proposed processes and retention rates. The latter should be reported on publicly.

General Comments and submissions

PASA supports the policy of universal provision (a Minimum School Bag of at least one book per subject, per grade, per language, per learner) and recommends that the contents of the Minimum School Bag be included in this policy as a vitally important point of reference.

The Minimum School Bag is faintly referred to in the Draft Policy but no detail is given, particularly regarding exactly what is contained in it. PASA has reviewed the more detailed draft policy document sent to the provinces in April 2014 (Draft National Policy for the Provision and Management of Learning and Teaching Support Material) to establish the contents of the Minimum School Bag in that document, and if it is what the DBE has in mind in the Draft Policy, then PASA recommends that it be amended slightly, as set out below (no comment is made on the stationery requirements).

The definition of “*Core LTSM*” and the “Minimum School Bag” should be the same, i.e. material that is central to teaching the entire curriculum of a subject for a grade, and which is therefore funded and procured by the State, whether at national or provincial level.

Minimum School Bag

	<i>Quantity per pupil</i>	<i>Quantity per teacher</i>
Foundation Phase		
Home Language Workbook or Learner Book	1	
HL graded readers (set of 15)	1	
HL Teacher's Guide		1
First Additional Language Workbook or Learner Book	1	
FAL Graded readers (set of 15)	1	
FAL Teacher's Guide		1
Mathematics Workbook or Learner Book	1	
Mathematics Teacher's Guide		1
Life Skills Workbook or Learner Book	1	
Life Skills Teacher's Guide		1

Intermediate Phase		
Home Language Textbook	1	
Home Language core reader	1	
HL Teacher's Guide		1
First Additional Language Textbook	1	
FAL Core reader	1	
FAL Teacher's Guide		1
Mathematics Textbook	1	
Mathematics Teacher's Guide		1
Life Skills Textbook	1	
Life Skills Teacher's Guide		1
Natural Sciences and Technology Textbook	1	
Natural Sciences and Technology Teacher's Guide		1
Social Sciences Textbook	1	
Social Sciences Teacher's Guide		1
Dictionary	1	
Atlas	1	
Senior Phase		
Home Language Textbook	1	
Home Language core reader	1	
Home Language novel	1	
HL Teacher's Guide		1
First Additional Language Textbook	1	
FAL core reader	1	
FAL novel	1	
FAL Teacher's Guide		1
Mathematics Textbook	1	
Mathematics Teacher's Guide		1
Life Orientation Textbook	1	
Life Orientation Teacher's Guide		1
Natural Sciences Textbook	1	
Natural Sciences Teacher's Guide		1
Social Sciences Textbook	1	
Social Sciences Teacher's Guide		1
Creative Arts Textbook	1	
Creative Arts Teacher's Guide		1
Technology Textbook	1	
Technology Teacher's Guide		1
Economic and Management Sciences Textbook	1	

Economic and Management Sciences Teacher's Guide		1
Dictionary	1	
Atlas	1	
Further Education and Training Phase		
Home Language Textbook	1	
Home Language Prescribed Literature Set Works	4	
HL Teacher's Guide		1
First Additional Language Textbook	1	
FAL Prescribed Literature Set Works	2	
FAL Teacher's Guide		1
Mathematics or Mathematical Literacy Textbook	1	
Mathematics Teacher's Guide		1
Life Orientation Textbook	1	
Life Orientation Teacher's Guide		1
Textbook for elective subject 1	1	
Teacher's Guide		1
Textbook for elective subject 2	1	
Teacher's Guide		1
Textbook for elective subject 3	1	
Teacher's Guide		1
Dictionary	1	
Atlas (for Geography students only)	1	

PASA's calculation of the retail cost (including VAT and distribution cost) of the Minimum School Bag is R15.4 billion if the full Minimum School Bag is replaced annually, but only R3 billion if books are kept for five years. This is well within the education budget for LTSM for 2014/15 of R5.097 billion.

PASA suggests that, in addition to this, an Optimum Book Bag be set as a "stretch" target for future national provisioning to ensure a resource-rich school environment providing maximum opportunities for learning. The Optimum Book Bag will also serve as a useful reference point for those schools able to provide resources from their own funds.

Prices, costs and potential cost-savings

Factors that contribute to the cost of books can be categorised into three areas:

1. Costs arising from factors external to the publishing industry, such as government and educational policies and practice.
 - VAT. Internationally most countries have a zero VAT rate or a reduced VAT rate on books.³ South Africa's rate of 14% means that 14% of the education budget for textbooks provided by the government returns to the government via the Receiver of Revenue.
 - Retention of books. The current practice of poor or no retention of books is extremely expensive. Replacing a R100 book every year will cost R100 p.a. Replacing a R100 book every four years will cost R25 p.a., a saving of R75 p.a. Replacing a R100 book every five years will cost R20 p.a., a saving of R80 p.a.
 - Supplying one-size fits all LTSM to schools for whom the LTSM is too simple, or too difficult, is a waste of resources. Anecdotal evidence suggests that around 15-20% of schools receiving the DBE workbooks do not use them as they regard them as being at a level unsuitable for their pupils.
 - Supplying Foundation Phase workbooks for each subject for each grade, as well as Maths workbooks for Grades 1-9 which need to be replaced annually has significant cost-implications, since all workbooks have to be replaced annually. In the 2014/15 financial year R896.7 million⁴ will be spent on the annual provision of workbooks, or 17% of the textbook expenditure. It would be cheaper – and as educationally sound – to return to a means of providing a basic shorter book that lasts for five years, with the writing/ drawing activities done on (disposable, cheaper) stationery.
 - Costs of submitting to a national catalogue (submission fees and printing costs). For example, one large publisher spent the following:

Year 1: Foundation Phase + Grade 10 = R4,453,896

³ International Publishers' Association, "2013 IPA Global Survey on VAT", accessed at www.internationalpublishers.org on 13 August 2014: of the 51 countries surveyed, 49 had reduced or zero rates of VAT on books.

⁴ Basic Education Budget Vote Speech

Year 2: Intermediate Phase + Grade 11 = R650,185

Year 3: Senior Phase + Grade 12 = R1,056,471

- Loss of interest due to late payments by education departments. This amounts to roughly 1% of the retail price of a book.

2. Costs relating to the supply chain

- Distribution costs. The usual cost of distribution is 30% of the VAT exclusive price, or 26% of the VAT inclusive retail price. Distribution can be done by booksellers, publishers, third parties, or the department itself, but by whomever the distribution to schools is done, the costs remain much the same – the costs are for temporary storage, hardware and software, staff, picking and packaging by school, vehicles, petrol, tracking of delivery stages, monitoring and reporting.
- Bad debt. A survey of publishers indicates that it amounts to 1%-3% of turnover.

3. Costs relating to the production of books

- Development / origination costs (authorial support, reviewers, editorial, design, typesetting production, project management, artwork, permission fees, index). Production costs are usually divided into origination costs and PPB costs (paper, print, and binding).
- Costs of writing off the development costs of books rejected for the national catalogue.

- Production costs and decisions (The factors which affect the production cost and therefore the price of a book are paper, print, binding, colour, format, and extent). While paper, print, binding method, format and extent are as inexpensive as they can be, the use of full colour instead of black and white, or two colours, is a more recent development in South African educational publishing, which emerged with the CAPS curriculum. The cost of publishing a book in full colour is roughly 3%-24% more expensive than the cost of publishing it in black and white, depending on the size of the print run.
- Developing 11 language versions of each book. Developing 11 language versions is more expensive than developing one version. The cost is exacerbated when, for example, only four versions may sell in sufficient quantities to be economically viable, and the other seven are produced at a loss, or, for example, where only two language versions are approved and the costs of the other language versions have to be written off.
- Size of print run (and size of market). The relative cost of the print run is a material consideration up to a print run of 50,000 copies. Thereafter the improvement in the economy of scale is negligible. For example, the cost of paper, print, and binding a book of 128 pp, full colour, format A4, may be:

3,000 copies	R18.18
10,000 copies	R10.69
50,000 copies	R8.32
100,000 copies	R8.07
500,000 copies	R6.83
1,000,000 copies	R6.58

One of the trade-offs in publishing is that of durability versus cost. For example, a book printed on good quality paper and with a strong binding could have a retail price of R100 (VAT inclusive), and would last five years, making its annual cost R20. The same book could be printed on newsprint and with a cheaper form of binding, to cost R80, but would need to be replaced annually at a price of R80 (VAT inclusive).

The table below shows what goes into the retail price of a R100 book and into the price of a R150 book.

		<i>Calculation</i>	<i>% of retail price</i>	R	
VAT inclusive price			100%	100	150
VAT of 14%	14%	on VAT excl price of 87.72	12%	12.28	18.42
[VAT exclusive price]				87.72	131.58
Booksellers' overheads (storage, staff, hardware & software, accounting, delivery vehicles, petrol) & profit (5% of income = R1.32)	30%	of VAT excl price	26%	26.32	39.47
Net receipts to publisher	100%			61.40	92.11
Author's royalty	12%	of net receipts	7%	7.37	11.05

Publisher' overheads (rent, office costs, staff costs, editorial, design, production, accounting, warehousing, IT, selling, marketing, warehousing, distribution) & profit (12% of income = R7.37)	46%	of net receipts	28%	28.25	42.37
Origination cost/ development	10%	of net receipts	6%	6.14	9.21
Manufacturing cost	32%	of net receipts	20%	19.65	29.47

As commercial entities operating in a professional and competitive environment, publishers have a powerful incentive to keep their production costs as low as possible. In the case of the Siyavula books, the cost of R30 per book was for paper, print and binding only, which is close to the same figure that a publisher would have paid for paper, print and binding. The donor/ sponsor paid for the costs of authors' royalty, overheads, and origination cost, so it is not accurate to compare the apparent "cost" of the Siyavula books with the cost of commercially published books. The DBE covered the distribution costs. While the philanthropic Siyavula option represents a cost-saving to the department – donations and sponsorships should form part of the options available to education departments – it should be noted that it depends on the continued existence of the donor and its willingness to subsidise development of the books. It may not be a sustainable model in the long term.

In Open Educational Resources (OER), the costs have also moved from the book price model (where costs are recoverable from the user) to elsewhere in the system (costs covered by the donor/ creator/ sponsor) and are dependent on the generosity of donors and creators. It is not entirely correct to say that they can be used "at no cost" (as stated in the Glossary section of the Draft Policy under the definition of **Open Education Resources**) since there is the hidden cost of the user's printout/ photocopying, or distribution whether of a physical book or digital format.

PASA submits that OER are not likely to be produced under the new model contemplated in the Draft Policy of one book per subject, per grade, per language, since it is not worth the sponsor's while to generate OER material that has a risk of not being used.

Although digital books can be considerably cheaper than print books, as a result of the saving on paper, print, binding, and warehousing (although not editorial, design, typesetting, royalties, selling, and marketing) the final price depends on the definition of "e-book" or e-LTSM as it appears to be defined in the Glossary section of the Draft Policy. Any digital version of a printed book is a separate product which will require a budget for the purchasing of digital material. The price will vary depending on the functionality of the e-book. For example, whether it is -

- a static PDF e-book,
- an ePUB e-book with or without hyperlinks to external videos and websites, or
- an interactive e-book with embedded enhancements such as videos (which will not be in the print edition).

PASA therefore submits that the definition of "e-LTSM" should be defined more precisely.

Other costs in the digital ecosystem have moved from the producer/ publisher (so are no longer reflected in the price of a book) to the user. These costs relate to hardware (e-readers), training and technical support, upgrading costs, file server and maintenance costs, and bandwidth costs.

If the reasons behind the proposed change of policy to a single book per subject, per grade, per language are aimed at saving costs, then this can be achieved by other, more appropriate means. PASA submits the following methods could be used in order to achieve cost savings, ranked in order of impact:

1. Ensuring the implementation of an effective retention system (including workbooks replaced by shorter main books – a saving of R179.34 million) will result in savings of as much as 80% of the textbook budget.
2. Elimination of VAT on books will result in savings of approximately 11% of textbook budget.

3. Publishing black and white books instead of full colour will result in savings of 3%-24% of production costs, which equates to savings of 0.6%-4.8% of the retail price in the textbook budget.
4. Adding price bands to the submission process.
5. In the version of the Draft Policy sent to provinces, the recommended exercise book for all grades is a 72-page A4 book. We suggest that this be revised based on the actual needs of each grade, since not all grades are likely to need the full 72 pages. For example, Grade 1 is not likely to have the same writing requirements as Grade 12. A 1996 study into the cost of stationery indicated that there was a great deal of wastage in supplying the grades with exercise books with more pages than were actually required during the year. In some instances, only one third of the exercise book was actually used.

Points 1 and 2 alone would contribute savings of as much as 91% of the textbook budget, leaving ample provision for the Minimum School Bag.

Budgeting and budgetary allocation

PASA submits that there is a disconnect between curriculum reform (driven at national level) and budgetary planning and allocation (delivered at provincial level). We refer to what we have said in this regard in relation to paragraph 7.7 above.

Annual price increases are not mentioned in the Draft Policy, but it is important to allow for an inflationary increase on an annual basis, and for provinces to budget accordingly.

We trust that these comments will be taken in the spirit in which they are intended, which is to assist in improved educational outcomes for South Africa. We look forward to working with the Department of Basic Education as a partner with experience, skills, and commitment.