



**ACT**  
Government

Territory and Municipal Services

## DIRECTOR-GENERAL MINUTE

TRIM NO: DGBR13/11

**Matter for consideration:** Waiving Library fees due to library errors and extenuating circumstances

**Recommendations:** That you:

- 
1. note that systemic errors occurred during the initial stages of the library fees trial that resulted in a number of library users being charged incorrectly;
  2. agree to Libraries ACT correcting fee errors internally as a matter of course;
  3. approve the process for waiving of fees in accordance with extenuating circumstances at Attachment 1; and
  4. note that consideration of fee waiver requests will need to be undertaken by you on a regular, most likely monthly cycle, to provide timely advice to Libraries ACT clients.
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Through:

- Executive Director Parks and City Services

*[Signature]*

5.9.13

- Director Finance

*[Signature]*

31.9.13

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### Background

In July 2012 Libraries ACT introduced a new incentive based fee regime intended to encourage the return of library materials on time and to reduce the number of lost items. With over 12 months in place the fee regime can now be assessed for the policy outcomes and if required modified to reflect stakeholder feedback.

The introduction of the new fee regime has resulted in a number of systemic errors, the outcome of which was the application of fees to a number of library borrowers accounts in error.

Another group of library borrowers have incurred fees as a result of extenuating circumstances. Historically borrowers that meet an 'extenuating circumstances' test have had fees removed from their borrowers records after review by the Director Libraries ACT.

## **Issues**

Borrowers are able to dispute administrative fees which are applied to cover processing of long overdue items (deemed lost) and genuine lost and damaged material. An online form has been developed to assist library members to negotiate this process.

The most common form of disputes arise from fees applied as a result of library errors and fees applied as a result of extenuating circumstances.

### *Library errors*

There have been circumstances identified where fees have been applied in error, including:

- a) Material returned to a library branch but not marked off the customer's record in time before the notices are generated.
- b) Duplicate fees applied as system error (now rectified)
- c) Emails have not been received by the customer due to input errors of the email address by library staff.
- d) The customer has already notified the library of a lost item (and arranged payment) but the record is not notated correctly. The customer is invoiced again.
- e) The borrower has already notified the material as returned (Borrower Claims Returned – BCR) and this is not noted on their record.

Libraries ACT intends to correct these errors and advise the relevant borrowers accordingly. Libraries ACT is working to improve the processes and reduce the number of errors going forward.

The review of the current library fee regime is unlikely to influence the need for Libraries ACT staff to correct fee errors.

### *Extenuating Circumstances*

Where requested Libraries ACT assesses the circumstances surrounding overdue or lost item fees to determine if the application of these fees is fair and reasonable. The assessment, refer Attachment 1 'Request to Waive Fees Protocol', considers if the library borrower has:

- had an accident, serious illness or died;
- experienced serious illness, or suffered the death of, a child, parent or spouse;
- been hospitalised;
- been prevented reaching a library by natural disaster (e.g. fire, flood);

- experienced a burglary including library items (with a police report); or
- made genuine attempts to return items on time (e.g posted from overseas).

Assessment against the criteria is undertaken with a level of compassion.

In instances where the items are irreparably damaged or otherwise unrecoverable due to burglary, natural disaster or serious accident all related fees will be removed. In all other instances the component of the fee that relates to the replacement of lost materials will still remain payable despite the assessment above.

The proposed criteria for extenuating circumstances was applied under the previous fee regime and this minute proposes that the same criteria continue to be used under the current regime. Should the review of the current library fee regime result in changes to the fees going forward it is likely that the extenuating circumstances criteria would still apply in the same form, subject to your approval.

## **Financial Implications**

Library errors are considered to be unrecoverable as there is no valid basis of claim.

For the period 1 July 2012 through 01 July 2013 the total value of requests that have been assessed as reasonable against the 'extenuating circumstances' criteria totals \$12,252.

## **Media Issues**

The new fee structure and the removal of fines have elicited varying community responses, albeit mostly positive. However some community members have put forward strong recommendations that socially and financially disadvantaged borrowers should be exempt from the administrative fees. There could be strong concerns around circumstances leading to fees applied in error, or fees not waived in extenuating circumstances.


## Linkages to other Briefs or Ministerials

Brief to the Chief Minister : Library Assets redemption and library fines May 2012 (Attachment 2)

Minute to DG : Request to Waive all outstanding fines 27 June 2012 (Attachment 3)

Vanessa Little:

Extension:

Signature:  .....

Date: 3/9/13

**AGREED/NOT AGREED/NOTED/DISCUSS**

  
Gary Byles .....

6/9/13



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## LIBRARIES ACT

### Request to Waive fees Protocol – Staff Only

Updated April 2013

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#### 1. Purpose

Changes were made to the Libraries ACT Loans Policy and Fees Administration Process during 2012.

Within this process, borrowers who receive notice of a fee can dispute the fee. Borrowers can only dispute fees if there are extenuating circumstances or library error as outlined in 4. and 5.

This protocol outlines the methods, controls and outcomes of the Request to Remove Fees application process.

#### 2. Fees Process

All customers are given a **one month borrowing period** for all items except DVDs which have a two week loan period.

The following notifications are sent to library members:

- 2.1 Three (3) days prior to the due date, library members are sent a courtesy reminder warning them that item/s are due in coming days by email or post.
- 2.2 Seven (7) days overdue, borrowing privileges are temporarily suspended. All privileges are reinstated immediately when the item/s are returned.
- 2.4 Fourteen (14) days overdue the first overdue notice is sent to the library member by email or mail.
- 2.5 28 days overdue the first administrative fee (\$25) is applied (this means borrowers have had item/s for 56 days) and an invoice is generated and sent by post. Library members are warned on the invoice that further fees will apply if they do not contact the library or pay the fee within 30 days. The replacement cost of item/s are added to the invoice as overdue item/s are now deemed lost.



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- 2.6 84 days overdue the \$175 administrative fee is applied in addition to \$25 fee. Items have now been on loan for 112 days.
- 2.7 If the invoice has not been paid within ninety (90) days the matter will be escalated to ACT Government's Shared Services Accounts and the borrower will be sent a third and final invoice from Shared Services requesting payment.
- 2.8 If payment is not received government debt collection services will be engaged.

At every stage, the library member is encouraged to contact Libraries ACT by email, phone or in person at a branch to discuss these processes and possible resolutions.

### **3. Disputing fee/s - Process**

- 3.1 Borrowers can dispute fees using the appropriate 'Request to remove fees' form. Forms are available
  - Online as a smart form
  - Online as a Microsoft Word document and pdf printable copy
  - From any library branch
- 3.2 Borrowers are asked to provide evidence of circumstances to support their request, for example medical certificates, police reports, etc. Branch staff should request the information to be lodged with the form.
- 3.3 Form must be returned, with evidence where appropriate, to library branch, or emailed /posted to  
Customer Support Officer  
Libraries ACT  
GPO Box 158 Canberra ACT 2601  
[Library.CustomerInfo@act.gov.au](mailto:Library.CustomerInfo@act.gov.au)
- 3.4 Borrowers will be notified of the outcome. Decisions will be final.
  - If request is approved, borrower will be notified by email or post and approved fees and/or charges will be waived.
  - If request is not approved, borrower will be notified by email or post and payment will be required. Borrowers may be offered payment options in cases of financial hardship.



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- 3.5 Once approval for waiver is given or payment/payment plan is complete, borrowing privileges will be reinstated.
- 3.6 Queries about the process can be sent to library Customer Information Service via [Library.CustomerInfo@act.gov.au](mailto:Library.CustomerInfo@act.gov.au), or phone 62059000

#### **4. Special Circumstances**

Borrowers may not return items within the timeframe due to extenuating circumstances. They can then apply to remove fees if evidence of this is provided to support their application.

Extenuating circumstances include:

- Accident, serious illness, death of borrower, or immediate family
- Hospitalisation
- Natural disaster (fire, flood, etc.)
- Burglary (with police report)
- Made genuine attempts to return items (e.g. posted from overseas)

Approval of extenuating circumstances can only be given by the Director of Libraries ACT through a delegation provided by the Director-General.

#### **5. Library Error**

Library/staff errors may include:

- Borrower claims item returned but not removed from account
- Borrower claims not to have borrowed item which is checked out to their account
- Items on borrower account found on library shelf
- Staff error/ data input error which leads to contact details being incorrect

#### **6. Controls to reduce library error**

All loans and returns are automated, and the library management system is configured to administer notices based on this data. The possibility of human error is minimised.

System errors may occur, but are quickly rectified. Process now included shelves being checked at all branches for outstanding items prior to invoices being sent.

Borrowers are encouraged to check all contact details, including emails to ensure notices are received.



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Borrowers must notify Libraries ACT quickly if there are errors on their library account/s, staff can then prevent administrative fees being generated.

## **7. Responsibilities**

Library staff will:

- Clearly state the policy and make the policy readily available to borrowers via web page, brochures, emails, etc.
- Assist new members in understanding the loans policy when joining the library
- Encourage borrowers to return or renew items on time
- Process requests for information or assistance efficiently

Borrowers are expected to:

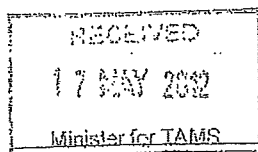
- Adhere to the Libraries ACT Loans Policy and Membership Terms and Conditions. This includes returning all loans within timeframes.
- Communicate with Libraries ACT quickly regarding any difficulties managing loans or returns.
- Pay for lost or damaged items quickly to prevent administration fees.
- Pay fees quickly to prevent further actions and to reinstate borrowing privileges.





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**BRIEF COPY**

Ref: 201100867

**completed**

Date 1 May 2012

To Minister for Territory and Municipal Services

- Director-General *B14/12*
- Deputy Director-General *11 May 5.12*
- Executive Director, Directorate Services *11 May 5/12*
- Director, Finance *cleared by Finance 2/5/12*
- Executive Director, Parks and City Services *12 May 2/5/12*

From Director, Libraries ACT

Subject Library assets redemption and library fines

## Purpose

To recommend an alternative model for the timely return of library items that encourages library use and ensures the effective return of ACT Government assets.

## Background

During the consideration of conducting the Food for Fines campaign in 2011 (PDMS Number 201100830, Attachment A), the then Minister for Territory and Municipal Services, Simon Corbell, requested further information about a strategy to deal with overdue library items without charging overdue library fines.

## Issues

There are two issues. Firstly, the non-return of library items results in the loss of ACT Government assets and the subsequent impacts on the library's capital budget and the community's access to materials. Secondly, fines are often seen by the community as a punitive and ineffective means of retrieving library items.

Of the total number of items available for loan from the library collection (approximately 625,300), four percent were overdue on 29 March 2012. This represents \$0.969m in outstanding ACT Government assets with implications for both the retrieval of taxpayer funded assets and the opportunity cost of those items being unavailable to other community members.

Libraries ACT staff generated a report of short term overdue items on 13 February 2012. In approximately 35% of cases, there were people waiting for reported items to be returned. This indicates a need for the library to efficiently retrieve materials to keep them in circulation for other users.

Fines impact negatively on the important lifelong learning role of library services, most importantly literacy. It also has a negative impact on the social role that libraries play for people who are disadvantaged, disengaged, or socially isolated. When these library members incur library fines, they become easily discouraged from using the library. Evidence shows that generally, library members ignore overdue notices and choose not to use the library anymore, rather than pay relatively small fines.

Overdue fines create a difficult and often negative customer relationship. Suspending borrowing privileges until outstanding items are returned or replaced is usually more effective. Fines also create barriers to efficient customer service as they block library members from using the self check kiosks.

#### *Suggested model for ACT*

Libraries ACT recommends that there is a better model to encourage the return of items without perceived punitive measures. It is recommended that the model for overdue items be:

- Members with item(s) overdue by 14 days receive notification that their items are overdue and should be returned immediately. After 21 days overdue, failure to comply will incur the loss of borrowing privileges. Further, a ban on the use of internet computers will also be applied. *how?*
- If item(s) have not been returned or paid for after eight weeks, members will receive an invoice for the replacement cost of the item(s) and a \$25.00 administration fee per invoice.
- If the item(s) are returned after this invoice, the value of the items are removed from the card, but the \$25 administration fee remains and is payable through Canberra Connect.
- If items are not returned or invoice paid by 12 weeks overdue, a final administration fee of \$200 is applied and a final notice is sent for the replacement value of the items plus the \$200 final administration fee.
- If this remains unpaid, then the matter will then be transferred into the debt collection process for TAMS.
- As is the current practice, should a library member pay for lost items and the administration fee through a payment plan, Libraries ACT will reinstate borrowing privileges and enable them to pay off the debt.

Should you agree, the new model could be announced in Library and Information Week in May 2012 and be included in the TAMS administrative fee schedule to be approved by the Director-General TAMS commencing 1 July 2012. This would be a very positive announcement in the National Year of Reading and will support the national campaign to increase library membership being conducted at the same time.

It is anticipated that the community will be happy with the change in approach as it does not punish those who do the right thing but rather seeks to reclaim ACT Government assets from those who determinedly act against the library.

The ACT community has embraced the Food for Fines initiative and an alternative program to gather food donations for Oz Harvest at Christmas time will be implemented in order to maintain community goodwill.

### **Consultation**

Libraries ACT staff carried out extensive research and consulted with a number of interstate libraries to ascertain best practice models for retrieval of library materials. The Policy Group of Libraries ACT which represents staff across the library service has been consulted on the appropriateness of the proposed model.

### **Financial**

It is likely that the revenue collected from the proposed new charge regime will be significantly less than the 2011-12 Budget of \$0.185m reflecting the existing fee structure. Therefore it is proposed that the impact of the new fee structure on the ACTLIS Operating Budget be monitored for 2012-13 and be reviewed in the context of the 2013-14 Budget process.

The administration fees recommended in the brief are based on recovery of the costs associated with undertaking these procedures.

### **Media**

This would be an excellent opportunity to showcase the important role the library plays in the community, particularly in developing and increasing literacy, and supporting the disadvantaged, disengaged or socially isolated in Canberra.

It is likely that ceasing to charge overdue library fines would generate media interest, and also provides an opportunity to highlight synergies with the National Year of Reading being celebrated in 2012.

## Recommendations

That you:

- note the information contained in this brief;

NOTED/PLEASE DISCUSS

- agree to discontinue library fines from 01/07/2012;

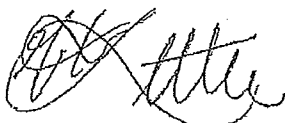
AGREED/NOT AGREED/PLEASE DISCUSS

- agree to implement a new library resource retrieval arrangement as detail in this brief; and

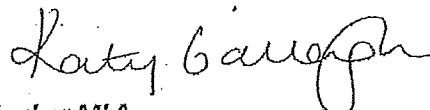
AGREED/NOT AGREED/PLEASE DISCUSS

- note that the impact of the new fee structure on the ACTLIS Operating Budget will be monitored for 2012-13 and be reviewed in the context of the 2013-14 Budget process.

AGREED/NOT AGREED/PLEASE DISCUSS



Vanessa Little  
Director, Libraries ACT  
Telephone 62076695



Katy Gallagher MLA ..... 11

19/5/20

Chief Minister - it might be useful to discuss  
the mechanics of this and any  
implications. with your concurrence  
I will add to agenda 21/5.

CM agreed in mtg of  
21 May 2012.

- Reduce time to 4 weeks
- Trial for 12 months

21/5



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## DIRECTOR-GENERAL MINUTE

### Matter for consideration:

### Recommendations:

That you agree to:

1. Waive all outstanding library fines as at 1 July 2012

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Through:

- ED
- Director
- Finance

27/6/12 *Heard*  
 27/6/12 *[Signature]*  
 27/6/12 *[Signature] for*

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### Background

At a meeting on 21 May 2012, in response to a brief about library assets redemption and library fines, the Chief Minister agreed to a trial of a revised library fines model from 1 July 2012.

Changes to the Libraries ACT Loans Policy are expected to be announced on 29 June 2012. A decision on the status of outstanding library fines needs to be made prior to this announcement.

### Issues

At present there is \$0.719m of library fines outstanding on the Libraries ACT library management system. Of this, \$0.149m was accrued in the 2011-12 financial year.

Over the past 4 years, including 2011-12 ytd result, an average of \$0.146m in library fines has been recovered.

The waiving of library fines accrued prior to 1 July 2012 will:

- encourage people to go back to their library to access the wide range of learning resources and opportunities for both adults and children.
- write-off fines that date back to 2003 and are unlikely to be paid.
- bring all the membership accounts in line with the new policy to ensure that the 12 month review of the new fines model will be easier to evaluate.

- simplify the introduction of the new fines model, as library staff will not be required to handle money (from the existing overdue fines) nor oversee two different fine models which may cause confusion for library members.

A bulk deletion of existing fines from the Horizon Library Management System will be straightforward. This can be trialled on the test database on Thursday 28 June 2012 in anticipation of the deletion being implemented on 1 July 2012.

### **Financial Implications**

Waiving of these fines extinguishes the legal right of the Directorate to recover these funds in the future, this may have a financial impact on revenues collected in the 2012-13 financial year. The financial implications will be monitored in advance of the 2013-14 budget process.

Libraries ACT has been advised by TAMS Finance, that a Financial Management Act waiver is not required to waive outstanding library fines. Library fines are administrative charges and can be waived at the discretion of the Director General.

### **Media Issues**

Changes to the Libraries ACT fines model is expected to generate significant media interest and an extensive promotional campaign outlining the changes will be implemented.

There may be some negative perception that there are people getting away with not paying their fines while others (who did the right thing) have paid theirs. However it is believed that the majority of library users will be happy with the changes to the policy.

### **Linkages to other Briefs or Ministerials**

This minute is related to Ministerial brief 2011 00867 Library assets redemption and library fines.

Author: Rachael Coghlan

Extension: 53578

Signature: .....

Date: 27 June 2012

**AGREED/NOT AGREED/NOTED/DISCUSS**

Gary Byles .....

27/6/12