

26 September 2018



Jan MacPherson  
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Dear Ms MacPherson

Ref: 0052668

### Official Information Act Request

I refer to your email of 30 August 2018, in response to ACC's letter replying to your request of 9 August 2018. You initially asked for the following information under the Official Information Act 1982 (the Act):

*We wish to enquire as to the cost of ACC utilising legal firms (such as Medico Law) to "fight" their review applications through the disputes process.*

*We would like an cost per review and also the total paid to said legal firms by ACC for the review process since 2015*

In our letter of 30 August 2018, we advised you that the costs paid by ACC for external legal representation at reviews are held on individual client files and to provide the requested information would involve a manual search. As such, your request was declined under section 18(f) of the Act.

You subsequently asked:

*"...would it not be easier to simply refer to financial statement (expenses) under the category legal representation?"*

As advised in our acknowledgement of 31 August 2018, we have treated your email as a new request under the Act.

### Background

Before we respond to your specific question, we would like to provide the following information.

Legal services provided by external providers range from peer review of in-house advice or advice on specialist matters, to representation in litigation or dispute resolution forums, to outsourcing of legal advice to an external provider (for example, in relation to debt recovery matters).

ACC records the cost of external legal representation in a number of places within its systems. In the administration costs financial system, we use several codes that each cover various circumstances. For example, 'External Legal-other litigation' is used for external costs relating to:

- Personal grievances
- Property leases
- Investment contracts

Costs related to services for clients are recorded against the claim file. This is a different system to the administration costs financial system.

### **Our response**

To provide the specific information you are seeking for the period prior to November 2017 would require a manual search of all invoices in the code that is for the legal costs for reviews and appeals. This would be necessary to identify the review costs separately to costs related to appeals.

Since November 2017, when ACC engages external legal counsel, specifically for a review, the cost is paid on the relevant client claim. These costs are not recorded on ACC's financial ledger in a way they can be readily retrievable.

The firms that ACC engages to provide legal counsel at reviews, are also engaged to provide other legal services. As such, if we were to search for expenditure by company name, we would again have to manually review the invoices to check the nature of the service covered by each invoice.

We considered charging you or extending the time limit for responding. However, we have determined that the resources required to obtain the information requested would impact the everyday operations of ACC. Consequently, our earlier decision to decline your request, under section 18(f) of the Act, remains.

However, we advise that ACC's spend on external legal services is publicly available in ACC's Estimates Examination for 2018/19, published by the Education and Workforce Committee on Parliament's website: [https://www.parliament.nz/en/pb/sc/submissions-and-advice/document/52SCEW\\_EVI\\_78407\\_3382/accident-compensation-corporation-responses-to-questions](https://www.parliament.nz/en/pb/sc/submissions-and-advice/document/52SCEW_EVI_78407_3382/accident-compensation-corporation-responses-to-questions).

### **Queries**

If you have any questions or concerns about the information provided, these can be addressed by emailing [GovernmentServices@acc.co.nz](mailto:GovernmentServices@acc.co.nz).

You also have the right to seek an investigation and review by the Ombudsman of this decision. Information about how to make a complaint is available at [www.ombudsman.parliament.nz](http://www.ombudsman.parliament.nz) or by phoning 0800 802 602.

Yours sincerely

**Government Engagement and Support**