[2012] NZACA 2 ACA 02/05

IN THE MATTER	of the Accident Compensation Act 1982
AND	
IN THE MATTER	of an appeal pursuant to s 107 of the Act
BETWEEN	Grace Nee Harland
	Appellant
<u>AND</u>	ACCIDENT COMPENSATION CORPORATION a body corporate duly constituted under the provisions of the said Act
	Respondent

BEFORE THE ACCIDENT COMPENSATION APPEAL AUTHORITY

R Bedford

HEARING on the papers

APPEARANCES/COUNSEL

Peter Nee Harland for appellant Paul McBride for respondent

DECISION: APPLICATION TO REINSTATE APPEAL

[1] The application is to reinstate the appeal filed under ACA No. 02/05 (the appeal) that Mr Nee Harland withdrew on the applicant's behalf on 14 March 2007.

[2] The appeal was against a review decision dated 20 February 2003 (the review decision), which in turn was against the Corporation's decision made on 10 March 2003 (the decision), to decline an application for backdated attendant care under s 80(3) of the Accident Compensation Act 1982 (the application).

[3] The impetus for the application to reinstate the appeal was my decision in *Nee Harland v ACC* [2012] NZACA in respect of the appeal filed under ACA No. 01/08, in which I dismissed the application for leave to appeal to the High Court against the Authority's decision dismissing that appeal, which dealt with a primary decision declining compensation under s 80(2)(b) and an application for leave to appeal out of time.

[4] At pages 9–12 of my decision I set out the chronology from the appellant's injury during her birth up to the withdrawal of the appeal. At paragraphs [41] to [51], I discussed the circumstances under which the appeal was withdrawn and I invited Ms Nee Harland, through Mr Nee Harland or any other representative that she may choose, to make an application to reinstate the appeal that Mr Nee Harland had withdrawn on her behalf in 2007.

[5] I indicated that a simple statement that the appeal had been withdrawn under a mistake of fact and law and that the reinstatement of the application on its merits and with Ms Nee Harland having the right to be heard would best promote the interests of justice, would be sufficient grounds and there was no need to support the application with written submissions.

[6] Mr Nee Harland filed the application by way of a simple letter, which I accept as amounting to an application by Ms Nee Harland to reinstate the appeal under ACA No. 02/05.

[7] The Corporation filed a formal opposition and submissions from Mr McBride, with a bundle of relevant documents and a supporting affidavit from Mark Davis, who was employed by the Corporation as an Improvement Analyst between 2002 and 2008, to address the large volume of attendant care applications arising from the publicity surrounding the then recent decision of the High Court in *ARCIC v Campbell* [1988] NZAR 278.

Background to The Decision

[8] On 3 June 1988, the applicant suffered an injury by medical misadventure which occurred during her birth and which left her with a permanent, disabling spine injury affecting her physical development and abilities, and necessitating extra care, which was provided by her parents.

[9] A claim for cover was lodged on 6 January 1989 and accepted on 9 January 1989. In July 1989, when the applicant was 13 months old, the Corporation arranged for an assessment by an Occupational Therapist of the applicant's needs for equipment comprising

a fold-away stroller transporter, a seat, a tray to fit the transporter, and a foot rest. The assessment was not put in evidence.

[10] The Corporation paid out the applicant lump sum compensation under ss 78 and 79 of the 1982 Act, based on an assessment by Mr Geoffrey Taine, Orthopaedic Surgeon, dated, 23 January 1992, was not put in evidence, but Mr Taine assessed the applicant's permanent disability as a result of her orthopaedic injuries at age three and a half, at 65 %.

[11] Nothing further happened on the claim until October 2001, when Mr Nee Harland applied for a voice recognition computer for the applicant and transport costs to and from secondary school, when the applicant was 13 years old. In the application, Mr Nee Harland said that a claim for attendant care would be made in due course, and asked for information showing the full extent of his daughter's entitlements.

[12] The Corporation arranged a SCOPE assessment to investigate the applicant's schooling needs, as a result of which, she received 2 hours teacher aide support per week, transport costs for school, an alphasmart computer and physiotherapist assistance.

[13] On 3 March 2002, Mr Nee Harland made an application on the appropriate form for attendant care backdated from 1988, with a covering letter as follows:

"Would you please advise a time to come in and speak about filing a claim for Grace in relation to back-dated Attendant Care payments. As you can imagine, the degree of dependency was absolute at the outset. Subject to the findings of an assessor, we estimate that Grace did not begin to cope by herself until she was about 9 years old but even then she needed some help."

The Corporation's Investigation

[14] On 12 December 2002, the Case Manager prepared a standard form Attendant Care Arrears Submission. Ms Murdoch recorded that from the date that the applicants claim was made and accepted in 1988, no interventions or requests occurred until a letter was received from her father in October 2001 requesting funding for a computer and indicating that back dated attendant care would be required I due course. Since then the applicant had had a SCOPE assessment and received the listed entitlements. Attendant Care had not been an identified need, therefore attendant care assessments were not on file.

[15] The Case Manager also recorded that when Mr Nee Harland made the October 2002 request for assistance, he had:

"...provided a letter from Orthopaedic Surgeon Dr G Taine. This letter was from a consultation with Grace at the age 3 and a half years (dated 23 January 1992). The letter at the time supported the fact that Grace had a disability. (tagged). The letter was addressed to ACC, however it appears ACC did not action this letter as no record that this was received in 1992 is indicated. No other evidence is provided."

[16] On 7 February 2003, Mr Davis repeated the Submission to Anne Hawker, Improvement Manager, and asked for someone to review the applicant's files to determine if she required attendant care due to her injury. If Ms Hawker believed that attendant care was required, she was to indicate the level of care, as well as the number of hours per week. Ms Hawker's report was not put in evidence.

Mr Davis' Affidavit

[17] Mr Davis deposed that the process that was to be followed with respect to assessing attendant care applications in the case of s 80(3) applications was to see whether there were any indications on the file that the individual required "*constant personal attention*" (at that stage about 24 hour per day care) because of the injury. A number of factors were looked at, including the nature of the injury, described injury needs, medical reports on file, and other matters. In some cases, where there was a lack of clarity, or cases need to be determined against different criteria at different times, some further internal or external clinical advice was sought before a decision was made.

[18] Mr Davis confirmed that the reference to the level of care and the number of hours per week was applicable only to applications under the 1992 and 1998 Acts, because of ACC's approach that the 1982 Act had a threshold for attendant care of "*constant personal attention*" at or about 24 hours per day need. The later Acts had a substantially more flexible approach and in the case of the 1992 Act, the Regulations only permitted payment of attendant care up to 40 hours per week.

[19] Mr Davis said that he could say with certainty, that ACC did consider the applicant's case against each of the 1982, 1992 and 1998 Acts, and concluded that she did not require constant personal attention in terms of the 1982 Act.

[20] However, there was no evidence to confirm that this happened in the applicant's case, and I have not seen any description of the applicant's injury, or the impact of it upon her care needs in any documentation, except as provided by Mr Nee Harland in the review application.

The Decision Letter

[21] The letter was addressed to Mr and Mrs Nee Harland, and advised that ACC:

"...having considered the information available, find no basis to support payment for attendant care. While it is clear that Grace has suffered from, and continues to suffer from developmental delays, we have no evidence to suggest that attendant care was required. Accordingly, your request backdated attendant care compensation is declined."

[22] The applicant had three months to review the decision, and the 2001 Act *Resolving Issues* sheet was enclosed. Mr Nee Harland was sent an application for review form under the 2001 Act, which he completed on the applicant's behalf.

[23] Despite Mr Davis's assurance, there is nothing in the investigation, or the wording of the letter to suggest that the application was considered under s 80(3), and nothing has been proffered by the Corporation to explain why review rights were given under the wrong Act.

The Review Application

[24] On 20 March 2003, Mr Nee Harland lodged the review application. The reasons given for the review were:

- "(a) Grace suffered a serious injury as a result of a misplacement of delivery forceps as used by the attending obstetrician. The accident occurred during the birthing process.
- (b) The extent of her injuries is indicated by the fact that Grace required assistance to breathe for six weeks subsequent.
- (c) When Grace was allowed to return home she was unable to move. She had no swallowing reflex and had to be force fed by pigeon spoon.
- (d) Grace was <u>totally</u> dependent on those around her for a period of at least five years. Her needs were well in excess of other children."

[25] The results sought that are relevant to this application, were:

- "(a) An independent assessment of the applicant's needs as they were when Grace arrived home as a severely disabled baby.
- (b) An apology from the ACC for not informing us that we were entitled to help in the form of payment pertaining to attendant care.
- (c) A payment of those arrears which accumulated over the years when Grace evidently required constant personal attention."

The Review Hearing

[26] Mr Nee Harland was unable to attend and as the hearing had been adjourned three times already, the Reviewer decided to hold the hearing and adjourn to give Mr Nee Harland two weeks to respond.

[27] The Case Manager provided written submissions, which she then read from at the hearing. Ms Phillips started by saying that there had been no interventions from the applicant's birth in 1988 until Mr Nee Harland's letter in October 2001. She then said that this was not factually true, and mentioned the 1989 need for equipment assessment.

[28] Ms Phillips said that in October 2002, when Mr Nee Harland wrote for assistance, he:

"... provided a copy of a letter from Mr Geoffrey Taine, Orthopaedic Specialist. The letter was dated 23 January 1992 when Mr Taine reported on a consultation with Grace Nee Harland. ... He reported that Grace had a disability... and noted that, 'Further problems may arise with deformities owing to muscle imbalance and these may arise particularly in the spine, though not yet apparent.'

There is no further orthopaedic assessment of Grace."

[29] Ms Phillips discussed a letter written by Dr Smailes on 12 November 2001, which apparently covered the applicant's birth injury and the immediate aftermath, and noted that the applicant demonstrated normal intellectual functioning, and that in 2001, she had some residual injuries, but that "*she seems to be coping well*". There was no other evidence from

Dr Smailes on the file, which suggested that the applicant's present needs reflected her historical needs.

[30] Ms Phillips said that the applicable legislation to the application was the 2001 Act, and three sections applied, particularly s 81, s 83 and s 84. Section 81 specifies the Corporation's liability to provide attendant care, s 84 requires the Corporation to determine a claimant's need for social rehab by considering assessment information, which must include disability factors relating to the injury and its consequences, and options for providing disability appropriate support.

[31] Ms Phillips discussed s 83 as follows:

"Section 83 allows the Corporation to consider entitlement from an earlier date than that of application, and that's from subsection 83(3). But, that subsection does not entitle a claimant to entitlements that they would not have been entitled to, had the application been made earlier. And that consideration was the key idea that ACC explored. Had Mr Nee Harland known about attendant care in 1989, would he have been entitled to care at that time?"

[32] Ms Phillips said that ACC found no evidence in the file documents that the applicant was in need of attendant care support prior to November 2001, so on that basis, the provisions of s 84 were not satisfied. ACC did not have assessment information by suitably qualified persons to suggest that the applicant had need of support to manage her hygiene health and safety care, and ACC is not able to provide social rehabilitation in the absence of an assessment that identifies need. "...Copious assessment information is available but none of it identifies care needs beyond those normally required by an infant or young child."

The Review Decision

[33] The Reviewer commented on Mr Taine's 1992 "*letter*", which was in fact a permanent disability assessment for the purposes of ss 78 and 79 of the Act, which assessed the applicant's permanent disability at 65%.

[34] Ms Coddington noted that the assessment was not written for the purpose of the applicant's attendant care needs, nor were any of the other assessments on the appellant's ACC file. She summarised Mr Davis's memorandum dated 7 February 2003 and Ms Hawker's memorandum in reply dated 25 February 2003, and mentioned the

memorandum dated 27 February 2003 by Alan Howe, Improvement Manager Entitlements, which affirmed Ms Hawker's conclusions.

[35] Ms Coddington then summarised Mr Nee Harland's submissions. Mr Nee Harland's criticism was, in brief, that the Corporation made its decision without any attempt to obtain the medical information that was known to exist and was freely available, that it did not carry out the specialist assessment that was requested, and the medical information it did rely upon did not cover attendant care because this was not requested by the Corporation, and it declined to remedy this when the doctor concerned offered to do so.

[36] Ms Coddington dismissed the application because, following the District Court decision *Shand v ACC* (91/02), under the 1998 Act and the Accident Rehabilitation & Compensation Insurance (Social Rehabilitation) Regulations 1993 (the Regulations), retrospective attendant care assessments could only be made under reg 4, if a written application for attendant care had been made at the time in question. Therefore, no retrospective assessment could be carried out and the subsequent medical evidence was not relevant. Appeal rights were given under the 2001 Act to the District Court.

[37] The review decision completed a process that was conducted entirely under the rehabilitation and dispute resolution provisions of the 2001 Act, and without any proper investigation of the applicant's injury related needs for constant personal attention during the relevant period.

[38] It seems to me that, in light of the 65% permanent disability assessment by Mr Taine, the obvious course for the Reviewer, was to refer the matter back to the Corporation. Under s 102(9), she could have made a recommendation to the Corporation to reconsider the application under s 80(3), and obtain the necessary specialist information to do so. Under the 2001 Act, the Reviewer could have made a binding direction.

The Notice of Appeal

[39] Mr Nee Harland filed the notice of appeal on 3 March 2004. He alleged breach of natural justice because the appellant had not been heard, and manipulation of the process by the corporation and the Reviewer, to the applicant's disadvantage.

The Withdrawal of the Notice of Appeal

[40] In the notice of withdrawal filed on 14 March 2007, Mr Nee Harland completely backtracked on his previous approach as recorded in the application for review and the notice of appeal. In the withdrawal notice, he denied that his original application was in fact for 24 hour attendant care, and said that it had always been a matter of mutual agreement between himself and the ACC branch office, that what was being sought was a reimbursement on a less than 24 hour care basis. Mr Nee Harland then quoted from the application, which he said was proof that all that was requested was attendant care backdated to September 1988.

[41] Mr Nee Harland stated that he spoke to Mr McBride and "... provided him with prenotice of my intention", and conceded that an application under s 80(3) could not succeed. Mr Nee Harland again back tracked from his original application and supporting statement, and said that he accepted Mr McBride's "...*kindly offered view that based on a High Court* precedent case by the name of Campbell, the ACC automatically views an application using the words 'backdated attendant care' as an application for constant personal attention" Mr Nee Harland replied that he was not aware of the assumptions attaching to that phraseology, and he could see that the appeal was almost destined to fail.

[42] The balance of the notice concerns the discussion Mr Nee Harland was having with the ACC local branch about an application based on a lesser requirement, being the application under s 80(2)(b) that was the subject of my first decision.

The Corporation's Opposition

[43] The Corporation's opposition was based on three grounds, which Mr McBride summarised as the factual position and background, the legal position, and the interests of justice and absence of any miscarriage of justice to the applicant.

[44] Mr McBride said, in reliance upon Mr Davis' affidavit, that the issue of the applicant's eligibility for the particular 1982 Act compensation sought was addressed under the 1982 Act, and set out the background with reference to documents referred to by Mr Davis.

[45] Mr McBride addressed my query as to the advice that he may have given to Mr Nee Harland prior to the appeal being withdrawn, and said that at no stage did he, or ACC, give Mr Nee Harland any advice in relation to the withdrawal of the appeal, although he did tell Mr Nee Harland, as a peripheral issue, that the Corporation had considered the application under s 80(3) and the requirement for constant personal attention based on both the nature of the claim and the surrounding circumstances.

[46] Mr McBride correctly pointed out that Mr Nee Harland said in the notice of withdrawal of the appeal that he had never sought backdated 24 hour attendant care, and said that the claim under s 80(2)(b) was then initiated by the applicant on the basis of needs of less than 24 hours care, which was rejected by the Authority "*because the applicant did not satisfy that section either*".

[47] Mr McBride also referred me to another appeal, *Moananui v ACC* ACA 6/03, in which Mr Nee Harland was the appellant's advocate on another attendant care application. There were quite significant differences between the two cases, as unlike the applicant's application, Mr Moananui's application was properly considered by the Corporation under s 80(3), there was a large body of medical information and assessments, and he had received significant assistance from the Corporation at various stages, but the point was that Mr Nee Harland knew about the threshold when he withdrew the applicant's appeal.

[48] Mr McBride also commented on Mr Nee Harland's advocacy of the views expressed in Deborah Andrews' report dated 19 August 2008, in which she assessed the applicant using the criteria under the 1992 and 1998 Act criteria and methodology, but covering the 1982 Act relevant period in terms of the applicant's age specific needs.

[49] As Mr McBride pointed out, Ms Andrews assessed the applicant as needing 50 hours per week extra care, but this was in the context of legislation that provides for a discount for family based care responsibilities, and unlike an s 80(3) assessment, does not recognise indirect, overnight supervision needs to ensure safety.

[50] Mr McBride then referred me to the applicable test in respect of s 80(3), as interpreted by the Court of Appeal in *Simpson v Accident Compensation Corporation* [2007] NZAR 497, but as there has not been any investigation at all of the applicant's need for constant personal attention, *Matthews* (supra) is of limited assistance as there is no relevant assessment evidence to weigh according to the principles discussed in that case.

[51] Regarding the application of *Adair v ACC* [2010] NZACA 5, Mr McBride submitted that the Authority held that in rare and limited cases, it has jurisdiction to reinstate an appeal, and that in *Adair*, the Authority found that there was a mistake, or lack of intention on the part of the appellant, and from that point, the withdrawal was taken to be a nullity. In the exercise of

the discretion to reinstate the appeal, the merits were a substantial factor, as they were in the present case, and this mitigated against the applicant.

[52] According to Mr McBride, there can be no proper exercise of the Authority's discretion to reinstate an appeal, where as in this case, that appeal could not succeed. Mr McBride concluded that there was no basis for the reinstatement of the appeal, in light of:

- (a) The law on s 80(3), and the very high threshold for constant personal attention it imposed;
- (b) Mr Nee Harland's full knowledge of the threshold when he withdrew the appeal;
- (c) The Applicant's explicit recognition that she did not, and does not; satisfy that requirement;
- (d) The evidence advanced by the applicant confirming that to be the case; and
- (e) The demonstrated consideration of the issue by the Corporation in this case.

[53] Finally, Mr McBride submitted that not only was there no miscarriage of justice in withdrawing an appeal on a correct understanding that one does not meet the statutory threshold, but also, there would be a miscarriage of justice if the appeal was reinstated.

Discussion and Decision

[54] Mr McBride's submissions and the Corporation's evidence highlight the fact that the application has never been properly assessed under s 80(3) at any stage, and that really is the major issue that mitigates for the applicant.

[55] The fact that the threshold under s 80(3) is so high cannot count against the applicant, unless the Corporation had properly investigated the application and declined it on the basis of a specialist assessment of her need for constant personal attention, that demonstrated that the applicant did not qualify for payment.

[56] This is relevant also to Mr McBride's next conclusion, as even if I accept that Mr Nee Harland had "... *full knowledge of the threshold for constant personal attention*" when he withdrew the appeal, this does not mitigate against the applicant.

[57] In my view, full knowledge of a legal test or threshold must include knowledge of the standard of evidence needed to come within it. There was no evidence at all to indicate that the applicant would not qualify, and it is clear that Mr Nee Harland's concession in this regard

was mistaken, as the unsupported opinion of an ACC Improvement Manager as to the applicant's needs for attendant care, was an insufficient basis in law.

[58] In that context, one only needs to consider the information Mr Nee Harland put in the application and the review application. If that information was a correct reflection of the applicant's needs as observed by her parents at the time, then there was a reasonable chance that the appeal should have succeeded, at least for a period after the applicant left hospital, even with the care needs normally required by an infant or young child.

[59] Nor do I consider as being capable of serious argument, the contention that the applicant, as a 15 and a half-year old child, was somehow complicit in the misguided acceptance by her father that she did not satisfy the test, and I am unable to identify the confirming evidence Mr McBride asserted that she advanced.

[60] The lodging of the application, the review application, the appeal and the notice of withdrawal, was all carried out by Mr Nee Harland, on the applicant's behalf as her father, as much as her advocate. She is the "*party*", rather than Mr Nee Harland, and in terms of any disentitling knowledge or mistake, her views must be taken into account with those of her father.

[61] It seems appropriate to take into account that a teenage child, who has been dependent on her parents as her care givers to an extraordinary extent due to her injuries, is unlikely to be able to question her father's concession that she had no entitlement to payment for constant personal attention under s 80(3) between the ages of 3 months and 4 years and 3 months, when he elected to withdraw the appeal on her behalf.

[62] Now that the applicant is an adult without any apparent intellectual disabilities, she, not Mr Nee Harland, has elected to take advantage of my suggested method of resolving her attendant care application, and it is her circumstances that concern me in assessing any possible miscarriage if her appeal is not reinstated.

[63] As for the Corporation's demonstrated consideration of the applicant's case, the initial investigation was clearly not conducted under the correct legislation and nor was the review. And the process itself was inadequate, as the information the Corporation used was incorrect and incomplete, the review of the applicant's files was cursory, and the necessary assessment simply was not obtained.

[64] Regarding *Adair*, I cannot see anything in that case to support the contention that the jurisdiction to reinstate an appeal should be exercised only in rare and limited cases, but I agree with Mr McBride to the extent that the discretion should be exercised with caution, and that in addition to the merits of an appeal being a factor, mistake or lack of intention are also relevant, as are the interests of justice and the possibility of a miscarriage of justice.

[65] I don't agree, however, that the merits of the appeal are as significant a factor as Mr McBride suggests, as there may be cases, such as the present one, where the merits cannot be tested unless the appeal is reinstated, because the corporation has failed, or refused for some reason, to properly investigate a claim. And while the Authority stated that the merits in *Adair* strongly warranted the reinstatement, he did not ascribe more weight to this factor, than he did to mistake, or lack of intention.

[66] In this context, while the threshold postulated by Mr McBride is set higher than the Authority was willing to accept in *Adair*, I do think that the interests of justice have to favour an applicant, and where the merits of an appeal cannot be tested, the higher standard of a miscarriage of justice may need to be applied.

[67] I am also conscious of the fact that I have just delivered a decision in another application for reinstatement of an appeal, and I have at least one more decision to consider. The circumstances of each case are markedly different, as is the approach taken by individual counsel for the Corporation.

[68] My approach must be as consistent as possible, and I have found myself applying the somewhat higher threshold suggested by Mr Barnett, counsel for the Corporation in *Adair*, not because I disagree with the Authority's findings, or prefer Mr Barnett's argument, but because of the circumstances particular to each applicant.

[69] I have considered *Ben View Farms Limited v GE Capital Returnable Packaging Systems Limited* (AP 24/SW01), R v ACC, Decision No.4/2007, another case cited in *Adair*, and *King v Accident Compensation Corporation* [1994] NZAR 159, as well as the High Court Rules and s 108(11) of the 1982 Act.

[70] In Ben View Farms Limited (supra), Fisher J said at paragraph [7]:

"The High Court has an inherent jurisdiction to protect the effectiveness of its own processes in order to avoid miscarriages of justice, at least in circumstances where remedial steps would not expressly or impliedly conflict with legislation to the contrary."

[71] In *R V ACC* (supra) the Authority held that the overall interests of justice favoured allowing an extension of time to file an appeal that reopened the appellant's case, when the Corporation's primary decision had already been reviewed and appealed, because an issue of entitlement that was important to the applicant had not been decided in the earlier litigation.

[72] In *King* (supra), Barker J held that the right to have an entitlement tested by proper legal process was sufficient to warrant judicial review being exercised in favour of an ACC claimant, even though there was a potential statutory bar to the remedy sought, which had been held in other cases to disentitle a claimant.

[73] The combined effect of rr 1.2 and 1.6 of the High Court Rules, is that the court can regulate its own procedures so that where there is no rule that applies to a given case, the court is to choose the solution that will best promote the object of the rules, being the just, speedy and economic resolution of proceedings.

[74] There are no rules of procedure for the Authority, and s 108(11) of the 1982 Act provides that subject to the Act, the procedure of the Authority shall be such as the authority determines.

[75] There is no statutory bar to a reinstatement of an appeal, nor is there a provision that is equivalent to r 20.12 of the High Court Rules, which provides that an abandoned appeal is deemed to be dismissed.

Decision

[76] The best interests of justice can only be served by the applicant having the opportunity that has thus far been denied to her, of having her application properly considered under s 80(3).

[77] The even higher threshold of a miscarriage of justice if the appeal is not reinstated also favours the applicant, as otherwise, the door will be permanently closed on her ability to seek the compensation she has been entitled to pursue since the medical misadventure she suffered during the birth process on 3 June 1988, without her ever having been able to test her eligibility for that compensation.

[78] The appeal is reinstated, and the directions I made on 30 March 2012 concerning the appointment of an assessor and the content of the instructions for the assessment, are to be followed with due diligence.

DATED at WELLINGTON this 21st day of February 2012

R Bedford