

**ABUSE IN CARE ROYAL COMMISSION OF INQUIRY
LAKE ALICE CHILD AND ADOLESCENT UNIT INQUIRY HEARING**

Under The Inquiries Act 2013

In the matter of The Royal Commission of Inquiry into Historical Abuse in State Care and in the Care of Faith-based Institutions

Royal Commission: Judge Coral Shaw (Chair)
Ali'imuamua Sandra Alofivae
Mr Paul Gibson

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Ms Ruth Thomas, Ms Finlayson-Davis, for the Royal
Commission
Ms Karen Feint QC, Ms Julia White and Ms Jane Maltby
for the Crown
Mrs Frances Joychild QC, Ms Alana Thomas and Tracey Hu
for the Survivors
Ms Moira Green for the Citizens Commission on Human
Rights
Ms Susan Hughes QC for Mr Malcolm Burgess and Mr
Lawrence Reid
Mr Michael Heron QC for Dr Janice Wilson
Ms Frances Everard for the New Zealand Human Rights
Commission
Mr Hayden Rattray for Mr Selwyn Leeks
Mr Eric Forster for Victor Soeterik
Mr Lester Cordwell for Mr Brian Stabb and Ms Gloria Barr
Mr Scott Brickell for Denis Hesseltine
Ms Anita Miller for the Medical Council

Venue: Level 2
Abuse in Care Royal Commission of Inquiry
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TRANSCRIPT OF PROCEEDINGS

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1 this situation, Lake Alice, where you did have that culture for two years where there really
2 was - it was used as punishment, for smoking or what have you. How do you break that? I
3 don't know.

4 **Q.** Thanks Mr Stabb, I think it's now up to me to formally thank you for the time you've put in
5 and coming here today, recognise it's not easy, it's been a long, long time, it takes a lot of
6 effort to remember and coming today, so we appreciate the effort you've put in, thanks.

7 **CHAIR:** Thank you very much. And thank you again, Nick, for being a supporter. I think we'll
8 take a 5 minute break.

9 **MS FINLAYSON-DAVIS:** Certainly.

10 **CHAIR:** Just to get our next witness ready.

11 **MS FINLAYSON-DAVIS:** Certainly.

12 **CHAIR:** We'll be back in 5 minutes.

13 **Adjournment from 12.36 pm to 12.44 pm**

14 **MR MOLLOY:** Good afternoon, ma'am, the next witness Grant Cameron. Mr Cameron has
15 provided a substantial statement. He understands that we're under some time restraints, so
16 he doesn't propose to read the whole thing. We're also running a little behind but I think we
17 can probably make up the time reasonably comfortable. We might go to 1 and ask that you
18 come back a little early from lunch, perhaps 2.

19 **CHAIR:** Yes, we've discussed that.

20 **MR MOLLOY:** We may be able to push out the last witness as well.

21 **GRANT ASHLEY CAMERON**

22 **CHAIR:** Thank you. Thank you Mr Molloy. Good morning Mr Cameron.

23 **A.** Good morning.

24 **Q.** Thank you for coming. Could I just ask you to take the affirmation. Do you solemnly,
25 sincerely, truly declare and affirm that the evidence you give today will be the truth, the
26 whole truth and nothing but the truth?

27 **A.** I do.

28 **Q.** Thank you very much.

29 **QUESTIONING BY MR MOLLOY:** Mr Cameron, good afternoon. We've got a very large
30 statement in front of us, I understand it's not the complete evidence that you're going to be
31 able to provide to the case study, but it's the evidence you've been able to provide in the
32 timeframe available for this hearing.

33 **A.** Yes.

34 **Q.** To this time. So we appreciate that. I'm going to hand it over to you and let you take it up.

1 A. Thank you. Ma'am, the problem of providing this brief starts with over 30 boxes of files
2 which I had decided to keep because I thought one day there might be a Commission of
3 Inquiry. But so consequently we have all the relevant information. I've been through and
4 this, sort of half of the brief, is approaching 140 pages. I think the second brief has even
5 more concerning information in it, we won't be able to deal with that today, but I would like
6 to say a few words just at the end of this touching on those matters.

7 **CHAIR:** Yes, thank you.

8 A. I'll deal with the preliminary matters in the usual way, but there will be portions of the brief
9 that I will not go into and I'll flag those, but I will highlight the important points as I see
10 them.

11 **Q.** Just to reassure you that we have read your briefs of evidence, and if not the 30 boxes, and
12 we're very grateful for that. Thank you. Just one last thing, we have a stenographer and we
13 have two signers who require that you measure your speed thank you.

14 A. Yes, okay. My name is Grant Ashley Cameron and I'm the principal of GCA lawyers, a
15 national class action practice based in Christchurch. Between 1996 and 2006 my firm,
16 GCA, represented a large number of claimants who brought actions against the Crown in
17 relation to events which occurred in the Child and Adolescent Unit on the Lake Alice
18 Psychiatric Hospital grounds during the 1970s.

19 The groups of claimants whom I presented consisted of individuals residing at the
20 unit between 1972 and 1978 who were 16 years of age or younger. They alleged they'd
21 suffered abuse in various forms while at the unit.

22 Now the action formed two parts. Part one took place between mid-1996 and
23 November 2001 and part 2, which was dealing with the second process that the Prime
24 Minister arranged for potential claimants and the Paul Zentveld litigation occurred between
25 November 2001 and November 2006.

26 I was asked by the Commission to provide witness statements setting out my
27 involvement both in the litigation and the events leading up to the settlement of my clients'
28 claims. As I say, there are two witness statements, part 1 dealing with the settlement of my
29 first batch of claimants, the part 2 being the second and independent determination process
30 following Prime Minister Helen Clark announcing such a process.

31 In this first statement I deal with background of the matter generally, how
32 I initially became involved, the initial strategy, involvement with the media, how
33 prospective clients were vetted, my efforts to secure funding and the fee arrangement
34 between my firm and its clients, the initial facts presented to us, details of when and why

1 proceedings became necessary, the settlement process which followed and the involvement
2 of Sir Rodney Gallen, the matter of the Law Society fee complaint and the outcome of the
3 same, and details of the complaints made to the Police and to the Medical Practitioner
4 Board of Victoria. As I said before my second statement deals with the Zentveld
5 proceedings and the part 2 claimants.

6 I provided to the Royal Commission, in consequence of a notice received,
7 documents and files. We complied with that notice on 25 September 2020, along with
8 statutory declaration. I prepared this brief with regard to my confidentiality obligations in
9 respect of my former client's interests, and the protection of solicitor/client and litigation
10 privilege, and the confidential nature of the resolution process itself.

11 For these reasons, where appropriate I have elected to protect the identity of
12 certain individuals and so refer to such persons numerically or by some other label. I have
13 independently supplied the Royal Commission with a schedule to identify those persons.
14 The numerical order in which clients are referred to in my statement do not reflect the order
15 in which they became my clients.

16 I now turn to the background. Lake Alice, as you know, was a psychiatric hospital
17 located near Whanganui, housed persons committed under the relevant mental health
18 legislation at the time, including individuals referred to as criminally insane. It was a
19 medical institution focused on psychiatric care for those in need of the same.

20 But in the early 1970s, the Department of Social Welfare had responsibility for
21 many State wards. They faced housing difficulties and apparently when the Department
22 discovered there were some empty dormitories on the ground of Lake Alice Hospital, a
23 decision was made to use these facilities and start a special unit to cater for these children.

24 The unit was created during 1972 and was situated on those grounds, as I've said,
25 children between ages of 8 and 16, occasionally there was one or two older than that. Our
26 inquiries revealed that nobody had been formally committed for treatment under the mental
27 health legislation of the time.

28 Dr Leeks was a psychiatrist based in Palmerston North and was nationally
29 recognised as specialising in the care of children and adolescents and was given overall
30 responsibility for management of the unit.

31 During my firm's preliminary investigations, we found that the unit had no legal or
32 functional link with the operations of the Lake Alice Psychiatric Hospital itself. This was
33 confirmed in the report of the Commission of Inquiry into the case of the Niuean boy in
34 March 1977, where it was found Dr Pugmire, the medical superintendent of Lake Alice

1 Hospital, told the Commission he has a written direction not to involve himself in clinical
2 matters in the psychiatric unit.

3 **QUESTIONING BY MR MOLLOY CONTINUED:** Can I just ask you to pause there,
4 Mr Cameron, do you know who was that from?

5 A. That was from the Commissioner who carried out that inquiry.

6 **Q.** Sorry, but do you know who the written direction was from?

7 A. No, I don't. The position, as it appeared to me, then was that we had Department of Social
8 Welfare looking after State wards, and simply needed somewhere to house them, feed
9 them, educate them, but in those circumstances, and given the artificial legal severance of
10 the dormitories from the asylum itself, there was no need for an ECT machine, nor for
11 Paraldehyde or other drugs to be administered to such State wards. So that was the position
12 that we started from.

13 By 1976 allegations of abuse came to light. Report that Dr Leeks and nurses at
14 Lake Alice were administering ECT and injections of Paraldehyde as a form of punishment.
15 There were further allegations of physical, sexual and unlawful - sorry, abuse and unlawful
16 confinement.

17 These allegations were raised by Jonathan Hunt in Parliament in 1976 and I
18 understand that the Ministers of Health and Social Welfare at the time denied that medical
19 procedures were being used as a form of punishment and resisted calls for an inquiry.

20 On 27 January 1977 Judge Mitchell was appointed to hold a Commission of
21 Inquiry into the care of one young person. That concluded on 18 March 1977. The scope
22 of the inquiry was limited to only the treatment of that one young boy. Judge Mitchell
23 stated in his report "I am certain that ECT was not used as Lake Alice Hospital as a
24 punishment." That young boy later became a client of my firm whom I shall refer to in this
25 instance as client 1.

26 In January 1977 the Ombudsman received a separate complaint from another
27 individual's parents. This investigation was also limited in scope to the complaints made by
28 that one individual. There had been some consultation with experts following which Sir
29 Guy Powles issued the following, it was stated "there is a general consensus of opinion and
30 the general practice is that ECT plays little or no part in the treatment of children. In most
31 circumstances it cannot be justified." He recommended that "the Department of Health
32 ensure that the medical superintendent of Lake Alice Hospital has closer control over and
33 final responsibility for the administration and operation of the unit."

34 As a result of further complaints, calls to parliament for a full Commission of

1 Inquiry continued through 1977. The Minister of the time, Hugh Templeton, maintained an
2 inquiry was not needed.

3 A Police inquiry was conducted in January 1978 but nothing seemed to result.
4 The unit ceased operating and was closed in 1978 and Dr Leeks was dismissed in July of
5 that year. He took up residence in Victoria.

6 **Q.** Again, can I just ask you to pause there. When you say he was dismissed, what makes you
7 say that?

8 **A.** I am sure one of my solicitors has found a piece of paper indicating that, but I don't recall
9 what it is. I can't confirm.

10 **Q.** Thank you.

11 **A.** In 2006 whilst the Medical Practitioners Board of Victoria was in process of investigating
12 complaints, he surrendered his Australian medical licence and thus ended the board's
13 investigation.

14 In 2017 a former client of my firm, Paul Zentveld, made a complaint to the United
15 Nations Committee Against Torture and his complaint was upheld in 2019.

16 How I came to be involved. In September 1996 I received a telephone call from a
17 lawyer at a Blenheim law firm. He had a client who had been in Lake Alice in 1972 at the
18 age of 13 years. He was a ward of the State. There were obvious limitation problems in
19 trying to commence a civil action but the lawyer asked if I might accept a referral and deal
20 with their client directly to see if something could be done. Although the client lived in
21 Marlborough, he regularly attended a pain clinic at Burwood Hospital in Christchurch so it
22 was agreed that I would meet him in my offices when he next came to Christchurch. I shall
23 refer to him as client 3.

24 When we met he described his signature physical symptoms, including severe
25 muscle cramps and spasms, he believed this was as a result of the long-lasting effects of
26 ECT and/or Paraldehyde injections he'd received while at Lake Alice Hospital in the 1970s.
27 He informed me that his specialist supported that view and that his problems were probably
28 attributable to those experiences. He wanted advice regarding compensatory options.
29 I agreed to consider whether I could assist him and suggest the that we meet a fortnight
30 later

31 Within a week of that meeting, I received a telephone call from a lawyer based in
32 Wellington, lawyer A. He said that he was calling me because he was aware of my
33 experience in dealing with group or class actions and wanted to know if I could assist with
34 an issue affecting one of his clients, that I refer to as client 4.

1 Lawyer A's client had been a State ward at Lake Alice during the early 1970s.
2 Lawyer A's client's experiences was very similar to those of the client referred to me from
3 Blenheim. Given these similarities, lawyer A and I became concerned there may be many
4 other former Lake Alice residents who might have been similarly treated and affected.

5 Lawyer A was a sole practitioner specialising in other areas of law and he wanted
6 to know if we could cooperate with a view to jointly investigating the facts, exploring
7 possible remedial options. We quickly reached an agreement on maintaining a joint
8 approach to the issues.

9 We commenced a general investigation, engaged a private investigator to locate
10 some of the former residents, many of those who we did locate had almost identical
11 complaints.

12 There was another individual represented by an Auckland law firm had already
13 filed proceedings against Dr Leeks and the Attorney-General and those allegations were
14 very similar as well.

15 This soon led to discussions with counsel and we opened a dialogue with David
16 Clarke, solicitor at the Ministry of Health, on or about 29 February 1997. Early in 1997,
17 lawyer A and I discussed media options because we felt that raising awareness among the
18 pool of former unit residents who had been similarly treated and affected would be
19 beneficial. Lawyer A spoke on the Kim Hill show about that time. I contacted TVNZ,
20 TV3, the Dominion Post newspaper did an in-depth article about Lake Alice tracing events
21 through the 1977 Commission of Inquiry.

22 So by June 1997 we had approached - we had been approached by a total of 32
23 individuals. They were all kept separate, they all wished to speak about their experiences.
24 It was clear to me the great majority of those coming forward had no opportunity to confer
25 with others before doing so. In those circumstances the consistency between their
26 respective stories was striking.

27 We were then approached by the producers of the 20/20 current affairs programme
28 advising they were interested in running a documentary. They wanted to locate some of
29 our clients and see if they would cooperate. In June 1997 lawyer A informed me he was
30 going to close his practice and take up an in-house corporate position. It was agreed
31 I continue with the full conduct of the case from the point he took up his new position.

32 We suggested at this stage - sorry, on 3 July 1997 we wrote formally to the
33 Attorney-General laying out the background. We suggested at this stage the matter of
34 compensation should be put to one side and suggested that a further inquiry should be

1 commissioned. On 6 July 1997 20/20 presented a 40 minute television expose of the events
2 of the unit focusing on the experiences of four people. Those were clients 5, 6, 7 and one
3 anonymous.

4 The programme caused wide media commentary. On 7 July 1997 Bill English
5 spoke on the Kim Hill show and I will quote what he said. "I was horrified, like everyone
6 else, these people were about my age, so when I was getting on the school bus and having a
7 healthy, secure childhood, these people were being terrorised and I found it very moving. I
8 have no reason to disbelieve them. There was a much higher level of acceptance that
9 whatever was going on in these places was acceptable, what was going on there was
10 invisible, the issue of recompense is a whole issue of liabilities. My instinctive reaction is
11 that the State ought to recognise that things happened and not sort of hide behind a whole
12 lot of legalisms, although in the end we all have to deal with the legal issues.

13 In my capacity as Minister of Health and as an agent of the State, I suppose we
14 have to recognise that these were State-run institutions, that if these things happened in a
15 domestic environment they would certainly be litigated, you'd find a feature of this in other
16 places like it, there is no accountability.

17 What I'm in a position to make some judgment about, whether or not the State
18 exercised its responsibility to treat its citizens with dignity and respect, and my guess here,
19 my view here is that it didn't and I think it often failed to do it in a number of these
20 institutions."

21 **Q.** Just pause there at the then Minister's very human reaction to what he'd heard. I'm just
22 looking at the time and I'm wondering if there's a convenient moment in the narrative where
23 up might pause very shortly.

24 **A.** I'm sure we can. There's a subject heading on how I vetted my prospective clients about a
25 page away, so I think we should do it there. So I heard nothing back from the Ministry of
26 Health in response to correspondence of 3 July 1997 so I wrote to Bill English on 21 July
27 1997. I considered it appropriate that we meet with him and he replied on 29 July stating:

28 "The issues raised in your letter and in the material I have received from lawyer A
29 are serious and I agree that consideration needs to be given to the most appropriate way in
30 which to address these matters. I am presently considering a range of options and invite
31 you and lawyer A to have a confidential, without prejudice discussion with me before
32 deciding on an appropriate course of action. A member of my staff will be in touch within
33 the next few days."

34 There was then a meeting with Bill English and over the course of the next few

1 months we made several approaches to the Ministry of Health by telephone and
2 correspondence which provided them a comprehensive picture as to the nature and scope of
3 our clients' allegations with suggestions as to how the matter might be practically resolved,
4 and in summary we suggested that an inquiry should take place. We considered a
5 non-court resolution process was appropriate.

6 More individuals continued to approach us and by August 1997 we had spoken
7 with approximately 80 former residents of Lake Alice. By mid-September 1997 lawyer A's
8 involvement ended and my firm maintained the case thereafter. At that point perhaps we
9 could take the break.

10 **CHAIR:** All right, thank you for that. We will take a break, we'll come back a couple of minutes
11 after 2. Thank you.

12 **Lunch adjournment from 1.05 pm to 2.03 pm**

13 **CHAIR:** Welcome back, Mr Cameron, and thank you Mr Molloy. Just keeping an eye on speed
14 please if you can. I know it's hard.

15 A. I have no trouble going slow.

16 **MR MOLLOY:** Just before you do, ma'am, there is just the one matter.

17 **CHAIR:** Oh I forgot. The embargo that I made before about the evidence of Mr Brian Stabb has
18 now been lifted and the press are free to report as they see fit.

19 **QUESTIONING BY MR MOLLOY CONTINUED:** Thank you ma'am. Mr Cameron, before
20 the break you covered something of how you became involved in this matter, and
21 approaches made to the Ministry of Health and the Minister. It might be useful to cover off
22 a few matters now such as I think there have been suggestions from time to time of people
23 jumping on band wagons; be useful to tell us how you addressed that and then perhaps go
24 through how the matter was to be funded and what arrangements you reached.

25 A. Certainly. From the outset I perceived there was a risk of persons who had perhaps never
26 actually resided at Lake Alice potentially coming forward to join a prospective class action
27 in the hope they might receive some fiscal recovery. Therefore we developed a form of
28 filter that ensured early detection of any false claims. As the unit had closed in 1977 we
29 reasonably expected former residents would have had little or no contact with each other,
30 and so going forward, these prospective clients or new clients would only have contact with
31 me or my staff and we were at pains to ensure that they had no ability to contact others or to
32 cross communicate.

33 We took - everybody was subjected to full interviews in accordance with the
34 template that we'd developed. Nobody got any forewarning as to questions they would be

1 asked, and basically we looked at not just legal issues and their experiences, but developed
2 a series of questions that were interspersed which were regarding facts unique to the unit.
3 I've set out those in paragraph 49, a couple of examples being where were the physical
4 locations of bathrooms, toilet blocks, classrooms, what was the colour of the toilet door on
5 a given dormitory, full description of Dr Leeks, the car that he drove, the colour, what
6 damage it had etc.

7 By having those matters that only a resident would know about we were able to
8 quickly determine who was presenting false claims. In the final analysis, only one
9 individual ever really did attempt that, and I think the fact that people just simply weren't in
10 contact with one another and we were able to keep them apart ensured we were happy that
11 all the complaints received were genuine.

12 I turn to how the litigation was funded. From the outset it's plain that the vast
13 majority were not in a financial position to fund legal costs in basically any meaningful
14 manner at all. It was highly unlikely any Legal Aid Committee would advance funding and
15 I certainly wouldn't contemplate dealing with a Legal Aid Committee on such a case. In
16 my experience the ultimate form of resolution would have to be with a political agreement
17 with the Government and I certainly couldn't have managed it on a Legal Aid basis.

18 Therefore there was no alternative, in the circumstances as they pertained at that
19 time, other than for me to underwrite the action myself. In turn that meant that a
20 quasi-contingency fee arrangement had to be established and this was necessary because in
21 1996 there was no effective litigation funding options, access to justice was entirely
22 dependent on plaintiffs making their own financial arrangements for legal services.

23 I anticipated the Crown may agree to some form of independent inquiry after it
24 was fairly presented with all the relevant facts. If the parties then cooperated, the Crown
25 might fund our reasonable costs at least during a fact-finding phase. And so I sought - I
26 decided to seek a Crown contribution to costs.

27 Now this is against the background of the fact that I'd acted for the families who
28 were affected by the collapse of the Cave Creek platform and when that had occurred those
29 families had come together and approached me and instructed me to act in the matter. John
30 McGrath, the Solicitor-General at the time, very quickly arranged for us to be funded
31 through that process. There was a full inquiry and a normal conventional process followed,
32 and there was no issue about costs and I had that sort of arrangement in mind at this point.

33 We provided the Crown with a detailed nature of the allegations and suggestions
34 of specifically how the matter might be addressed. I made requests that the Crown

1 contribute to my clients' costs as early as August 1997. And by letter to the Ministry of
2 Health on 11 August made a very detailed request for funding. In that document I detailed
3 the anticipated work, I alerted the Ministry of the fact that the dispute resolution process I
4 was proposing was closely modelled on the process the Crown entered into with my firm
5 and resolving the civil claims arising from the Cave Creek case. That was a determination
6 process that commenced after conclusion of the Commission of Inquiry.

7 I then elaborated on and reiterated my request for Crown funding and there were
8 different proposals made on at least 13 occasions and I've detailed those at paragraph 60.
9 Although I was persistent in my attempts to secure Crown funding for my clients,
10 ultimately this was to no avail, therefore I had to prepare terms of engagement that would
11 provide a fair solicitor/client fee arrangement and fairly offset the significant financial risks
12 that I would personally assume in embarking on such a project. Obviously those risks
13 included the risks of not being paid at all, the risks of not covering costs should the fee cap
14 in the solicitor/client agreement operate to limit the firm's recovery despite actual work in
15 progress being a much higher level than the sum contractually recoverable.

16 This arises because there was a fee cap. I think it described initially as 40%. The
17 real risk here would be that perhaps we might do \$1 million of work in progress and
18 recover \$200,000 and if it was a paltry sum of money that had to be split between clients
19 then we would only be able to recover 40% of that smaller sum. So again, I guess given
20 experience, I was not anticipating large sums of money being recovered through the civil
21 litigation

22 There was a considerable risk of not recovering client contributions to the
23 disbursements being met. And I'll come to the disbursements issue in a minute. There was
24 a risk of total disbursements exceeding the cap, that again I had placed on disbursements so
25 clients were protected from having an open-ended disbursement liability.

26 And of course the ultimate risk was the risk of being liable for adverse costs
27 should the matter fail at trial. And who knows what that liability would have been. The
28 litigation risk was immense, there was quite plainly limitation defence options available to
29 the Crown. So taking all of these matters together, the risks were much higher than
30 conventional litigation.

31 There were two solicitor/client agreements offered to clients. And the first was
32 presented to clients in August 1997. It provided instructions for me to obtain a negotiated
33 financial settlement with the Crown. So I want to emphasise the fact that it did not
34 contemplate litigation specifically for an alternative dispute resolution mechanism, ADR,

1 and the only contribution clients were required to make was to pay \$100 as a contribution
2 towards anticipated costs and disbursements, which in real terms meant a contribution to
3 disbursements.

4 Now all the other terms of that agreement are detailed in paragraph 65. But
5 because that agreement was never used I won't go further into that.

6 In the event, no reliance was placed on the first agreement because the Crown
7 finally rejected entering into any alternative dispute resolution process. Therefore a fresh
8 agreement had to be presented to clients catering for the fact that litigation was now
9 required and apparently was inevitable.

10 So the second solicitor/client agreement was presented to clients on 12 March
11 1999. It was very much in the same terms, I might add, as the first one, very minor
12 adjustment.

13 Key provisions were, the early agreement was at an end, GCA was instructed to
14 obtain a negotiated financial settlement with the Crown, or issue the matter through a
15 litigation process, that being the key change to instructions.

16 Clients were to pay an additional \$300 to GCA's contribution towards anticipated
17 disbursements, not costs this was just for disbursements, and there is provision for a further
18 contribution of \$200 towards disbursements in required and if called upon.

19 Significantly, any disbursements incurred over and above the \$500 contributed by
20 the clients would be met by the firm and would not be deducted from any settlement
21 monies later received. The client's obligation to pay fees was changed to "a figure not
22 exceeding 40% of the monies recovered on the client's behalf inclusive of GST."
23 I emphasise the fact that it was inclusive of GST, therefore making it almost the same as the
24 terms of the first agreement.

25 Note that there would be no further deductions on top of that sum in respect of
26 disbursements. If no settlement or financial recovery was achieved, no fee would be
27 payable by the clients over and above the contributions already made. Once again, clients
28 were advising and encouraged to seek independent advice about the nature and significance
29 of the agreement.

30 GCA carried virtually the full risk of non-payment in the event there was no
31 financial recovery. Not only did my firm limit the monies which could be recovered from
32 my clients for disbursements, it also committed to a self-imposed cap on the total fees
33 chargeable so the fees could never exceed the stated percentage of the ultimate recovery.
34 By this means all clients were guaranteed to recover a substantial proportion of any

1 recoveries without risk to them, regardless of how much work was ultimately completed by
2 GCA.

3 This was a particularly important client protection in the event relatively low
4 compensation was ultimately recover, and in those circumstances the firm anticipated
5 overall losses.

6 **QUESTIONING BY MR MOLLOY CONTINUED:** Ask you to pause there. Do you know if
7 any of your clients did take independent advice?

8 A. I can't be sure. Well, I'm sure that some did actually take independent advice, but I really
9 don't have information before me as to who they were. They would certainly be in the
10 minority though.

11 Fee agreements provided authority for me to enter some form of resolution process
12 with the Crown or seek a negotiated settlement. As the case developed, the financial risk
13 for myself and the firm grew substantially. During the course of the part 1 process
14 I incurred significant business and personal debt, all of which was secured against my
15 family home.

16 Later in the process it became necessary for me to sell a family trust asset to fund
17 the firm's position. By the time the part 1 claimants had their claims finalised in September
18 2001, my firm's unrecovered work in progress was approximately 1.55 million, but this
19 figure does not include the time spent by my staff distributing the settlement monies and
20 dealing with a significant number of queries from both clients and the media in relation to
21 the settlement reached.

22 Approximately 40 of my clients had made no - 40% sorry of my clients had made
23 no contribution to the disbursements whatsoever. For those who were able to make
24 contributions they often came piecemeal in relatively low instalments, perhaps \$20 a week.

25 By October 2001 at the conclusion of part 1 my total outlay of disbursements was
26 a little over 152,000. The solicitor/client agreement provided that in total I could not
27 recoup more than 54,100 and therefore my firm and not my clients funded the remaining
28 disbursements in the region of 97,500 so that was an irrecoverable sum.

29 **Q.** Just ask you to pause there. I think you were about to go through some examples of the
30 kinds of accounts you were dealing with. I think over the course of the first week of this
31 hearing we got a pretty good idea of many of the accounts that would have been similar,
32 I suspect, if not the same. So I invite you just to fast-forward perhaps to the bottom of
33 about page 30 of your brief.

34 A. Yeah, I was going to open this section by saying I will not go into these. I turn to

1 paragraph 73 and briefly note that other allegations were made, including but not limited to
2 physical and sexual abuse such as being hit with a tennis racket, being locked in a cage
3 alone with a deranged adult, being made to eat vomit, threats of being thrown off a balcony,
4 abuse of disabled children, waking up from anaesthetic whilst being raped, other acts of
5 rape and sodomy by staff and adult patients at the hospital and coercion into performing
6 sexual acts on staff.

7 **Q.** Can I just ask you to pause there, I'm not selecting one of these for any reason other than
8 that there were some suggestions made last week about a cage. I think Commissioner
9 Alofivae asked the first witness this morning about that as well. Do you remember
10 anything about the cage allegation?

11 **A.** Yes, there is a client who I haven't referred to in this brief at all, but who did describe as a
12 punishment the fact that staff would take an individual child across to the main asylum
13 where there was reputedly a severely mentally disabled adult kept in a cage. And the
14 punishment was to put the child in the cage with this adult. And of course it was hard to
15 imagine anything more horrific, child or not, and if you were to be left there or knew that
16 you were to be left there overnight, and this adult played with you as if a toy, it was a truly
17 appalling sort of situation. So we do have statements which touch on that. I can't give you
18 more details at the moment.

19 **Q.** You don't recall where the cage might have been other than it was at the adult unit?

20 **A.** My understanding was that it was part of the main hospital.

21 **Q.** Thank you, I'm sorry, please pick up.

22 **A.** Following the first batch of client interviews it was clear that we were facing a very serious
23 issue, because all complainants were children when resident at the unit, all came from
24 difficult family circumstances, all could be said to be vulnerable persons.

25 State and its agencies were in an fiduciary relationship with these persons. All
26 complained of serious breaches of duty, to the best of our knowledge none had been
27 committed to Lake Alice under the Mental Health Act legislation. There was virtually no
28 opportunity for complainants to conspire or develop false accusations. As a matter of
29 commonsense, there was virtually no possibility of individuals presenting near identical
30 stories in isolation from each other more than 20 years after the relevant events.

31 All complained that the primary abuses were intentionally applied as punishments
32 for minor infractions. There was no apparent medical reason for their caregivers to act as
33 they did. In the absence of a genuine medical reason for the application of ECT or
34 Paraldehyde. There were significant risks that clients had suffered the deliberate

1 application of child torture.

2 Prior to media commentary, all complainants responded to my firm's inquiries
3 with remarkably similar statements and their stories were shocking and often horrific. But
4 all displayed extensive and genuine emotion about their experiences and despite
5 educational and other personal limitations, their stories were relayed in a compelling and
6 credible manner.

7 At that point the overall picture strongly suggested good cause to suspect the
8 commission of crimes and very serious breaches of fiduciary duty. So it was against that
9 background that my firm had to develop a strategy to try and address the issue.

10 **Q.** I think you're about to go on in your statement into the consideration you gave to filing
11 Police complaints at that stage.

12 **A.** Yes.

13 **Q.** I might invite you to come back to that later in the day when you did actually lodge those
14 complaints.

15 **A.** Yes, that's fine.

16 **Q.** That said, what was it that your people did want and how did you go about achieving that?

17 **A.** In preparing a strategy for any, shall we say, larger project, class actions in particular, you
18 must take into account the clients' instructions, their needs, their objectives, and the
19 particular circumstances that you were faced with. I found from prior experience that cases
20 involving disaster, serious trauma, client objectives actually fall into fundamentally four
21 categories.

22 The very first one is prevention. For the majority of clients, this was their
23 dominant motivation. They never believed they would be listened to or that institutions
24 would take any effective action in relation to their complaints. However, if there was an
25 opportunity for some public awareness whereby effective changes might be made, then this
26 was often said, "nobody else would have to go what I went through."

27 The second issue is apology. Clients feel the hurt and distress from their personal
28 experience and they look to the wrongdoer to now accept their errors and step forward and
29 make a genuine apology. Often this goes a long way to diffusing what is otherwise a very
30 difficult situation. But in this case, as with others I might add, there seems to be an
31 ingrained institutional attitude that making any form of apology would be construed as an
32 admission of wrongdoing, and that therefore it would complicate efforts to defend claims.
33 I disagree with that sentiment, but that was the reality we faced here.

34 Punishment. Clients generally look to wrongdoers being answerable to law.

1 I stress the fact that they are not looking for vengeance, they're simply expecting the law to
2 be applied in an even-handed manner. Therefore, even if wrongdoers might be public
3 servants, clients expect the law to be applied just as it would for any other citizen.

4 If it is applied in that manner, clients largely remain bystanders. However, if it is
5 not fairly applied, or if there is a hint of special treatment or cover-up, this rapidly becomes
6 a major issue for clients.

7 Finally, compensation. It's only after the first three objectives have been
8 addressed that clients tend to consider their own position. In pursuing compensation,
9 clients often perceive this as a way of causing wrongdoers to tangibly address their wrongs.
10 A payment tends to reinforce the genuineness of any apology. It operates as a small
11 element of punishment. It may serve to ensure that institutions move to adopt best practices
12 for the future.

13 So in the client's mind the compensatory or ex-gratia payment can reinforce the
14 possibility that genuine reform and future preventative mechanisms will emerge. However,
15 in a case like this no monetary award can ever compensate for the suffering actually
16 experienced. That's often accepted by clients, but after some explanation, I might add, and
17 focus remains on the need for a payment and far less on the question of quantum.

18 **Q.** I think at that point you explain what you're looking to do really is to achieve a result
19 without having to go down the litigation route?

20 **A.** Exactly.

21 **Q.** You're looking to promote some kind of alternative dispute resolution process?

22 **A.** That's right.

23 **Q.** And you're looking to use the media and, where necessary, direct lobbying to pursue those
24 aims?

25 **A.** That's right.

26 **Q.** So from about 1996 through until eventual resolution those were the strategies you
27 adopted?

28 **A.** Precisely. It is a three-pronged approach. I think you need to explore the opportunity for
29 the parties to sit down, talk through their differences and come to a meeting of the minds.
30 Legal proceedings should always be a matter of last resort. Time costs, hassle, litigation
31 risk for plaintiffs all provide great uncertainty and great difficulty. Deep pocketed
32 defendants can always indulge in delay, deny, defend strategies designed to run you out of
33 time and money until you just give up and go away.

34 So using the legal processes such as they might be, engaging with the media to

1 actually encourage public awareness and discussion, and in some cases direct lobbying so
2 that the true client on the other side, which in this case is Government, has been receiving
3 the right messages, not the messages that have been filtered through officials.

4 **Q.** So does this bring us back to the 20/20 documentary that you referred to before and
5 engagement with the Minister at the time?

6 **A.** Yes, it does.

7 **Q.** I think you pick that up at about page 41.

8 **A.** Yes, that's right. So in terms of the large number of people we had coming forward, we had
9 to obtain the facts and get accurate pictures from them, as to what had taken place. We
10 discussed with a QC what course of action might potentially arise and that was continuing
11 discussion. We need to determine whether the application of ECT or Paraldehyde could be
12 validly viewed as some form of expert medical treatment. And so it was necessary to
13 engage and obtain some sort of expert advice.

14 We made some preliminary inquiries and found that a New Zealander, Dr Steven
15 Baldwin, a psychologist and professor at Teeside University in the UK, was internationally
16 recognised as an expert on the misuse of ECT. I emphasise "misuse".

17 So he was immediately intrigued by the Lake Alice case and he quickly informed
18 me that ECT should never be administered to children and there were no circumstances in
19 which that should be the case.

20 As regards Dr Leeks explanation that the Commission of inquiry held in 1977, that
21 he had administered ECT to the boy concerned because he suffered from epilepsy,
22 Dr Baldwin was quite adamant that ECT was never a treatment for epilepsy.

23 I also spoke with Dr Ding, a clinical psychologist of national renown. My
24 recollection is that he had recently retired at the time, but he certainly agreed with the views
25 of Dr Baldwin.

26 It was after that that lawyer A and I met with Bill English at parliament on 6
27 August 1997 for about eight officials present, including members of the Crown Law Office,
28 Ministry of Health, I documented the discussions which we had at this meeting in my
29 subsequent letter to Mr English on 13 October 1997.

30 In the meeting we set out for Mr English the nature and scope of the information
31 received. I was at pains to point out that substantial evidence existed, indicating that there
32 had been systemic and intentional child torture at the unit. I record that despite the
33 commission of inquiry, the Ombudsman report and earlier Police inquiry, no effective
34 action had been taken.

1 Given the context of the recent 20/20 television programme, Mr English said he
2 was appalled and he believed the issues raised by the case should be addressed. I then
3 suggested consideration be given to using the same determination process which had
4 proven very successful in resolving civil claims following the Cave Creek Commission of
5 Inquiry.

6 **Q.** I think you then describe that process and I think you can probably flip forward to perhaps
7 over the page.

8 **A.** That process had been run by Sir Duncan McMullin as the determinator and the process
9 proved to be highly successful. I suggested to Bill English a dispute mechanism based on
10 that model would be appropriate. It might best ensure attainment of our respective
11 objectives, and it would be a fair reasonable and independent outcome.

12 And he agreed that officials would explore this more fully. That was not a binding
13 commitment, but certainly we went ahead on the basis that the Minister was genuinely
14 looking for a suitable resolution mechanism that would not require protracted court
15 proceedings.

16 Therefore at that point we had the impression Crown was co-operating, it seemed
17 self-evident that if there was any possibility of children being tortured at the unit, the State
18 needed to make urgent and extensive inquiries to establish the facts.

19 At the same time as we were having these discussions, the Crown was attempting
20 to strike out the *McInroe v Leeks* proceedings. Of course that by 2 August 1996 Master
21 Thompson declined to strike out those claims. In August I wrote to the Ministry of Health,
22 reiterated our proposals, and then I wrote to my clients on the 18th of that month reminding
23 them that litigation is the final step, a matter of last resort.

24 I also wrote to the Ministry of Health on 25 August 1997 seeking a waiver on the
25 limitation issue. My intention being to establish some certainty for my clients and to
26 determine Crown intentions on this point.

27 That recorded that I'd had a preliminary discussion with Robert Chambers QC who
28 was counsel on the *McInroe* case. He had indicated that he and his clients were prepared to
29 join in any resolution process that might be agreed between my group of clients and the
30 Ministry.

31 **Q.** Can I just ask you there, is it fair to say that over the course of the rest of the term of that
32 particular Government, the apparent position adopted by the Minister of Health when you
33 first met in July 1997 gradually hardened?

34 **A.** Yes, I had to draw a distinction between what the Minister had said to me face-to-face, a

1 little bit of information perhaps I was receiving vicariously as to political thinking, and the
2 communications that were coming from the Crown Law Office. But the Crown Law Office
3 obviously was putting the official position to us and it hardened considerably.

4 **Q.** I don't want to rush you through matters that are important to you, but is there a way you
5 can conveniently summarise those three years into a few minutes?

6 **A.** We'll do our best. Just bear with me. I think it's fair to say that during this period we had a
7 great number of communications, they are detailed, of course, and I don't think, unless you
8 think otherwise, we do need to go into the detail of all of this. I can look for certain
9 examples as to the sort of tightening attitude and I could touch on one or two matters
10 perhaps.

11 **CHAIR:** I wonder, Mr Molloy, that if you perhaps selected those in light of the fact that you'll be
12 probably asking questions from the Crown at a later date, maybe pointing out some of those
13 issues.

14 **MR MOLLOY:** I think it's all set out, Mr Cameron's outline of events is all set out, ma'am.

15 **CHAIR:** Okay.

16 **QUESTIONING BY MR MOLLOY CONTINUED:** I think you get to the point where at some
17 point you decide that discussions have come to an end.

18 **A.** Yes.

19 **Q.** And you may even have been told but you certainly formed the view that alternative
20 dispute resolution was no longer on the table and that litigation was going to be necessary,
21 at least to advance matters further?

22 **A.** Certainly. I think I touch on two matters just before the final letter I received confirming
23 that matters on ADR track were at an end. The first paragraph 138 I refer to a document
24 which I sent the Ministry of Health, it was called "The Children of Lake Alice", and it was
25 described as issues, this is an attachment which runs to I'm guessing 20-odd pages.

26 **Q.** I think you've exhibited that and if we can call that up, it's witness 0638002. I'm not
27 suggesting we go through the entire document, but there's two pages of contents which
28 probably outline -

29 **A.** That's exactly what I wanted to do.

30 **Q.** - give an impression. If you go to pages 2 and 3 of that document.

31 **A.** The point of this document was to fully confront the continued Crown suggestions or
32 insinuations that somehow there was not reliable evidence as to these events having taken
33 place. I thought the evidence that was systematically supplied to them was compelling and
34 indeed overwhelming. So looking at the contents, you'll see that this document was

1 comprehensive. We described the history of the matter, the Minister's reaction, our
2 meetings with the Minister and subsequent communications. We had a draft statement of
3 claim, we had complainant statements, we met through all the specific issues set out in item
4 3. The evidence in totality, we described the sadistic culture, the breach of professional
5 trust, and a complete absence of management or supervisory disciplines.

6 It also brought in, I think, the foreign concept at that stage, breach of fundamental
7 human rights. It seemed little interest in that on the other side of the fence.

8 Resolution options, what the benefits were, and of course at the end we came to a
9 position. I'd just like to - I would say at 6.1, the evidence is ample in the sense that 89
10 complainants assert very similar stories and compelling because of the completely
11 independent nature of their complaints, and the evidence contained in volumes 1 and 2 now
12 before the Crown constitutes a prima facie case and compels immediate action. That's all
13 I need to refer to there.

14 On 28 September 1998 I sent a letter to the Ministry and that's set out as Exhibit B.
15 Perhaps we could turn to that.

16 **Q.** Can we bring up document 2. The page after that I think.

17 **A.** It's actually after that again. That's it. No, sorry.

18 **Q.** So that's the letter from you to -

19 **A.** No, it's the next one to the Ministry of Health, sorry, this one here, yeah. So all I want to
20 refer to is the paragraph 1. "We've considered your letter of 18 September and believe it
21 confirms that the Ministry has not progressed this matter in any substantive matter in over
22 15 months." I then detail the history again and by paragraphs 2 going right through to
23 about 15 detail the many communications that have taken place.

24 So then if we go to item 4 on page 4. That's it. Yeah, I then add, "Since then the
25 Crown has thought more detailed information. It's sought a draft statement of claim,
26 volume 1 of client statements, volume 2 of client statements, an issues paper. The Crown's
27 position was summarised as follows."

28 And then I turn to our position in consequence of all of that information that had
29 been in place before the Crown. And at item 7 on the next page, thank you.

30 "We will now revert to conventional paths and all assurances as to containment
31 and otherwise are withdrawn. Constant media requests for information have been turned
32 away, however in light of your(?) letter of the 18th, the Crown's attention to this matter is
33 now the focus of a further television inquiry and further steps are being taken."

34 And the final paragraph: "Despite the palpable lack of action at Ministry level he

1 remains accountable for the same - I'm talking about the Minister - and it seems probable
2 that third party scrutiny will conclude that Crown's path has been quite calculated and
3 deliberate. Perception of such and intentional strategy on the Crown's part must surely
4 appear extraordinary to the independent viewer when the true scope and magnitude of these
5 events are taken on board. If the Crown responds in this fashion to systematic and large
6 scale child torture, what value is there in this Government being a signatory to various
7 conventions of human rights and children's rights in particular."

8 So we said that we would proceed to court. Now the Crown did respond by
9 indicating that I had somehow misinterpreted their letters. I think if we skip on through my
10 brief here, we had a meeting with the Crown, took John Billington QC on 1 December
11 1998.

12 **Q.** Paragraph 155.

13 **A.** Yes. And we achieved nothing by way of progress in terms of trying to get an ADR
14 process. There was then considerable effort and debate about getting the Crown's promised
15 letter - sorry, paper to Cabinet on a possible ADR process. Whilst I received endless
16 suggestions of Crown genuine commitment to a fair and timely process for resolving the
17 significant Lake Alice issues that we had raised, he was not hopeful of getting the matter
18 addressed before Christmas, and I had made that largely the final deadline.

19 On paragraph 170 the Crown Law gave us a letter on 17 December explaining
20 officials were exploring the impossibility of an inquiry by the Ombudsman who were
21 making efforts to have the matter referred to Cabinet as promised. But in order to obtain
22 approval to pursue any form of ADR process, the Crown required considerably more
23 information about the nature and extent of the potential claims against it.

24 This is despite the truckloads of evidence that had been given. I think the letter
25 provides some insights into Crown thinking where at paragraph 3 of that letter it stated, this
26 is the Crown stating this, "There is a considerable difference both in practical and political
27 terms between requesting Cabinet authority to set up an inquisitorial process and requesting
28 authority from embarking upon a process which will be aimed at both fact-finding and
29 finally resolving the matters in dispute between the parties." This was semantics gone mad,
30 in my view.

31 **Q.** There's then further months of correspondence being exchanged.

32 **A.** Yes.

33 **Q.** And when in fact were proceedings, first set of proceedings filed?

34 **A.** Well, I think if we look at paragraph 187 it was on 2 March that we received a letter - 1999

1 we received a letter from Crown Law saying that after consultation the Government does
2 not consider it would be appropriate to sign an alternative dispute resolution process, and
3 that was taken as the final flag for litigation to formally commence. So if I turn to the
4 proceedings.

5 **CHAIR:** Can I just point out at this point, just for my satisfaction and knowledge of everybody
6 else, you are now at March 1999.

7 A. Yes.

8 **Q.** When had you started?

9 A. Sometime in 1996.

10 **Q.** Yes, so we're a long way down the line.

11 A. The magic word is perseverance.

12 **Q.** Indeed.

13 **QUESTIONING BY MR MOLLOY CONTINUED:** I think at 195 you talk about when the
14 proceedings were filed.

15 A. Sorry.

16 **Q.** 195.

17 A. Yeah. So the proceedings were filed in the High Court at Wellington on 21 April 1999.
18 There were in fact two statements of claim. The first one related to 56 plaintiffs and I think
19 that was the one relating to persons who had been at the unit prior to the ACC regime
20 coming into force. And the second related to the other 32 who had been there after the
21 ACC regime came into force.

22 The proceedings themselves were not actually representative actions, but were
23 multi-plaintiff statements of claim.

24 **Q.** Was there a reason for that?

25 A. Yes, there was. There was considerable doubt in the 1990s as to how the rule as to
26 representative actions might be applied and we anticipated we would be probably on a trip
27 through the Court of Appeal and Supreme Court on those issues, and it simply wasn't
28 required to be framed in this way and it also took away the adverse cost risks for the
29 representative. In both cases the defendant was the Attorney-General on behalf of the
30 Ministry of Health.

31 **Q.** Can I just ask you there, did you give any thought to joining the Ministry of Social
32 Development?

33 A. I can't recall specifically, I think that was a matter that counsel looked at, but I don't recall
34 the detail.

1 **Q.** Thank you.

2 **A.** Causes of action are set out at 198 onwards and, again, I don't propose going through those
3 or the allegations specifically made, other than to say at paragraph 201 that the specific
4 course of action would breach a fiduciary duty, unlawful confinement and false
5 imprisonment, assault and battery and negligence.

6 I've been asked to comment on Crown defences, but to the best of my knowledge
7 the Crown never filed a statement of defence. Instead, on 28 April the Crown Law Office
8 wrote to us saying it required further particularisation before they could file a defence. We
9 wrote to them by reply and said that it was for the defendant to elect whether to raise the
10 Limitation Act issues by way of an affirmative defence.

11 They persisted in saying they couldn't file a defence without having further
12 particularisation. They drafted an application seeking an order for the statement of claim
13 needed to be further particularised but it was never filed. They then sent us two documents,
14 one was 144 pages and another was 84 pages, detailing what they required by way of
15 particularisation.

16 Shortly thereafter parties resumed discussions about the possibility of issuing a
17 small number of test cases and discussions actually reverted to possible alternative dispute
18 resolution processes.

19 I don't know whether it would help going into my thoughts on Crown defences
20 because it's a little bit speculative. There are various thoughts on particularisation have
21 been detailed at paragraph 217 and that speaks for itself.

22 I go to paragraph 218 and state that during the period between the meeting with
23 the Minister on 6 August 1997 and the Crown Law Office's final letter of 2 March 1999
24 stating the case had to go to court, I found the Crown Law Office's position unprincipled
25 for two reasons. I refer first of all to the Cave Creek precedent.

26 When faced with potentially difficult legal claims being brought on behalf of the
27 estate survivors and families affected by the Cave Creek disaster, the then Solicitor-General
28 John McGrath QC was able to pose an ADR solution during the very first meeting that he
29 had with myself and Brad Giles QC. The final agreement as the process by which those
30 claims might be resolved was then reached within three weeks.

31 John McGrath did not seek particularisation of claims and/or produce a plethora of
32 technical legal issues in respect of which he required satisfaction before agreeing to such a
33 process. Instead, he immediately recognised the value of the determination process and
34 that once the process had been agreed, it would itself take care of all the attendant technical

1 issues.

2 If the Solicitor-General could make such clear-cut decisions on an early and brief
3 review of the situation and then immediately obtain the necessary consents from Cabinet, it
4 seemed to me the Crown Law Office could have achieved the same in the face of
5 systematic and long-standing child torture allegations, had it been minded to do so.

6 Again, I have no knowledge as to its precise instructions, but there was an obvious
7 inconsistency here which the Crown Law Office never addressed or explained.

8 There was also illogicality in certain prerequisites, the consideration process. In
9 this regard the Crown Law Office's correspondence made it clear that there was a range of
10 prerequisites about which it needed to be satisfied before any consideration might be given
11 as to the particular form of resolution process to be applied, and whether it might include
12 resolution of compensation questions.

13 Essentially such matters were framed around the notion that there was first a need
14 for a factual basis for claims to be established. But one manifestation of this thinking was
15 the requirement for particularisation as a prerequisite to finally determining the question of
16 the appropriate process to resolve the matter.

17 The difficulty with this was that the Crown was simply being asked to decide what
18 process it would commit to. We had cited our reasons for a single stage ADR process
19 before a determinator, but the Crown was maintaining that it needed a plethora of
20 information before it could decide or commit.

21 If a court resolution process was finally agreed, then a court process would
22 determine the facts, deal with the issues such as particularisation, and all the usual
23 procedural and interlocutory matters.

24 Likewise, if a private ADR process were agreed, that process would deal with
25 those issues in just the same way. Therefore, the simple question of which process to use
26 did not give rise to the issues the Crown Law Office sought to maintain. This had been
27 recognised by John McGrath QC when he proposed the determination resolution process in
28 the Cave Creek case and certainly Sir Duncan McMullin had the ability to deal with all
29 procedural matters once that process started.

30 In relation to Lake Alice claims, the private determination process would have left
31 the determinator resolving how the matters of apparent interest to the Crown would be dealt
32 with. If claims were found not to be fact based, or not to reach the required threshold, then
33 the determinator would remove them from the process.

34 In this way, Crown Law Office suggestions about needing resolution of a range of

1 issues before committing to a resolution pathway was wholly inconsistent with the path its
2 own former Solicitor-General had so effectively marked out with Cave Creek. And they
3 ignored the reality that the process itself would cater for such matters once it got underway.

4 Finally, the Crown stance proved inconsistent with what actually happened. Once
5 there was agreement about a settlement, a global sum and its determination process, Sir
6 Rodney had control over any remaining procedural issues.

7 So ultimately the Crown's apparent rationale for not dealing or seeking pre-action
8 was set out in the Crown Law Office's letter of 2 March. I won't go into that again.

9 In my view, in the final analysis there was from the start ample information before
10 the Crown to suggest a high probability there had been non-medical use of ECT and
11 Paraldehyde in a systematic and unlawful manner over a long period at Lake Alice. There
12 was sufficient evidence before the Crown Law Office to at least suggest there was good
13 cause to suspect that applications of ECT and Paraldehyde were punitive and a form of
14 child torture.

15 Therefore, the sheer gravity of the allegations suggested that urgent action should
16 be taken to confront the issues for whatever they may prove to be. Until Helen Clark was
17 elected, the Crown took quite the opposite approach.

18 If, on preliminary investigation, there remained a reasonable prospect of the
19 allegations being true in some degree, why then would the Crown seek to defend its
20 position? If an agent of the Crown has acted unlawfully, then rather than concealing and
21 attempting to minimise such legal breaches, I think the better course of action was to
22 address and confront the issues for whatever they may be.

23 **Q.** I'll just ask you to pause there. I think you then go into the apparent injustice which
24 emerged later on. Perhaps we'll come back to that after we've talked about the resolution.
25 But you mentioned there the change in approach under the Labour Government which
26 succeeded the -

27 **A.** Yes.

28 **Q.** - national Government. And I think that had its origins perhaps in some lobbying, informal
29 or otherwise, that you undertook while the Labour party was in opposition in around 1999?

30 **A.** Yes. So should I continue from paragraph 230?

31 **Q.** Yes, and if you're able to summarise as you go it might be helpful as well, just looking at
32 the time.

33 **A.** In late 1998 Wyatt Creech became the Minister of Health. I became aware that he had
34 publicly stated that the National Government's position was that there would be no

1 settlement for the Lake Alice group without a court judgment. This certainly came as news
2 to me.

3 I approached the opposition health spokesperson to see if they might pose
4 questions to Mr Creech during question time in parliament. Annette King's staff referred
5 the matter to Helen Clark. The Labour caucus then decided that the leader of the
6 opposition would pose questions to Mr Creech.

7 I listened to the session on the radio, I think it was Tuesday 30 March 1999.
8 Mr Creech maintained there was no possibility of an out of court resolution. Helen Clark
9 questioned him on various points and he responded with prepared answers.

10 But as soon as that had finished, I e-mailed Helen Clark thanking her for her
11 efforts and I asked her specifically if Labour was elected to Government at the end of
12 the year she might consider revisiting the method of resolution at that time. She'd been
13 highly critical in parliament of National's intention to resolve it through the court, and she
14 interpreted that, as I did, as simply a method of reducing the fiscal impact of these events.

15 She issued a media statement later that day to that effect, and tried no doubt to
16 gain some political mileage out of that, but essentially she was happy to re-enter
17 negotiations to find another measure of resolving the matter if they were elected to
18 Government.

19 **Q.** I think you then talk about how you made use of a contact you had in the Labour Party,
20 Tony Timms?

21 **A.** Yes.

22 **Q.** And perhaps if we can fast-forward to the top of page 87 which is 243.

23 **A.** Yes.

24 **Q.** This is after the new Labour Government had formed a Government.

25 **A.** Yes. Yeah, I simply used Tony Timms as a mechanism to find out what Helen Clark's
26 intentions were and she made it very plain she wanted to resolve the issue and confront it.
27 So against that background, I did receive a telephone call from Denis Clifford of the Prime
28 Minister's office in April 2000 ensuring me that matters were going to progress. But I think
29 it was really when I decided to engage with David Caygill that we began to make
30 substantive progress in the matter.

31 If I turn perhaps briefly to 257 if it would help the Commission on how the
32 quantum was reached.

33 **Q.** Mmm.

34 **A.** In consequence of the letter of 2 June 2000 from Denis Clifford, Department of Prime

1 Minister, we moved into a process now with Hamish Hancock at the Crown Law Office as
2 to the form of an alternative dispute resolution process. Suffice to say there was
3 considerable correspondence and discussion, this was quite amicable as to the various
4 options that might be available. But again, slowly there was a hardening of attitude,
5 presumably within the Crown Law Office, but certainly in the communications.

6 And I received, this is at paragraph 261, I became concerned the Crown Law
7 Office was not acting in accordance with the express will of the Prime Minister who had
8 confirmed on the same day that we were served with court applications by Crown Law. So
9 on one hand we've got the Crown Law Office proceeding down a court path, we've got
10 communication from the Prime Minister that she intended Government to settle those
11 claims without recourse to court proceedings. So there seemed to be a disconnect between
12 the Crown Law office and the PM.

13 At 264 I refer to arranging to meet with David Caygill to see if he would act as an
14 intermediary to assist matters. Obviously as the former deputy Prime Minister in Labour
15 Government and as a partner in a law firm he had good standing to carry out that role.

16 He agreed to do so, and we then got into a wide discussion as to various ways in
17 which, again, we might be able to package some sort of resolution process. Now at
18 paragraph 268 he secured a meeting with Solicitor-General, Terence Arnold, on 8 May
19 2001. In the course of that meeting he managed to move the Crown to a position where,
20 instead of wishing to argue liability and quantum in some form of arbitration process, the
21 Crown was now amenable to putting a global settlement sum on the table and moving
22 directly to full and final settlement.

23 I thought that was a pragmatic and decisive approach by the Solicitor-General.
24 We would have a tangible outcome of some sort. So the question then turned to well, what
25 should the global sum be. At 271 the Crown's initial offer was for \$4 million, which I think
26 was calculated literally on an average payment of \$40,000 per claimant. But that would
27 plainly be insufficient because of the legal costs which our clients would have to meet. The
28 costs of any post-settlement process which would be needed to divide up any global
29 settlement sum.

30 So I requested the Crown appoint a determinator, because although I might hold a
31 global sum, I was no better positioned than anyone else to determine what each claimant
32 should properly receive from the global sum. There was a wide range of individual
33 experiences at Lake Alice, so I couldn't enter into a global settlement without the extra
34 safeguard of having a suitable expert to determine how that global sum should be divided

1 between the class members.

2 I proposed the appointment of a retired High Court Judge. Sir Rodney Gallen was
3 duly appointed, he was from the Court of Appeal. The Crown offer increased - sorry, we
4 made a counter-proposal to \$6.5 million.

5 **Q.** Can you enlighten us as to how you arrived at that?

6 **A.** Simply by calculating the - judging whether or not there was an opportunity to negotiate a
7 higher sum than the \$4 million of itself, counsel was very cautious about that. We were
8 exposed to, you know, the limitation issues we've described before. The legal costs were
9 very plain, we wanted to have clients receiving their monies exclusively of legal costs, we
10 threw that into the mix and went back with the \$6.5 million. On the understanding that in a
11 courtroom, the vast majority of these claims would have been struck out. We thought if we
12 could achieve that then again we might have achieved not wholly but partly the objectives
13 that our clients had in the outset.

14 So you have to take into account the time cost stress, inconvenience, litigation risk
15 and I really emphasise the stress factor for clients had we adopted another pathway. In any
16 event, the proposition was put, Solicitor-General expressed no reservations and agreed to
17 put the matter to Cabinet.

18 **Q.** Again, can I just pause you there for a moment. Some of the evidence we heard from
19 survivors last week and in statements lodged they've made comments that from their own
20 perspectives they didn't seem to be very involved in this process, in determining the
21 amount, or there was insufficient consultation with them about these things. Have you got
22 any comment about that?

23 **A.** Yeah, I don't think that was necessarily the case, although I can see how some criticism
24 may arise. It's very difficult to go to a disparate group, essentially we have individual
25 plaintiffs here, we're still managing it as if it would be a class. So in a class action situation
26 the class counsel has particular duties in relation to how you do manage the class etc and
27 your relationship with the class, essentially taking exactly the same result.

28 What we didn't want was to write to 95 people and say the Crown has offered X,
29 we think this, what do you think? I would have been then exposed to the risk of this
30 information getting out into the public, this is a private process, there was a real need to
31 keep it confidential. And I think at the end of the day having 95 different points of view
32 would not necessarily have changed the overall equation as it sat between myself and
33 counsel, and we had David Caygill, himself a lawyer, as an intermediary in the process. So
34 I don't think there was a direct request made of individuals to approve steps in the

1 negotiation process.

2 **Q.** Were your terms of engagement sufficiently broad to authorise you to -

3 A. Yes, I believe -

4 **Q.** - to engage that process?

5 A. Yes. So we put the matter to Solicitor-General, he came back saying he'd put the matter to
6 Cabinet, and I think it was 7 June David Caygill confirmed that Cabinet had approved the
7 settlement sum of \$6.5 million and the additional costs of the determination process itself.

8 **CHAIR:** And we're now at 2001.

9 A. Yes.

10 **Q.** Just keeping a track on time here.

11 A. I'm not aware of what the cost to the Crown would be for the whole determination process.
12 They did pay out costs on an hourly rate basis going through that, and of course they paid
13 for Sir Rodney Gallen's services, and there were trips to three or four locations around the
14 country so he could meet clients.

15 **QUESTIONING BY MR MOLLOY CONTINUED:** Then you talk over the page about Sir
16 Rodney Gallen's obvious credentials.

17 A. Yes.

18 **Q.** As the longest serving judge?

19 A. That's right.

20 **Q.** Former Court of Appeal judge, spoke Māori?

21 A. Yeah.

22 **Q.** Was the convenor of a Māori Synod and trustee of the Mahi Taki Trust and, of course, had
23 chaired a Commission of Inquiry into Oakley I think in the 1980s?

24 A. Yes.

25 **Q.** So he was appointed as determinator and I think came up with a means of identifying a
26 rough guide to how people's -

27 A. Yes.

28 **Q.** - sums might be allocated?

29 A. Yeah, I might mention that Sir Rodney was briefly involved in the way this process was
30 designed and finalised. But he was charged with determining the apportionment of the
31 award between the claimants. So this is not a situation where Sir Rodney would take an
32 individual's circumstances and then pluck a damages or compensatory sum out of the air as
33 he saw it whether based on law or otherwise. He had to take a fixed sum and then
34 apportion it fairly between them, and that required a special mechanism.

1 So we met with him and at 284 I detail the very steps in that. Now ordinarily that
2 might be something we could skip over, but I think it might be advantageous for the client
3 group to hear exactly how that process worked.

4 **CHAIR:** Yes.

5 A. He was charged with making [GRO-C]
6 [GRO-C]
7 [GRO-C]
8 [GRO-C]
9 [GRO-C]. Therefore, he apportioned a
10 known and fixed sum of 6.5 million and he had to establish some form of reasonable
11 proportionality as between client claims.

12 People had many different experiences and so we listed them on a spreadsheet.
13 An example of that was attached to one of the exhibits that we have attached to this brief.
14 By placing them on a spreadsheet in this manner, it was possible to see which clients had
15 which specific experiences. For example, not all clients had received ECT, some had
16 experienced only one or two objectionable experiences, whereas others had suffered a
17 majority or even all of them

18 So in considering a particular client's experience, it became necessary to provide
19 some sort of weighting. For example, if one individual had only received ECT once, but
20 another had received it 25 times, did that mean the second individual should be ranked as
21 having had an experience that was 25 times worse than the first one.

22 Now the evidence suggested that those had suffered ECT on many occasions at
23 least had a reasonable expectation as to what they were about to experience. However,
24 individuals who had experienced ECT on only a few occasions were often seriously
25 traumatised. And there was also evidence that persons who never received ECT but who
26 nevertheless regularly observed others receiving it and the traumatic aftermath were often
27 more distressed than those who actually experienced it.

28 So for these reasons and others, Sir Rodney decided a weighting based on a 10
29 point scale should apply. Those suffering less trauma might receive a lower ranking, those
30 with extreme trauma might receive 9 or 10. So it was a relativity proportional sort of
31 mechanism, and in practice it worked very well.

32 Once he came to his preliminary decision on an individual's experiences, he would
33 meet with myself and a colleague, and we would discuss his thinking on the point. Our role

1 was simply to point out issues that he may have overlooked, or make suggestions as to any
2 matters that he might yet want to take into account.

3 So there was no need for advocacy of any particular individual's position over
4 another, it was simply making sure he had taken all relevant material into account. It
5 worked extremely well.

6 Shall I turn now to the report that he later made.

7 **QUESTIONING BY MR MOLLOY CONTINUED:** Yes, thank you.

8 A. During the assessment of the position, Sir Rodney was at pains to try and give every
9 claimant the opportunity to meet with him and describe their experiences. In the final
10 analysis, about 41 people met with him, it simply wasn't possible for all people to come
11 from their various locations to such meetings.

12 Halfway through the whole process, Sir Rodney came to me in a tea break. He
13 asked me how I felt about the process and whether it was achieving what we hoped it
14 would. I confirmed that I thought the process was excellent, but he asked if I had any
15 regrets or thoughts about how it could have been done differently.

16 After thinking about it for a moment I said my only regret was that when we
17 completed the process he was obliged to give me a list of names alongside which there
18 would be a dollar figure. That would enable me to do full and final distributions to clients,
19 but that document would not reflect what truly what happened at Lake Alice. Indeed there
20 would be no official record of what had truly taken place.

21 Although there was no requirement for him to produce anything more than the list
22 of names and numbers, I thought there was a risk that this dreadful saga would pass into
23 history without any definitive judicial or other record of what had taken place, and
24 therefore there was no prospect of Government developing any future preventative
25 mechanisms. He nodded but said nothing.

26 About three days later he approached me and said he'd reflected on my comments
27 and decided he would write a report for the Solicitor-General. He thought that might be
28 passed on to the Attorney-General as well. He then asked whether I could read his draft.

29 I agreed to do so and thought it was an outstanding summary of what had taken
30 place and I had no suggestions as to changes. I thanked him for his efforts, expressed my
31 hope it might achieve some wider good, and I think his report did provide such compelling
32 insight into what occurred at Lake Alice. The Prime Minister was moved to create a
33 second determination process and provide redress for the many who had not come forward
34 into our first process.

- 1 I now turn to the question of payment of my client's legal fees.
- 2 **MR MOLLOY:** Just before you do, ma'am, we probably need to manage time a little here.
- 3 **CHAIR:** Yes.
- 4 **MR MOLLOY:** So I think leave has been granted to other parties to question Mr Cameron for
5 about half an hour.
- 6 **CHAIR:** Yes.
- 7 **MR MOLLOY:** Really it's - I'm in your hands as to whether you wish to take another break. We
8 have one more witness today who I think will probably take an hour. I don't know whether
9 you're in a position to sit until 5.15 or whether we need to finish by 5.
- 10 **CHAIR:** I'm sure we can sit a little bit longer on the basis our transcribers and people are up to
11 that.
- 12 **MR MOLLOY:** Indeed.
- 13 **CHAIR:** Shall we start at the beginning and check to see that those who have been granted leave
14 want to exercise their rights under that leave. So we'll start with you Ms Joychild.
- 15 **MS JOYCHILD:** Yes, ma'am, I would like to exercise -
- 16 **CHAIR:** You'd like your full third, how long was it, 20 minutes?
- 17 **MS JOYCHILD:** Well I can talk fast.
- 18 **CHAIR:** We know that but you know what happens when you do talk fast, Ms Joychild.
- 19 **MS JOYCHILD:** We understand each other, yes.
- 20 **CHAIR:** Yes, we do have record-keeping, so I don't want up to feel that you must rush through.
21 I'm just trying to - how much time were you granted, 20 minutes?
- 22 **MS JOYCHILD:** 20 minutes.
- 23 **CHAIR:** Yes, Ms Feint what about you?
- 24 **MS FEINT:** Yes, I would like to question as well.
- 25 **CHAIR:** For 20 minutes.
- 26 **MS FEINT:** Yes.
- 27 **CHAIR:** All right, so that's the starting point. So let's work back. If we finish at 5.15, do the
28 maths for me Mr Molloy.
- 29 **MR MOLLOY:** Reconvene at 4.15 for an hour, break at 4, we'd need to finish - I need to finish
30 Mr Cameron in a couple of minutes, and then you would need to be happy to continue
31 without a break. You might prefer to take a short break.
- 32 **CHAIR:** I think we might take a 5 minute stop.
- 33 **MR MOLLOY:** To allow at least some respite I think for -
- 34 **CHAIR:** Exactly. It's regrettable to all of us that we have to rush you through, Mr Cameron, but

1 you've been through this in court no doubt yourself many times. If you could do that, we'll
2 finalise the last few important matters and then take a very short break and then we'll start
3 with the questioning from counsel.

4 **QUESTIONING BY MR MOLLOY CONTINUED:** Mr Cameron, in your statement you've
5 gone through the fees and the calculations. I think I've already hinted that some of your
6 clients, former clients have expressed concern at how high they were, and you've outlined
7 your perspective on that in the statement.

8 There are also a couple of other things that are probably worth us touching on if we
9 can. One is the complaint that you assisted to the Medical Practitioner's Board of Victoria
10 in Australia. If you can touch upon that briefly. And also the fact that you assisted, I think,
11 34 of your former clients to make complaints well-substantiated to the New Zealand Police.

12 A. And you'd like that summarised in 5 minutes? I will do my best. Could I mention on the
13 question of fees, all clients had a clear understanding in terms of the contract that they were
14 only going to be paying a small amount of money, as it turns out if they chose to do so on
15 account of disbursements. They all understood that it was essentially a contingency
16 thereafter in terms of payment of fees and they would have to come out at the end.

17 We also informed clients that we would try and obtain Crown funding, in other
18 words that we would either be paid in a process or that somehow the legal fees would be
19 addressed at the end.

20 Now from the Crown's point of view essentially the fees were addressed at the
21 end, and it was pretty cavalier as to whether or not, because it was a contingency, that
22 proved to be a larger sum than what might be normal.

23 Contrary to public belief, encouraged by the Evening Post and probably some
24 Chinese Whispers in Wellington, there was not a single fee of about 1.8 million fee or
25 whatever the figure in the newspaper was. There happened to be a large sum of money
26 billed simply by virtue of the terms of the contract, the risks that I'd taken on and we had 95
27 clients so it added up to a large amount.

28 But individually those clients, my own fee was kept to under 30%, not 40%, that
29 I'd put there. We had, as I say, incurred the liability in terms of disbursements of \$100,000,
30 there was - I paid for a QC, in fact two, to give advice. With this sort of settlement you
31 always anticipate there'll be somebody who will complain to the Law Society, so you need
32 to do things impeccably.

33 Contracts naturally provided for us to apply principles of charging. We did so.
34 There was a general file against which most of the work in progress was recorded. Each

1 client had their own individual file, so where there was some work on that that had to be
2 taken in account. So the general file was averaged out and this was on a pro-rata basis,
3 according to what they got. We added their own individual work in progress and each
4 client received an individual bill.

5 Knowing that there might be some debate, I instructed Colin Pidgeon QC, who I'd
6 never had anything to do with but came highly recommended to me. He provided a 19
7 page opinion, and in one sense I think he said - probably implied that I was a fool to take it
8 on because of personal risk. At one stage my firm's overdraft was about 630,000. I had to
9 sell a family trust asset for about 420,000 to put some money back in the tin to keep us
10 going. And he was very complimentary about the extraordinary outcome.

11 **Q.** When did you start work on the matter?

12 **A.** Sorry?

13 **Q.** When did you start work on the Lake Alice matter?

14 **A.** 1996.

15 **Q.** When did you render your first account?

16 **A.** When it settled, I think it was late 2001.

17 **Q.** And a copy of Mr Pidgeon's opinion is annexed to your statement?

18 **A.** Yes. And he deals with the whole nature of the contingency arrangements, whether it was
19 fair and whether it complied with the Law Society position. So with all of that I was
20 comfortable. I also had verbal support from John Billington who was counsel in the case,
21 I took that into account in doing the bills.

22 We did the distributions and as expected we had I think three client complaints.
23 They were referred to the relevant law society. There was a special committee set up to
24 hear those complaints. They went through everything from top to bottom and said I'd acted
25 entirely properly and all the accounts were in order. So there was nothing whatsoever in
26 terms of the complaints that could be sustained.

27 When that was over, or during this process, when the Evening Post made its -
28 issued its article, Helen Clark was concerned to hear that the evil Mr Cameron had
29 apparently taken about a third of the monies out of the settlement. She obviously
30 contemplated that costs might have been on top, but in any event she detailed David Caygill
31 to come and see me. I presented him in a weekend meeting with copies of our terms of
32 engagement, our contracts, Colin Pidgeon's opinion. I think there was some Law Society
33 material at that stage and gave him the full position. So had gone a long way out of my
34 way to make sure the accounts were fair and reasonable.

1 So he advised the PM and I was then telephoned and advised that the Labour
2 Government would take no further interest in the matter.

3 **Q.** After the first round there was then a second round later on, which again you refer to in
4 your statement, where compensation was paid to a second round of claimants who had not
5 been part of your litigation and they received payment in full. Can you understand from the
6 perspective of the people you acted for the disparity which exists -

7 **A.** Totally.

8 **Q.** - may seem completely unfair?

9 **A.** I think, well a number of mistakes I think were made by the Crown in this whole process,
10 but there was sort of a pretence that the part 2 process was wholly separate and you can say
11 well, the first part was finished so this must be separate. From the clients' perspective this
12 was probably a continuation, everybody had been involved in the same affair, everybody
13 had been affected the same way, and yet we had been subjected to costs and these people
14 weren't.

15 Now there was errors made probably by the Crown if it wanted to achieve its net
16 in the hand objective, which I think was conceptually wrong. People who bring a case,
17 establish a precedence, carry the cost, the rest of New Zealand society takes advantage of
18 that, that's just the way life works out.

19 But there were mechanisms by which the two could have been brought together,
20 blended together and the whole costs thing could have been spread. I think that notion of
21 cost spreading so the first group should have had their costs somehow spread to the other,
22 or the first group should have had their costs paid for in full in addition to the compensatory
23 payment. Because the 4 million distributed between 95 wasn't a fair compensatory
24 payment, that's true.

25 **Q.** So again, just coming back to the question, for people who were involved in that first round
26 and who had costs deducted, can you understand that from their perspective?

27 **A.** Yes.

28 **Q.** There's an element of injustice about that?

29 **A.** Yes, absolutely.

30 **Q.** I'm looking at the time, it would be helpful if you could touch on the complaints forwarded
31 to the New Zealand Police.

32 **A.** Certainly. Do you have the page number just handy? Here we are. We had given
33 consideration right at the beginning of the process as to whether we should complain to the
34 Police. We had limited information at that stage and although I think the pattern was quite

1 clear and it was very concerning, I, having spent 10 years in the New Zealand Police, didn't
2 hold much hope of an effective inquiry being carried out at that point. So I thought the
3 better course was to put our limited resources into a civil litigation process, and we had the
4 option to present complaints at a later date if indeed that further evidence added weight and
5 suggested that we should.

6 In the final analysis I did this and I might mention at no cost to clients. So this
7 was a position where we went to the clients after and said "All right, you've all received
8 your money, some of you have expressed real concerns about these issues and had talked
9 about Police complaints that had been raised once or twice. How many of you are of the
10 view we should proceed?" And I think about 34 or 40 - sorry, I might find -

11 **Q.** 34 of your clients you say?

12 **A.** Yes, decided that yes, they would like me to prepare a complaint. So I did prepare the
13 complaint and 16 December 2001 I wrote to the Police Commissioner, informed him of the
14 background facts etc. I had made arrangements to meet with somebody at the Police
15 National Headquarters so that I could actually give them a lot more information
16 face-to-face. I don't remember who it was that I actually met at that time - this is paragraph
17 367 - but I arranged - 34 people, that's right - I arranged to then prepare the complaint and
18 formally lodge it. I think that came in March. Nevertheless, the same information,
19 essentially, that we'd given the Crown was given to the Police as to why ECT and
20 Paraldehyde should never have been applied in these circumstances.

21 I made it very plain to them that we believed there had been child torture. We
22 gave them the client witness statements, the relevant medical evidence, I think some other
23 witness statements. So there was a very large packet of information supplied.

24 I suggested - this is paragraph 378 - there was good cause to suspect a commission
25 of offences, so at least I expected the threshold for the Police to commence an investigation
26 had been met and had a duty to make appropriate inquiries.

27 The short answer is that after lodging that I don't believe I received further
28 communications. I did expect Police would contact those people who were part of the
29 complainant group, but I really didn't hear anything more.

30 **Q.** Thank you. Ma'am, I think we should probably take a break and I should relinquish the
31 microphone.

32 **CHAIR:** That last point, you never heard, you never received a response to the complaint at all?

33 **A.** Well, I'll just double-check this perhaps during the break, but no, that is my understanding.

34 **Q.** Thank you. We'll take just 5 minutes or so. Thank you.

Adjournment from 3.34 pm to 3.47 pm

1
2 **CHAIR:** I'm sure there's not going to be a competition about who goes first. Have you reached
3 agreement between you? Very well, thank you Ms Feint.

4 **QUESTIONING BY MS FEINT:** Tēnā koe, Mr Cameron, my name's Karen Feint and I'm
5 appearing for the Crown in this Inquiry.

6 I think the key point of your evidence, is it not, that overall you achieved a very
7 satisfactory outcome for your claimants in reaching that settlement?

8 A. My feeling is that it's a less than satisfactory outcome had all things been equal and we'd
9 been able to get an independent party to determine the matter of quantum in an unfettered
10 manner. But in terms of the choice of a global settlement sum, as against the alternative of
11 going to court, yes, I think it was a reasonable outcome.

12 **Q.** Well, you say that in your evidence that your clients received what they had so vigorously
13 sought in terms of the ADR process and a fair settlement, so your issue is over how long it
14 took to get there, is it not, and the costs that you incurred in doing so?

15 A. I don't have an issue. I've been asked by the Commission to relay the facts of my
16 experiences and what occurred and I've done that, so I'm not quite sure what you mean my
17 issue is, I'm not here to advocate for anything.

18 **Q.** Were you aware that you achieved with the \$6.5 million settlement the maximum that the
19 Cabinet had approved?

20 A. No.

21 **Q.** In terms of negotiating position?

22 A. No, I'm not aware of that.

23 **Q.** Would you agree that a four year period from the time that you approached the Crown in
24 July 97 until when you achieved the settlement in mid-2001 is, although it took longer than
25 ideal to reach a settlement, it's nonetheless, I would suggest, faster than proceeding through
26 the courts, particularly if there were appeals involved, do you agree with that?

27 A. That's possibly the case.

28 **Q.** And you're open in your evidence, aren't you, that reaching a high level political settlement
29 was the best strategy, because there were legal barriers in terms of going through the courts,
30 so it would have been a high risk strategy to proceed through the courts, wouldn't it?

31 A. Yes, it would have been.

32 **Q.** You say that you proposed an ADR model based on the Cave Creek model. But would you
33 agree that it's not an entirely apt comparison because, well, there were significant
34 differences; the Cave Creek ADR process was agreed to after a Commission of Inquiry in

1 which the facts, and therefore DOC's negligence in building the platform, were established,
2 did it not?

3 A. I think that's a happenstance of the circumstances. I don't believe that a determination
4 process must be reserved to after a court process or a Commission of Inquiry. I think where
5 parties have a dispute, the parties themselves should get together and try and design a
6 mechanism. And I think it's to fair to say that because we're all damn lawyers, we think in
7 a certain box, rules of evidence, of procedure tend to control our thinking, our experiences
8 of the law.

9 So in terms of dispute resolution, we have the opportunity to, at one extreme, go to
10 court, you know, we all know the rules of that game, short of that arbitration, very similar,
11 both having the same problems of time, cost, hassle, litigation risk etc. And the only other
12 option, apart from straight-out horse trading, is mediation.

13 I think John McGrath was a very wise man and the determination mechanism is
14 something where you're actually asking a party to bring you together and be proactive
15 instead of neutral like a mediator, and has the power once - if the discussions don't lead to
16 anything, to bring about a binding and impose a binding outcome. It's a very useful device
17 and I don't think, you know, lawyers have explored this enough, and it doesn't necessarily
18 have to come after that, it is just the way it happened.

19 Q. Can I ask for document CRL0044150_26 to be brought up please, which is the Crown Law
20 advice of 4 February 1999. Just while we're waiting on that, Mr Cameron, you speculate in
21 a number of places in your evidence about what Crown Law's instructions were and we can
22 agree that there's no need to speculate in this Inquiry, given the Crown Law has waived
23 privilege and all the documentary record is before the Commission.

24 A. I haven't seen any of that, but I fully accept that they have instructions.

25 Q. All right. So this is advice from Crown Law to the Ministry of Health dated 4 February
26 1999. If we go to paragraph 10 of that advice, and so this is advice where the Crown Law
27 Office is evaluating the claims. And it says there:

28 "...it should not be forgotten that the present allocations relate to events which
29 were alleged to have occurred over 20 years ago at a time when all the complainants were
30 very troubled, if not mentally disordered, adolescents. Moreover, the fact that the
31 allegations will undoubtedly be strongly contested by the other participants renders these
32 claims very different from those made in, for example, the asbestos and Cave Creek cases,
33 where the facts and therefore the Crown's basic liability, were more or less accepted from
34 the outset. This last point in particular may have considerable bearing on the choice of the

1 most appropriate means of disposing of these claims."

2 So it would appear the point that Crown Law is making there is that they need to
3 evaluate those claims before advising the ministers on a choice of process.

4 A. Are you saying that the Crown Law Office should investigate those claims before advice?

5 Q. Their advice is that they did not have enough information to establish the Crown's liability
6 at that point.

7 A. Well, I disagree, I guess, to the extent that I felt they did have more than enough
8 information to commence an inquiry. The problem that we're facing, I suspect, is that the
9 Crown was faced with the horrendous conflict of interest. On one hand it's got the
10 obligation to protect these people, to investigate allegations of certainly the allegations in
11 the nature of torture they've got international duties to perform. And yet at the same time
12 this can be portrayed as a legal challenge. I was at great pains to try and avoid the legal
13 challenge concept and to move into a discussion of how it might be neutrally resolved. But
14 once you take a defence posture, I think the Crown was faced with conflicts.

15 So therefore it should have been seeking an inquiry by somebody independent and
16 then awaiting the results of that, and indeed that was something that we were almost - we
17 were actually advocating for, get somebody independent to inquire.

18 Q. And if we go down to paragraph 18 of that advice, Crown Law there is referring to the
19 emotive aspects of the claim and the - you see they say in the last paragraph of that first - in
20 the last sentence of that first paragraph, they acknowledge that it would be foolish in any
21 assessment of the overall merits to ignore the facts of the claim. So they're referring there
22 to the moral aspects of the claim that the claimants were children, that they were subject to
23 psychiatric treatment that's regarded as abhorrent, and that they were wards of the State.

24 Then if we go - so in other words they're not only relying on an assessment of
25 legal liability, but also considering the moral position that the Crown is in. Would you
26 accept that?

27 A. I guess I have to accept to the extent that that wording implies that, their overall behaviour
28 didn't suggest there was much weight being attached to the moral point of view but -

29 Q. If we go down to paragraph 40 of that same document, you can see there in the first
30 sentence that the key question which legal advice cannot answer, is whether ministers wish
31 these claims to be dealt with on their merits. That really sums up the position, doesn't it,
32 that it was - this case called out for and what it achieved was a political settlement at the
33 highest levels of Government where ministers assessed the position and decided according
34 to the merits of the claim and the public interest what was the best outcome for all. Would

1 you accept that that's -

2 A. Certainly I think the Minister's need to take into account those wider issues, that's a matter
3 of judgment at that level for Cabinet. However, they need to be fully and fairly informed. I
4 have - all this describes is an appropriate ADR mode, if that's preferable, then there are
5 advantages in doing it that way. But if they want to resist all claims at all costs, then
6 presumably there should be litigation. I have no way of knowing what other information
7 was supplied to Cabinet where they could make a fair and reasonable and fully informed
8 assessment on those issues.

9 **CHAIR:** Could you remind me of the date of that letter please?

10 **MS FEINT:** That's 4 February 1999.

11 **CHAIR:** Thank you.

12 **QUESTIONING BY MS FEINT CONTINUED:** Part of the political reality that you dealt with,
13 but I don't think you draw out so much in your evidence, is that you were dealing over this
14 four year period with three separate ministers of health.

15 A. Yes.

16 **Q.** And two different Governments.

17 A. Yeah.

18 **Q.** And in effect that was part of the reason why it took so long, wasn't it, because each
19 minister had a different approach?

20 A. I accept that.

21 **Q.** You refer to at paragraph 212 of your evidence to the meeting that you had with Bill
22 English. And I wonder whether we could bring up the next document, CRL44149 number
23 10, which is the Crown Law file note of the meeting you had with him on 6 August 1997.
24 We can see, Mr Cameron, that it's a file note dated 7 August 1997, and if we just scroll
25 down it shows who was present at that meeting that you had with the honourable Bill
26 English and Ministry of Health officials.

27 And then if we go down to paragraph 2, sorry page 2, you see at the top of the
28 page there it sets out the four options that you wish to canvass with the Minister at that
29 stage?

30 A. Yes.

31 **Q.** And so you were proposing essentially four different versions of an ADR process?

32 A. Well, this was the preliminary stage where it was just simply citing what the apparent
33 options were. I think all parties agreed they were the ones to talk about.

34 **Q.** And then if we go down to halfway down page 3 where there's a comment from the

1 Minister himself where he says he agrees with you, your viewpoint that a Commission of
2 Inquiry would not be useful, but then he says other options warrant canvassing.

3 Involvement of other Government departments is new and requires consideration. So that's
4 a reference to the fact that this claim required a multi-agency response, didn't it, there was
5 not only the Ministry of Health but also the DSW, Ministry of Education and Treasury that
6 would need to be involved in any settlement?

7 A. Yeah, I didn't - there was no discussion, I didn't agree with him that the Commission of
8 inquiry would be of no value. But I simply accepted his comment on that point. And it
9 was completely obvious that the other Government departments would be involved, yes.

10 Q. And if we scroll down to the very end of the minute, there's no record anywhere in this file
11 note of an agreement that he would go to Cabinet within a six week period at that point,
12 which suggests that it wasn't something that he had understood was an outcome of that
13 meeting?

14 A. I understood to the contrary. My recollection is as follows or as I put out in the brief.
15 I certainly accept there was no commitment that the matter was a matter of exploration for
16 officials and I was accepting of the fact it may go beyond six weeks.

17 Q. Given the need to co-ordinate across all those Government agencies it would be surprising
18 if he could have got an outcome from Cabinet within six weeks, don't you think?

19 A. Well, not necessarily, because to my way of thinking at the time Ministry of Health was the
20 primary party to deal with. Education was entirely irrelevant, might have been connected
21 in some fashion, but it had nothing to do, as far as I could tell, with the application of
22 Paraldehyde or ECT. And it was really a matter for the Crown to decide for itself who
23 would take responsibility and leadership in this. So inquiries of some of the periphery
24 agencies I didn't think would take very long.

25 Q. Can we go now please to document MOH 469 number 1, which is a briefing from the
26 Ministry of Health to its minister, 29 September 1998. I just wanted to put this document
27 to you because you say - you accuse the Crown of delay a number of times in your
28 evidence, and this report here is a briefing from the Ministry of Health to the Health
29 Minister, Bill English in September 1998, and if we look at paragraph 1.

30 A. Sorry, who did you say issued the report?

31 Q. The Ministry of Health.

32 A. Okay.

33 Q. This is officials briefing the Minister. And they're reporting to the Minister that he had
34 requested this timeline after receiving a copy of the letter from you to Health legal alleging

1 that the Crown had deliberately delayed its response to the issue. And if we go down to
2 paragraph 6 you'll see that there's a timeline there. So you first approached the Government
3 in July 1997; correct?

4 A. I'd have to check the brief for the date but I'll accept that for the moment.

5 Q. And then if you go down to the next page, by September 1997 the Ministry of Health has
6 requested a list of clients, authorities to act and details of anticipated costs from you. And
7 then if we go down to February 1988, the Ministry of Health is still requesting that, has
8 made three requests, you respond apologising for the gross delay in this matter. And then
9 down to June 1998, the Crown is still asking you for that information but you still haven't
10 provided it by then, have you?

11 A. No, not at that stage in respect of that information.

12 Q. And then if we look at July and September 1998, you provide to the Ministry of Health the
13 affidavits and draft statement of claim setting out your allegation. So it's not until July,
14 September 1998 that the Crown has precise information about the allegations made by your
15 clients and evidence of what they suffered in Lake Alice?

16 A. That would be true. My thrust earlier, I think I've made it very clear, was that the Crown
17 was being asked to investigate and there was quite sufficient information right from the
18 outset for them to start an appropriate inquiry process. More precise information could
19 have been developed and fed into that process at any point along the way. I think if we
20 developed this type of list or timeframe from our side of the fence and put the two together,
21 we'll see faults on both sides.

22 Q. Thank you. I think it is relevant from the Crown's point of view that the information it had
23 included inquiries from 1977 which had reached contrary conclusions, and strongly
24 contested - the allegations were strongly contested by various staff of Lake Alice.

25 A. But then it was given a lot of fresh information.

26 Q. Yes, but it took over a year for the Crown to get the information that it needed to evaluate
27 the allegations that your clients were making.

28 A. Well, the information that's said in there, yes.

29 Q. I think in the interests of time, ma'am, I'll wrap this up fairly quickly. I'll just point to one
30 further incidence of the different narrative of the Crown and, Mr Cameron, in terms of what
31 was happening. So if I can take you to paragraph 261 of your evidence please,
32 Mr Cameron.

33 A. 261?

34 Q. Yes. At no stage of the narrative, you've said back on the previous page that in December

1 2000 the Crown had applied to the court seeking orders for medical examinations from the
2 plaintiffs. And you say in 261 that you were becoming concerned that the Crown Law
3 Office was not acting in accordance with the express will of the Prime Minister who
4 confirmed on the same day we were served with those court applications that she intended
5 Government to settle these claims without recourse to court proceedings.

6 I'd just like to take you to the Solicitor-General's advice in respect of the
7 allegations that you were making, if I ask for CRL44434173 to be brought up please.
8 Because once the Crown had applied for those medical examinations you had written to the
9 ministers complaining about that, hadn't you, and suggesting that there needed to be an
10 independent QC appointed to review the conduct of Crown Law?

11 A. I haven't referred to that in the brief, and it hasn't been discussed in my office in preparing
12 this, but I do recall that something like that did happen.

13 Q. If you look at paragraph 1 of this memorandum. So this is from the Solicitor-General to the
14 Prime Minister in March 2001 and the Solicitor-General is reporting to the Prime Minister
15 that you've written complaining about the Crown Law off's handling of the claims against
16 the Crown. You ask her to appoint a QC to review the Crown Law Office's handling of the
17 matter and report back to you. "The purpose of this memorandum is to advise you of the
18 present position and to suggest a draft reply."

19 And if we go down to paragraph 5 and 6 please. So we've set out there that by that
20 stage the Crown had accepted that it would investigate a Cave Creek ADR-type process?

21 A. [Nods].

22 Q. And it sets out in paragraph 6 that in order to facilitate establishing this type of resolution
23 process, the Crown Law Office had asked the claimant's lawyers to provide the following
24 information. In 6.1, a complete list of all the claimants. The purposes of this is to ensure,
25 so far as possible, that a comprehensive settlement can be achieved. Secondly, a fully
26 particularised statement of claim for each claimant.

27 There are two reasons for this request, first if the informal process is unsuccessful
28 the claimants could not complain they were lulled by the Crown into thinking they did not
29 have to make formal claims, and secondly the existence of detailed formal claims will
30 enable the Crown to prepare its defence.

31 Thirdly, the Crown Law sets out there the medical examinations had been
32 requested under the Judicature Act, because despite your comments that psychiatric injury
33 is not an important feature of the claims, in fact in the existing statements of claim and the
34 supporting evidence psychiatric harm features prominently. And they go on to say that the

1 medical examinations are required to be under court direction to expedite the process so
2 that examination dates can be applied for and because these examinations are expensive for
3 the Crown, it's essential that the Crown can thereby use that information in court as well.

4 If we scroll down to the next paragraph. The intention is to get the exercise done
5 properly. The first time thereby saving time and money. They note that they have tried to
6 agree these steps with you out of court. You sought to circumvent the process. And a
7 further point of difficulty is that you wanted the Crown to relinquish defences which you
8 describe as technical and the Crown notes it sought a compromise here which involves
9 waiving the defences in the context of a mediation arbitration but only to the extent of any
10 agreed minimum payout.

11 So that advice sets out, does it not, Mr Cameron, that Crown Law was acting in
12 accordance with its instructions from the Prime Minister and that there were legitimate
13 reasons for it to seek medical examination before the court?

14 A. It sets out the Crown's advice to ministers at that time. It shows that the Crown was
15 addressing issues of litigation nature. We were attempting to obtain an ADR process. The
16 messages that were coming to me, shall we say from a political level, or the intelligence
17 that we thought we were receiving at that level, was not compatible with the actions of the
18 Crown in serving applications seeking discovery of medical records of people and
19 submitting them to medical examination.

20 So the Crown may have viewed these as, you know, legitimate reasons for telling
21 the ministers this is the path that might be preferable. I was not privy to any of this
22 information. Had the Crown had a more open approach and discussed these issues in some
23 form with us we might have had a different perception to the one that I had in paragraph
24 261 of my brief.

25 Q. Thank you Mr Cameron. I think probably in the interests of time we might just leave it
26 there. I'll just ask one final question. Given the primary objective, you say, of your clients,
27 one of them was to achieve accountability for what had happened to them; do you think
28 with the benefit of hindsight perhaps you should have prioritised approaching the Police
29 and looking at a potential prosecution over a civil settlement, given that it resulted in a
30 five-year delay in lodging those complaints with the Police?

31 A. I've given my reasons in the brief very clearly as to why we did not pursue a Police
32 prosecution position at the outset with limited information. The fact that we delivered a
33 comprehensive brief I think in 2002 or thereabouts and nothing happened probably
34 reinforces the fact that my perception earlier on was correct that nothing would happen by

1 taking that path with the Police.

2 **Q.** But prosecutions are time sensitive as well, aren't they, given that Dr Leeks was in his 70s
3 by the early 2000s?

4 **A.** My clients' objectives were not described in calling for accountability, it was prevention,
5 apology, compensation, and punishment was the only other ingredient. So accountability in
6 a sense of punishing those perpetrators was certainly an issue. Even if it had been a
7 successful prosecution of Dr Leeks, that would not necessarily have meant anything at all
8 for my claimants.

9 **Q.** Thank you, for your evidence, I have no further questions.

10 **CHAIR:** Thank you Ms Feint, yes Ms Joychild.

11 **QUESTIONING BY MS JOYCHILD:** Mr Cameron, I act for the group of Lake Alice survivors
12 who, as you'll know, is a disparate group.

13 **A.** Yes.

14 **Q.** Disparate group. First of all, I think most of them would acknowledge that but for the work
15 that you did, this terrible issue, this terrible episode in New Zealand's history would have
16 never seen the light of day, or is unlikely to have seen the light of day.

17 **A.** Thank you.

18 **Q.** It seems to me from your evidence you've accepted that the Government should have paid
19 that first group of clients' legal fees?

20 **A.** They needed to take a more sophisticated approach to how they addressed it. In fairness to
21 the Crown, at the point they decided to put a global sum on the table, they did not fairly
22 contemplate there was going to be a two part process. Nobody knew that Sir Rodney
23 Gallen was going to make a report and that it would have the effect that it did. So, you
24 know, I think some room for concession there for the Crown.

25 **Q.** They did know, though, didn't they, that that 6.5 million was going to have to include your
26 legal fees?

27 **A.** Yes.

28 **Q.** And that you'd been carrying the case for five years?

29 **A.** Yeah, and they knew not only that I'd been carrying for that period of time, they knew that
30 it was going to be a quasi-contingent arrangement, and that on normal principles there
31 would be a substantial payment involved. Now the fact there was it had little or very little
32 premium involved above the actual work in progress and that we carried considerable costs,
33 we worked for a year beyond closure of this matter without payment.

34 **Q.** Yeah. Okay, that's understood. Now just back to the statements of claims that you filed.

1 You have said that there was an extreme - immense risk of litigation if it went down the
2 litigation path. I put it to you that that's a bit of an overstatement and I'll tell you why. The
3 first group that you filed 56, they were all filed - they all related to being in Lake Alice
4 before 1 April 1974, weren't they?

5 A. Yes.

6 Q. So they had no problem with an ACC bar, they didn't have -

7 A. No, that's right.

8 Q. The other group, as well as the first group, all had claims of false imprisonment. That also
9 is not affected by the ACC Act, is it?

10 A. Sure.

11 Q. So the only issue really that these people had was to get through the limitation defence?

12 A. Yeah, that was perceived as being the major problem.

13 Q. And one of the exceptions for the requirement that you file personal proceedings within two
14 years of turning 20, which none of them could have met, but one of the exceptions is if you
15 have a disability?

16 A. Mmm, that's right.

17 Q. So there was a defence that could have been run?

18 A. Mmm.

19 Q. Do you accept if these people had have got through these situations, they would have been
20 potentially able to claim hundreds of thousands of dollars?

21 A. Yes, I totally accept that. I took advice from counsel on it, we saw approximately three
22 people of the whole group as potentially being able to sustain a disability argument.

23 Q. Right. So for them, they see in their statement of claim that you're claiming \$485,000 for
24 them, then they find out that there's a settlement that where the average is around about
25 \$40,000.

26 A. Well, that was an average.

27 Q. An average, some were going to get a lot more, but no-one was going to get anywhere near,
28 say, \$200,000, were they?

29 A. No.

30 Q. So from their point of view, it was a - for many of them, even at that time their evidence is
31 that they felt betrayed by this?

32 A. I don't for the life of me see how that could be the case. None of them were prepared to pay
33 legal costs to have their own position assessed in terms of disability, give them an opinion
34 as an individual and send them off into litigation pathway as individuals. I was being asked

1 to take this matter forward for a lot of impecunious people to see what, if anything, could
2 be done and in all the circumstances it seemed plain that if we were going to address this in
3 a comprehensive manner and it should be done as a group and done as a whole, so that the
4 Crown had full and final settlement of all issues out of this matter. The Prime Minister
5 likened this to essentially being like a Waitangi Tribunal claim in the sense these are
6 ancient grievances, and the better way to address it is to confront it, expose it, and resolve
7 it. It's better that all people get addressed in some reasonable manner than three walk away
8 as millionaires perhaps and nobody else gets anything.

9 **Q.** Of course, but it wasn't three, I mean it was 56 at least who were before ACC and it could
10 have been a whole lot more.

11 **A.** That is to assume they overcome the limitation issues.

12 **Q.** Yes.

13 **A.** And we're saying that's highly improbable.

14 **Q.** You're saying that was highly improbable?

15 **A.** To overcome the limitation defence was highly improbable, that was the advice from
16 counsel.

17 **Q.** Leoni McInroe's counsel, of course, obviously took a different view.

18 **A.** And had immense difficulties.

19 **Q.** Yes, one of the reasons why they had immense difficulties, which I want to talk to you
20 about, is the fact that despite filing their claim three or four years ahead of yours, and
21 despite Rob Chambers calling you to let you know he was interested in joining up, this
22 never happened. Can you comment on that?

23 **A.** No, I remember it a little the other way around. I approached Rob to have a talk about
24 where they were up to, when there was some hint of ADR processes commencing on our
25 side of the fence as it were. Of course ADR then later broke down and we were back into a
26 litigation pathway. I don't know what transpired after that, so when we got the resolution
27 with the Crown and they agreed that Sir Rodney Gallen would be the determinator and we'd
28 go down this path I don't recall if there were communications with Rob Dobson or not. He
29 could have certainly rung me because it was well publicised in the paper.

30 **Q.** Yes, and that's what the sense of betrayal was, it was well publicised in the paper that there
31 had been a settlement, but they had been cut out of it?

32 **A.** Mr Dobson's client?

33 **Q.** Mr Chambers.

34 **A.** Mr Chambers, sorry, yes. Well, Mr Chambers' client was not my client.

- 1 **Q.** No.
- 2 **A.** I had no obligation to bring him into that process and I guess I hadn't turned my mind to it
3 in going through that. Certainly, there was no reason why they couldn't have engaged in
4 part two.
- 5 **Q.** Well, they did engage in part two, but by then, of course, the levels are set, the levels of
6 compensation are set and they are set low.
- 7 **A.** Well, that's life. I had certainly no obligation to change my stance in negotiating a
8 settlement for my clients because some other solicitor and their client might think that the
9 range that might possibly come out of this process might be too low. That's for them to
10 advocate for their position.
- 11 **Q.** You didn't think, did you, that it would be helpful to join forces with Mr Chambers?
- 12 **A.** I certainly did, which is why we contacted him in the first place.
- 13 **Q.** And he provided the precedent of the Statement of Claim, didn't he?
- 14 **A.** I don't recall.
- 15 **Q.** I think it's on the record that he did.
- 16 **A.** He may have.
- 17 **Q.** Yeah. Well, so it didn't happen, though, that - it's also on the record that he did ring you
18 and talk about -
- 19 **A.** We did have a discussion.
- 20 **Q.** - his interest in an ADR process?
- 21 **A.** Yes, I think I refer to it in the brief, and basically if one was to be made available then he
22 would be interested in it, yes.
- 23 **Q.** But you didn't see that was any - you had any responsibility to tell him that you were
24 starting -
- 25 **A.** I don't know if communications were after that, I don't recall any communications and I had
26 no obligation to him.
- 27 **Q.** Yes, I'm not really talking about specific obligation as much as working for the good of the
28 whole group together.
- 29 **A.** I was focused on that all right.
- 30 **Q.** Right. Well, I guess my big question is, we've seen earlier we've seen a memorandum from
31 the Prime Minister Helen Clark's executive assistant saying that \$132 million had been
32 earmarked by Treasury for the resolution of this matter. Yet the Crown have got away with
33 paying about \$13 million or so, \$6.5 to yours and -
- 34 **A.** Certainly. I had no knowledge as to what the Cabinet allocation might be, I don't know of

- 1 that communication.
- 2 **Q.** Well, do you think, and, you know, everyone must know of the enormous burden you were
3 under with the huge delays, and your financial position. So do you think that really that
4 was an impact in the amount that was accepted in the end that you were over a barrel?
- 5 **A.** I suppose in one sense yes you're quite correct. When I obtained the \$6.5 million on the
6 table from the Crown, the matter was discussed fully with John Billington QC, the advice
7 was that we should accept that and move ahead because our alternative was a court path
8 which held little or no hope of positive outcome.
- 9 **Q.** Why didn't you come back with \$20 million? Normal negotiations go backwards and
10 forwards a long way.
- 11 **A.** Normal negotiations are very effective where one party has some leverage.
- 12 **Q.** And as time went on your leverage got less and less?
- 13 **A.** Well, leverage was minimal to start with. Our leverage was developed by use of the media
14 which brought this out into the public arena, it put a ray of light on the events that had
15 occurred, it caused, I think, some angst at the political level, there were discussions and
16 movements taken by Government agencies as a consequence and I think we moved to a
17 settlement which otherwise had that not been there would never have taken place.
- 18 **Q.** Okay. Thank you. Looking at - you were obviously aware of the Convention of Torture at
19 the time because you use the word "torture". Did you look at the Convention in terms of
20 what was required to - the Government's obligations were for people who had been
21 tortured?
- 22 **A.** Yes, very briefly, and I took some sort of oral informal advice from around the profession.
23 The sort of prevailing view was that human rights was not an issue that was really going to
24 get much traction for New Zealand courts. If there were conventional torts or breach of
25 contract situations then the normal cause of action would be sufficient to bring about, you
26 know, a damages result, that would be the appropriate way to go and there wasn't getting a
27 lot of movement from the courts otherwise on those issues.
- 28 **Q.** Did you point out to the Government or Crown Law that it had obligations to fully and
29 effectively rehabilitate every victim of torture?
- 30 **A.** I believe that was brought up, and I can't point to the letter or communication, but I do
31 recall that was touched upon.
- 32 **Q.** And so the rehabilitation in your mind, it was getting an apology from Helen Clark and
33 getting some money for these people?
- 34 **A.** Yes. The difficulty was that rehabilitation from the Crown's perspective was buried in the

1 settlement. Plainly I think that was inappropriate and that people have ongoing needs and
2 there should have been ongoing support. But that's the way it was.

3 **Q.** The fact is that you had 95 clients, it was just impossible to interact with each of them
4 separately, wasn't it?

5 **A.** Well, not impossible, we had I think a very effective mechanism to deal with them. We
6 had actually brought in 17 law graduates to assist with interviews and what not and there
7 was sort of small teams created whereby there would be no problem whatsoever in contact
8 both ways.

9 **Q.** But then the people have said, several survivors have said it was a take it or leave it?

10 **A.** It was.

11 **Q.** So if this was four years, five years down the track?

12 **A.** Yes.

13 **Q.** And there is an amount which some say shocked them, it was so little, when they thought
14 of what had happened to them, what they were thinking they might get. But there was no
15 independent legal advice should I take this or should I now join Leoni McInroe's litigation
16 and go on to Legal Aid. Is that an omission that -

17 **A.** I don't believe so. I think they were given the opportunity to take legal advice in regards to
18 settlement offer. And so I don't think there was any issue about the fact that they were
19 there under the terms of engagement seeking a financial outcome, a compensatory outcome.

20 **Q.** Were they all told they should take legal advice before they accepted?

21 **A.** They were told that before entering the original contract, and I believe they were told that at
22 the time of the acceptance.

23 **Q.** Okay, counsel hasn't seen any record of that.

24 **A.** I'll have to - I'll make inquiries.

25 **Q.** Right. Some say now that if they had known the McInroe litigation was ongoing they
26 would have jumped ship.

27 **A.** Why?

28 **Q.** Because they wanted to litigate the matter.

29 **A.** And we then go on a same circle as to if they want to litigate the matter who's going to pay
30 for it?

31 **Q.** Legal Aid would have paid for it.

32 **A.** Legal Aid?

33 **Q.** Leoni McInroe was on Legal Aid.

34 **A.** Okay. Well, I've made it very plain that we would not operate on a Legal Aid basis and

- 1 they could have done that at that time, you're quite right, they could have jumped ship.
- 2 **Q.** A lot of them say they didn't know that they could have, they just felt it was a take it or
3 leave it, there was talk that you were going bankrupt and they were going to be just left on
4 their own if they didn't take it.
- 5 **A.** I don't believe there was any talk of me going bankrupt because nobody was aware of my
6 personal circumstances and there was no possibility of that happening anyhow.
- 7 **Q.** Just moving to a different topic. Can I confirm that you gave the Police, when you
8 compiled your big complaint, you gave them a copy of Dr Baldwin and Dr Ding's medical
9 opinions?
- 10 **A.** Say that again? With?
- 11 **Q.** You talk about before you start or very early on you get two medical opinions?
- 12 **A.** No, I spoke with two medical experts, I did not obtain written opinions from them.
- 13 **Q.** Did you advise the Police that you'd done that?
- 14 **A.** Yes.
- 15 **Q.** The Police knew that you had -
- 16 **A.** Yes.
- 17 **Q.** - spoken to these two and what they had said?
- 18 **A.** And what they had said, yes.
- 19 **Q.** I'd just like to clarify a little bit more what you say about determining the level of trauma
20 that happened with Sir Rodney's claim. How was that done?
- 21 **A.** Well, it's for Sir Rodney himself to make that decision, but as I described he determined
22 there had to be a weighting on a scale of 1 to 10. So that you would take an individual that
23 had suffered Paraldehyde, the first consideration would be with Paraldehyde say the
24 number of occasions that this individual had experienced it. Now the individual might have
25 said that he had experienced it five times, there may have been medical records which
26 showed that they had in fact suffered it eight, so he would take eight as being the number of
27 times.
- 28 Now everybody recovered from the Paraldehyde injections, there didn't seem to be
29 the degree of trauma, of course, that was associated with ECT. So in looking at
30 Paraldehyde, I think he tended to take the number of occasions and then just looking
31 literally across the list of clients, get a weighting or sense of weighting as to how much
32 effect that had had.
- 33 There may be some adjustment to his weighting if one individual had a
34 particularly traumatic, perhaps an emotional response to that sort of thing. As regards ECT,

1 it was very much more a judgmental thing for Sir Rodney because, as I explained, there
2 was evidence of a couple of individuals who, where they saw their friends being subjected
3 to ECT on this regular basis over a long period, were so frantic as to what would happen
4 when their turn came that they undoubtedly suffered in an emotional sense to a higher
5 degree than those who had actually had it. Now that was strictly a matter for Sir Rodney's
6 judgment.

7 **Q.** Just have to put one complainant's point of view, is that he was only there for two months,
8 eight weeks, he received ECT I think three, possibly four times, and he was, you know, so
9 he was one of the lower levels of compensation, and yet he lives with horrific consequences
10 of that ECT today. Looking back now, do you think that the way it was done, allocated
11 then, took enough account of the long-term impact on people's ability to earn an income?

12 **A.** Looking back with hindsight I think that's right, because there was no account taken of the
13 long-term effect because there was no information. I think if we had inquired at that stage
14 of experts there would probably be no medical literature and long-term effects of
15 Paraldehyde injections in these sort of circumstances. So there was no information before
16 Sir Rodney that he could utilise of that nature.

17 **Q.** Right. The final question is just to go back to your actual relationship with these people
18 who signed what is an unusual agreement to take a class action in the circumstances that
19 they did. And some of them say they were lucky to have you there doing that. But I really
20 want to put it to you that it wasn't really a traditional solicitor/client relationship, because
21 they didn't have a one-on-one where they could get legal advice, did they, they were
22 signing up to a negotiation that you would - they had to trust you and what you could get?

23 **A.** Yes, that's dead right, but I disagree it was a conventional solicitor/client relationship, they
24 entered into a contract after they'd been given the opportunity to take independent advice.
25 We obtained all the facts from them that we could, any documents that they might have had
26 or any other information, names of witnesses etc, we interviewed all the witnesses, so we
27 got their factual position very, very clear.

28 We then did a legal analysis, taking into account the extraordinary similarity
29 between all of these clients. We then obtained counsel's view on the position, we then - our
30 letters of engagement, which accompanied the terms of engagement, set out entirely what
31 our job was to do, and.

32 Initially it was to engage in an alternative dispute resolution mechanism,
33 specifically excluding litigation.

34 When we got to the point of litigation, new contract now provided for litigation to

1 be covered. I underwrote the process, they were fully and fairly informed and they had
2 ample opportunity to talk with solicitors in my office and myself throughout the whole
3 affair. Now they did receive advice, legal advice along the way and regular updates as to
4 what was happening.

5 **Q.** All right, just two points quickly. With the legal advice, at the end though, it was a take it
6 or leave it situation, and they weren't really advised they could go and join another
7 litigation that was going on?

8 **A.** I'm happy to check on that point for the Commission, but I believe they were in that
9 position and perfectly entitled to go somewhere else if they wished to. The offer from the
10 Crown was take it or leave it and everybody had to make their decisions on that basis.

11 **Q.** Okay. Thank you.

12 **CHAIR:** Thank you. I'm told we have one question from my right.

13 **COMMISSIONER ALOFIVAE:** Mr Cameron, I appreciate you've been in that seat for a long
14 time, but thank you, it just goes back please to the very beginning of your evidence.

15 **A.** Yes.

16 **Q.** Where you describe MSD, Lake Alice and you set out very well for us that relationship.
17 Are you able to talk to that a little bit more?

18 **A.** Give me little -

19 **Q.** It's paragraph 11 if I could just point you to that. I'm happy to read it to you if you like?

20 **A.** Yes, fine.

21 **Q.** You say in the early 70s the Department of Social Welfare had responsibility for many
22 State wards and faced housing difficulties for those wards. Apparently when DSW
23 discovered that were some empty dormitories on the grounds of Lake Alice Hospital a
24 decision was made to use these facilities and to start a special unit to cater for these
25 children.

26 **A.** Yes, that's right. I think the information here largely came from the report of the
27 Commission inquiry into the case of the Niuean boy and the evidence of Dr Pugmire. I
28 don't recall whether the Palmerston North Hospital Board had to make any, or provide
29 evidence there at the time. But our inquiries certainly came to the very strong, clear
30 position that there'd been this legal demarcation where these dormitories, although situated
31 on that site, were legally responsible and answerable to the Palmerston North Hospital
32 Board and Dr Leeks happened to be the person who was managing it.

33 Therefore we have to think of this as not being a mental institution in any shape or
34 form. To the best of our knowledge the children who came here, they might have been

1 emotional disturbed, they might have had some mental disorder in one or two cases, but it
2 had not been diagnosed and they had not been committed, so there was no need for ECT or
3 Paraldehyde in what is essentially just a residence. There is information on our files which
4 show that Dr Leeks went with a staff member to the main hospital and found a disused, or
5 an ECT machine that had fallen into disrepair and that they had brought it back to the unit
6 and fixed it to make it work.

7 Now that of itself doesn't suggest any remote possibility of genuine medical use,
8 and so I think the division there was quite clear. So a proper exploration of these events
9 and circumstances just reinforced the position we were putting to the Crown and I think we
10 wanted a proper inquiry as soon as we got involved in this case.

11 **Q.** Thank you. And were there - because we've heard evidence and we've seen some
12 documentation where Dr Leeks was actually visiting a couple of the local institutions,
13 Hokio, Kohitere and Holdsworth?

14 **A.** Oh yes.

15 **Q.** Actually going in and assessing for want of - the loose use of that term.

16 **A.** I vaguely remember references of him going to other institutions but I know nothing more
17 about that.

18 **Q.** Thank you very much Mr Cameron.

19 **CHAIR:** Mr Cameron, I've got about 400 questions and I'm not going to ask any of them,
20 because, well, first of time, secondly, we have your comprehensive brief and we know
21 there's more to come. So it just remains for me to thank you very much indeed on behalf of
22 the Commission for the immense amount of work you did, for the burden you carried at
23 personal cost to you, I think, you and your family, and to your law firm. I think it was a
24 remarkable piece of advocacy. I know that some survivors now are not happy with some of
25 the outcomes, but I have to say that to please 95 clients in one step is probably a step too
26 far.

27 But the other thanks I give you is the enormous amount of documentation and
28 information you've provided to the Commission, which is going to be incredibly valuable in
29 us assessing the rights and wrongs of this whole dreadful business. So thank you for your
30 time and preparation, and thank you for enduring this process all afternoon, and we're very
31 grateful to you.

32 **A.** Thank you ma'am.

33 **Q.** You're most welcome.

34 **MR MOLLOY:** Ma'am we do have one additional witness for the day, I think we need to do her