

**IN THE FEDERAL COURT OF MALAYSIA
(APPELLATE JURISDICTION)**

CIVIL APPEAL NO. 01-5-2007 (S)

BETWEEN

**MINISTER OF FINANCE,
GOVERNMENT OF SABAH** ... **APPELLANT**

AND

PETROJASA SDN. BHD. (275950-P) ... **RESPONDENT**

(In the Matter of Civil Appeal No. S-01-56 of 2006 in
The Court of Appeal of Malaysia at Kota Kinabalu)

BETWEEN

PETROJASA SDN. BHD. (275950-P) ... **APPELLANT**

AND

**MINISTER OF FINANCE,
GOVERNMENT OF SABAH** ... **RESPONDENT**

QUORUM: **ABDUL HAMID BIN HAJI MOHAMAD, CJ**
 ARIFIN BIN ZAKARIA, FCJ
 HASHIM BIN HAJI YUSOFF, FCJ

JUDGMENT OF ARIFIN BIN ZAKARIA, FCJ

Background Facts

By Suit No. S. 22-02 of 1999 action was commenced against the State Government of Sabah (“the State Government”) for breach of an Agreement entered into by the Respondent and the State Government. On 1.4.2002, judgment was obtained by the Respondent. On 20.5.2004, a certificate under s. 33(3) of the Government Proceeding Act 1956 (“the GPA”) was issued by the Deputy Registrar of the High Court ordering the State Government –

- (a) to pay the Respondent as damages for breach agreement the sum of RM6,163,497.44 with discretionary interests at the rate of 4% per annum on the said judgment sum from the date of the Writ of Summons to the date of judgment together with statutory interest at the rate of 8% per annum on the said judgment sum from the date of judgment to the date of full settlement; and
- (b) to pay the Respondent as costs of the sum of RM405,311.55 and interest thereon at the rate of 8% per annum on the said sum from the date of judgment until the date of payment.

The certificate was duly served on the Chambers of State Attorney General and State Secretary of Sabah but the State Government failed to pay up the said sum. The Respondent then filed this application for an Order of mandamus pursuant to Order 53 of the Rules of the High Court 1980 (“RHC”), citing the Minister of Finance, Government of Sabah as the Respondent (the Appellant before us).

The High Court, on 27.4.2006, dismissed the Respondent’s application with costs. On appeal to the Court of Appeal sitting in Kota Kinabalu, Sabah on the 7.2.2007 the appeal was allowed. This Court on 26.6.2007 granted leave to the Appellant to appeal to this Court. The question as framed for the determination of this Court reads as follows –

“Given that Section 33(3), Government Proceeding Act 1956 impose a statutory obligation on the Government of Sabah to pay according to a Certificate issued under Section 33(1), Government Proceedings Act 1956, the issue is whether Judicial Review proceedings may be taken against the Minister of Finance, Government of Sabah to compel the payment according to a Certificate issued under Section 33(1), Government Proceedings Act 1956 for a judgment for a monetary sum obtained against the Government of Sabah.

Provided that in the event the Federal Court decides that the Minister of Finance, Government of Sabah is not the proper party in these proceeding the Applicant consents that the proper person be joined in these proceedings.”

To put it shortly the single issue is whether Judicial Review proceedings may be taken against the Appellant, to compel payment of a judgment sum as certified in the certificate issued under s. 33(1) of the GPA.

The decision of the High Court

The High Court dismissed the application. (See *Petrojasa Sdn. Bhd. v. Minister of Finance, Sabah* (2006) 6 CLJ 232.) The learned Judge held that s. 33(3) of the GPA is subject to sub. s. (4), not only because the letter followed immediately after and qualified the former, but more importantly, because to hold otherwise would render the parenthesis in sub. s. (3) redundant or otiose. It thus followed that the application is prohibited by s. 33(4) of the GPA which clearly envisaged the prohibition of the order prayed for by the Respondent. In his judgment the learned judge stated:

“While I have no problem accepting the view that s. 33(3) operates to impose a statutory obligation on the State Government, it would be perverse in my view, to go on to suggest that the court is entitled to direct or order

compliance because there is no basis for imputing that into the sub-section. I think, the view expressed by Shaw, J in *Franklin v. The Queen* (1973) 3 All ER 861 at p 867 would shed some light on the fallacy of the argument advanced on behalf of the Applicant:

‘I have ventured to express the view that it was unnecessary to go beyond stating that the sum in question was due and that the applicant was entitled to be paid. The reference to the registrar was, so it seems to be, otiose. The mode of bringing about a satisfaction of the judgment is a matter of statutory prescription and not of judicial direction or order’.

The underlying reasons for his rejection of the Respondent’s application are found in the following passage:

“Encik Hanafiah Kassim argues that Section 33(3) of the GPA is subject to subsection (4). I think that is the correct view, not only because the latter follows immediately after and qualifies the former but more importantly, because to hold otherwise would render the parenthesis in subsection (3) redundant or otiose and that could not have been the intention of the legislature. It follows, therefore, that the application is prohibited by Section 33(4) by virtue of these operative words “ *no execution or attachment or process in the nature thereof*”

shall be issued out of any court for enforcing payment by the Government” which clearly envisage prohibition of the order asked for by the Applicant because “process” in subsection (4) of Section 33 GPA has been defined thus:

“ “Process” may signify the means whereby a Court compels a compliance with its demands.” (See Words and Phrases – legally defined 3rd Ed Volume 3 John B Saunders)”

“ “Process” A form of proceeding taken in a court of justice for the purpose of giving compulsory effect to its jurisdiction. The process of the Supreme Court of Judicature consist of writs (q.v.), originating summonses (q.v.), motion (q.v.) and petition (q.v.)

(see Osborn’s Concise Law Dictionary, Eighteenth Edition at p 264 and RHC 1980 Orders 5 to 10)

That would have been enough to dispose of the application but for the sake of completeness I shall revert to the statutory provisions set out above upon which this application rests. Section 44(1) of the SRA is of no assistance to the Applicant because the Respondent is not a “person holding a public office”. *Loh Wai Kong v. Government of Malaysia* (1978) 2 MLJ 175 is an authority relied on by the learned Senior State Counsel, and in my

view rightly so.”

The decision of the Court of Appeal

The Court of Appeal in a unanimous decision allowed the appeal by the Respondent, thus allowing the Respondent’s application for judicial review and the Appellant was directed to make payment within 21 days from the date of the order in the motion, that is 23.4.2007.

The Court of Appeal was of the view that s. 33(4) of the GPA, and s. 44(1) of the SRA and O. 73 rule 12 of the RHC are no impediments to the Respondent’s application. The underlying reasons are found in the following passage –

“This, in our view, is a narrow perception of s. 44(1) Specific Relief Act. If adopted it would jeopardize the powers of the Court to order any Minister of the Government to do or forbear from doing the many administrative acts required of such a person in the Government. This would tantamount to practically saying that s. 44(1) of the Specific Relief Act does not apply to a Minister in the Government. Perhaps, the learned trial Judge had overlooked the great number of authorities where the Courts had directed a Minister of the Government to perform or forbear from performing certain specific act. A case in point is that of this Court in *Hong*

Leong Equipment Sdn. Bhd. v. Liew Fook Chuan & another appeal (1996) 1 MLJ 481, where the order of the Court was directed at the Minister of Labour & Manpower involved in an industrial relation dispute. In this respect, we are of the opinion that the learned trial Judge has erred in his ruling on this point. To us, a Minister of a Government in Malaysia is a person holding a public office under the provision of s. 44(1) of the Specific Relief Act.

We shall now discuss the exception proper. From the appellant's application, the order for mandamus sought is to direct the respondent to perform his duty according to s. 33(3) of the GP Act, and that is "to pay to the person entitled or his solicitor the amount appearing by the certificate to be due to him together with interest, if any, lawfully due thereon". But it is the contention of the respondent that by virtue of this exception in s. 44(2)(b) of the Specific Relief Act, the learned High Court Judge has no power to do so. Indeed, we agree that by virtue of this sub-section the Judge is precluded from issuing such orders against the respondent "merely to enforce the satisfaction of a claim upon that Government" by it does not preclude the Judge from directing the respondent by way of mandamus to perform a duty under the law. And this duty is to comply with s. 33(3) of the GP Act which the Government, by virtue of this provision, is required

under the law to pay the appellant. To us, this is not to enforce the satisfaction of a claim upon the Government but a direction to a public servant of that Government to perform a duty required by law of that Government. This is a harmonious and reconciliatory reading of s. 44(2)(b) of the Specific Relief Act with s. 33(3) of the GP Act. Otherwise, the effectiveness of s. 33(3) of the GP Act would be reduced to a nullity particularly when the Government, as an entity, can only act through its public servant.”

The Issues

The Respondent is merely seeking the assistance of the Court to get the State Government to satisfy the judgment sum which was obtained way back in the year 2002. Ordinarily, the procedure to be followed is set out in s. 33 of the GPA which reads as follows –

“33. (1) Where in any civil proceedings by or against the Government or in any proceedings under Chapter VIII of the Specific Relief Act 1950, or in any such proceedings as would in England be brought on the Crown side of the Queen’s Bench Division, or in connection with any arbitration to which the Government is a party, any order (including an order for costs) is made by any court in favour of any person against the Government or against an officer of the Government as

such, the proper officer of the court shall, on an application in that behalf made by or on behalf of that person at any time after the expiration of twenty-one days from the date of the order or, in case the order provides for the payment of costs and the costs require to be taxed, at any time after the costs have been taxed, whichever is the later, issue to that person a certificate in the prescribed form containing particulars of the order:

Provided that, if the court so directs, a separate certificate shall be issued with respect to the costs (if any) ordered to be paid to the applicant.

(2) A copy of any certificate issued under this section may be served by the person in whose favour the order is made upon the person for the time being named in the record as the advocate for the Government or for the Government department or officer concerned.

(3) If the order provides for the payment of any money by way of damages or otherwise, or of any costs, the certificate shall state the amount so payable, and the appropriate Government shall, subject as hereinafter provided, pay to the person entitled or to his solicitor the amount appearing by the certificate to be due to him together with the interest, if any, lawfully due thereon:

Provided that the court by which any such order as aforesaid is made or any court to which an appeal against the order lies may direct that, pending an appeal or otherwise, payment of the whole of any amount so payable, or any part thereof, shall be suspended, and if the certificate has not been issued may order any such directions to be inserted therein.

(4) Save as aforesaid no execution or attachment or process in the nature thereof shall be issued out of any court for enforcing payment by the Government of any such money or costs as aforesaid, and no person shall be individually liable under any order for the payment by the Government or any officer of the Government as such, of any such money or costs.”

In the present case it is not in dispute that the Respondent had complied with the provisions of the said s. 33 but no payment was forthcoming from the Appellant. In the light of that the Respondent applied to the Court by way of judicial review for an order of mandamus to direct the Appellant to make payment of the judgment sum. In respond the Appellant contends that the judicial review does not lie against the Appellant to enforce payment of a judgment sum for to allow such an application would tantamount to allowing enforcement proceeding to be taken against the State Government through the back door.

There is no dispute that under sub-section (3) of s. 33 of the GPA the Appellant is legally obliged to satisfy the judgment sum. This is conceded by the learned State Attorney General, appearing for the Appellant. But having said that he then argued that the said sub-section is expressly subjected to the words in the parenthesis which reads “subject as hereinafter provided”, as contained in the said sub-section. In other words the provisions of sub-section (3) has to be read subject to such impediment or restriction as may thereafter be provided.

Such an impediment is found in sub-section (4) of the s. 33 which states in clear terms that no execution or attachment or process in the nature thereof shall be issued out of any Court for enforcing payment by the Government of any such money or costs as aforesaid and no person shall be individually liable under any order for the payment by the Government or any officer of the Government as such, of any such money or costs. The sub-section opens with the words “Save as aforesaid” which clearly indicate that any enforcement of money judgment against the Government can only be proceeded with in accordance with the provisions as provided earlier. In short the ordinary procedure for enforcement of judgment as between subjects does not apply to the Government. The word “Government” here by definition includes the State Government as in the present case (see s. 2 of the GPA). In my view the words in the parenthesis in sub-section (3) and as further fortified by the opening words of sub-section (4) clearly support the Appellant’s contention

that the ordinary enforcement procedures available as between subjects do not and could not apply to the Government.

The Court of Appeal in its judgment was of the opposite view. It said that the qualifying words of “Save as aforesaid” in sub-section (4) of s. 33 of the GPA must be intended to cater for the preceding sub-sections to mean that execution, attachment or process in the nature thereof for enforcing payment by the Government or its officer can only be instituted after s. 33(1), (2) and (3) of the GPA are satisfied. But after having done so then the prohibition as contained in sub-section (4) would not act as an impediment to the granting of the order prayed for by the Respondent.

In my opinion the word “Save” as used in sub-section (4) means “except” or “other than”. (See Concise Oxford English Dictionary 10th Ed.) Therefore, “Save as aforesaid” would mean that except or other than as provided in the preceding sub-sections (1), (2) and (3), no execution etc. shall be issued against the Government for enforcing payment of any judgment sum or costs as stated in the preceding sub-sections.

Order 73 r 12 of the RHC

The further impediment against this application by the Respondent is found in Ord. 73 r. 12(1) of the RHC which reads –

“(1) Nothing in Orders 45 to 52 shall apply in respect of any order against the Government.”.

Orders 45 to 52 RHC relate to enforcement of judgment and orders.

Therefore by Ord. 73 r. 12(1) it is clear that the general policy of the law is that execution or other process of enforcement do not lie against the Government.

In the case of *Franklin v. The Queen (No. 2) [Court of Appeal] (1974) QB 205*, Order 77 rule 15(1) of the English Rules of Supreme Court (in pari materia to our Order 73 r. 12(1) of RHC) was considered by the court. In that case Franklin applied to examine the Bank of England (as the Registrar) pursuant to the English Rules of the Supreme Court, Order 48 (in pari materia to our Order 48 RHC).

The master granted the order but it was set aside by Shaw J. and on appeal the decision of Shaw J. was affirmed by the Court of Appeal. In reference to the said Order, Shaw J remarked:

“That reflects the general policy of the law that execution or other process of enforcement cannot go against the Crown for it could be derogatory of the royal dignity if it were otherwise. If Ord. 77, r. 15(1) applies to the judgment obtained by Mr. Franklin it must be clear that any process founded upon the provisions of R.S.C., Ord. 48, would not be competent.”

In *Olive Casey Jaundoo v. Attorney-General of Guyana (1971) AC 972*, (the subject matter of the claim does not concern us) the Privy Council in allowing the appeal and remitting the case to the courts of Guyana for disposal on the merit made the following observation –

“.... alternatively, following the precedent of the Crown liabilities Act 1888 of South Africa and the Crown Proceedings Act 1947 of the United Kingdom, the High Court could make an order for payment against the Government of Guyana, but accompanied by a further order that ‘no execution or attachment or process in the nature thereof shall be issued out of any court for enforcing the payment by the Government of Guyana of any such money or cost.’ ”

Their Lords expressed the view that an order in either of these forms would be complied with by the Government of Guyana. (See also *Ng Kim Moi & Ors v. Pentadbir Tanah & Daerah, Seremban, Negeri Sembilan Darul Khusus (2004) 3 CLJ 131*), wherein Gopal Sri Ram JCA in his dissenting judgment held that the acquisition in dispute was null and void but instead of setting aside the acquisition awarded the appellants reasonable compensation, and following *Jaundoo’s* case stated “that no execution or attachment or process in the nature thereof shall be issued out of any court for enforcing the payment by the respondent of any such money or costs.”

To put it shortly by virtue of Ord. 73 r. 12 of the RHC none of the ordinary method of execution as contained in Ord. 45 to 52 would apply against the Government.

Judicial Review Proceeding

That explains the need for this application. It was taken up by the Respondent after failing to get any positive respond from the Appellant for the payment of the judgment sum as per certificate of judgment sum and order for costs dated 20.5.2004. The said certificate having been duly served on the State Attorney General's Chambers and the State Secretary of Sabah by letters dated 21.5.2004 and 29.3.2005 respectively. This was never disputed by the Respondent. The single issue before us is whether an order of mandamus would lie against the Appellant in the light of the legislative inhibitions discussed in the earlier part of this judgment.

The Court of Appeal in its judgment reversing the decision of the learned High Court Judge held that there is no legal impediment for an order of mandamus to be issued against the Respondent. The Respondent contends otherwise. The relief sought by the Respondent is for an order of mandamus under s. 25 and paragraph 1 of the Schedule to the Courts of Judicature Act 1964 (CJA) and for/or under section 44 of the Specific Relief Act 1950 (SRA). The order sought for is directed to the Appellant to perform his statutory

duty under s. 33(3) of the GPA, that is, to satisfy the judgment sum as certified under the Certificate dated 20.5.2004.

The issues at the heart of this appeal are: (a) whether an order of mandamus would lie against the Appellant in this present case; (b) whether there exist a statutory duty on the Appellant to pay arising from s. 33(3) of the GPA.

On the first issue, by definition an order of mandamus is a command issued by the Court to an authority to perform a public duty placed upon it by law. The learned High Court judge in his judgment held that in the present case an order of mandamus cannot be made against the Appellant on two main grounds. One of them is that s. 44(1) of the SRA is directed towards “... Person holdings a public office” and on the authority of *Loh Wai Kong v. Government of Malaysia* (1978) 2 MLJ 175, he held that the Appellant is not a person holding a public office. The term “public officer” is not define in the SRA and the learned Judge in *Loh Wai Kong* relied on the definition of the words as appearing in the Interpretation Act, 1967 (Now Part I of Interpretation Acts 1948 and 1967, Act 388). However, the learned High Court Judge failed to consider that in this case the application was made pursuant to both s. 44(1) of the SRA as well as s. 25 and paragraph 1 of the Schedule to the CJA.

S. 25(2) of the CJA reads:

“(2) Without prejudice to the generality of subsection (1) the High Court shall have the additional powers set out in the Schedule:

Provided that all such powers shall be exercised in accordance with any written law or rules of court relating to the same.”

The Schedule provides:

“SCHEDULE
Section 25(2)
ADDITIONAL POWERS OF HIGH COURT

1 Prerogative writs

Power to issue to any person or authority directions, orders or writs, including writs of the nature of habeas corpus, mandamus, prohibition, quo warranto and certiorari, or any others, for the enforcement of the rights conferred by Part II of the Constitution, or any of them, or for any purpose.”

As noted by Gopal Sri Ram JCA in *Hong Leong Equipment Sdn. Bhd. v. Liew Fook Chuan* (1996) 1 MLJ 481, at page 541:

“I now turn to consider the second and perhaps wider basis of the High Courts’ power in the field of public law remedies. It is paragraph 1 of the Schedule to the Court of Judicature Act 1964 (the Schedule)

As correctly stated the powers conferred by the Schedule upon a High Court are, according to its terms, ‘additional powers’, that is to say, powers in addition to those already seized of by that Court. Resort may therefore be had to paragraphs in the Schedule to found jurisdiction to grant relief not expressly prohibited by written law. This is precisely the approach taken by the Federal Court in *Zainal Abidin v. Century Hotel* (1982) 1 MLJ 260, where it relied upon para 6 of the Schedule to found the necessary jurisdiction.

In *R Rama Chandran v. The Industrial Court of Malaysia* (1997) 1 MLJ 145, Edgar Joseph Jr FCJ at page 195 observed that –

“.... that supervisory review jurisdiction is a creature of the common law and is available in the exercise of the courts’ inherent power but its extent may be determined not merely by judicial development but also by legislative intervention.”

And it has been suggested, and I agree with it, that this power cannot be curtailed by the RHC. (See *Metro Pacific Sdn. Bhd. v. Ketua Pengarah Kesatuan Sekerja* (2001) 4 MLJ 616). On the above premise I would hold that this application may properly be made

pursuant to the power of Court under s. 25 and paragraph 1 of the Schedule to the CJA.

The Merit of the Application

I will now consider the merit of this application. The Respondent contends that s. 33(3) of the GPA on its proper construction creates a statutory duty on the part of Appellant to pay the Respondent the amount appearing on the Certificate to be due to it together with the interest due thereon. This duty the learned counsel for the Respondent contends arose from the use of the mandatory word “shall” in the said subsection. The Appellant on the other hand contends that the word “shall” here is merely directory in effect and not mandatory. I agree that the word “shall” in a statute such as this may carry one of the two meanings as contended. Its true meaning may be obtained by considering the context in which it is used. Here the certificate is issued pursuant to subsection (1) of s. 33 in the circumstances where an order was made by any court in favour of any person against the Government or against any officer of the Government. The Certificate really is an alternative mode of enforcement of judgment against the Government. Like in the instant case judgment had been obtained against the State Government as early as 1.4.2002 and a certificate under s. 33(3) of the GPA was issued on 20.5.2004. Therefore, the certificate is premised on the judgment of court of law, which is binding on the State Government. In that context it cannot be seriously argued that the word “shall” is

merely directory and not mandatory in effect. H.W.R. Wade & C.F. Forsyth in *Administrative Law*, Seventh Edition at pg. 836 stated:

“The Act (referring to the Crown Proceedings Act 1947) also exempts the Crown from the compulsory machinery of law enforcement. This is not in order to enable the Crown to flout the law, but because it would be unseemly if, for example, a sheriff’s execution could be issued against a government department which failed to satisfy a judgment. For the purposes of the Act the Crown must be treated as an honest man, and the ordinary laws must have their teeth drawn. Therefore the Act provides that no execution or attachment or process shall issue for enforcing payment by the Crown.”

Thus it must be brought to bear on the State Government that the GPA is not there to enable the Government to flout the law, it merely provides a special procedure in order to avoid the embarrassment of execution proceeding being taken against the State Government. I think it is reasonable to expect the State Government to act with honour and responsibility and the Appellant in the present case is no exception. I do not wish to go into the issue why the State Government had acted the way they did in the present case. It is never in dispute that the Respondent is in law entitled to the judgment as specified in the certificate. Therefore, I agree with the Respondent that in the context of s. 33(3) of the GPA the word “shall” connotes an obligation to pay. The fact that in s. 33(3) of the

GPA it is provided that 'pending an appeal or otherwise' the Government may apply for a stay or suspension of the payment, would go to further strengthen the Respondent's contention. Had the duty to pay not being mandatory in nature there is no necessity for the Government to apply for a stay or suspension of payment. For the above reasons I am satisfied that in the context of s. 33(3) of the GPA the word "shall" obtaining therein is obligatory in effect.

On that premise I am of the view that once a certificate is issued under s. 33(1) of the GPA and duly served on the State Government it is then obligatory on the State Government to make the necessary payment. In other words s. 33(3) of the GPA creates a statutory duty on the part of the State Government to pay the amount as certified. The next question is whether an order of mandamus may be issued against the Minister of Finance, Government of Sabah, the Appellant in the present case directing the Appellant to pay the sum as stated in the certificate.

The learned State Attorney General, contends that the Appellant is not amenable to the order of mandamus. Among other grounds relied by him in support of his contention is s. 33(4) of the GPA which states:

“(4) Save as aforesaid no execution or attachment or process in the nature thereof shall be issued out of any court for enforcing payment by the Government of any such money or costs as aforesaid, and no person shall be

individually liable under any order for the payment by the Government or any officer of the Government as such, of any such money or costs.”

He contends that the words “... or process in the nature thereof ...” would include the order of mandamus otherwise he says the process would be open to abuse and the Respondent would be able to enforce the payment of the judgment sum through the back door. Having given the matter due consideration I am persuaded to think that those general words must be interpreted *ejusdem generis* with the preceding words. Applying the said approach, I am of the view that the words “... process in the nature thereof ...” found in s. 33(4) of the GPA must be limited to the type of “execution or attachment” obtaining in Orders 45 – 52 of RHC and do not include judicial review proceedings. I believe that, had the legislature intended to include judicial review proceedings within the scope of s. 33(4) of the GPA it could have done so in clear words. In *Kerajaan Malaysia & Ors v. Nasharuddin Nasir* (2004) 1 CLJ 81 at pg. 93, the Federal Court explicitly stated the principle that:

“.... it seems clear that judicial review which is essentially a creature of common law, can be excluded by statutory legislation if the words used are unmistakably explicit.”

And at pg. 95 it says:

“Given the established authorities referred to, it cannot be said that the Federal Court in *Sugumar Balakrishnan* has broken any new ground in determining the extent and scope of ouster clauses. There is no paradigm shift. It has followed entrenched principles which can effectively be summed up as follows: that an ouster clause may be effective in ousting the court’s review jurisdiction if that is the clear effect that Parliament intended; that if the intention of Parliament is expressed in words which are clear and explicit, then the court must give expression to that intention. Clearly, the intention of Parliament is to be garnered from the wordings of the ouster clause.”

In *Sabil Mulia (M) Sdn. Bhd. v. Pengarah Hospital Tengku Ampuan Rahimah & Ors* (2005) 3 MLJ 325, the Court of Appeal at pg 333 stated:

“We now turn to consider the position after 1948. It is axiomatic the Crown Proceedings Act 1948 was passed to improve the position of the citizen vis-a-vis his or her rights against the Crown. As Professor Wade in his article *‘Injunctive Relief against the Crown and Ministers’* (1991) 107 Lq R 4 at 6 says:

The Crown Proceedings Act 1948 was a remedial statute, designed to put the Crown, so far as it could properly be

done, into the position of an ordinary litigant, so that justice could be done without obstruction by the Crown's ancient immunities. As Lord Jauncey said in *British Medical Association v. Greater Glasgow Health Board* (1989) AC 1211 (where, incidentally, Lord Diplock's *Town Investment (Town Investment Ltd. v. Department of the Environment* (1978) AC 359) dicta were once again disregarded), 'the general purpose of the Crown Proceedings Act was to make it easier rather than more difficult for a subject to sue the Crown,' and the extension of immunities would 'run wholly counter to its spirit' ”.

In that case the Court of Appeal held, *inter alia*, that the courts have jurisdiction to grant interim and permanent injunctions against any servant of the Government. It also held that it is too late in the day to argue that s. 29 of the GPA bars the grant of an interlocutory or even an interim injunction against the Government. That is not the issue before us, as such I would not venture to say anything more on this save that the courts have moved away from the traditional stand that no order of injunction may be granted against the Government.

The position now is that the courts in the Commonwealth, Malaysia including, have moved away from the traditionalist approach that the Crown can do no wrong. Therefore, the Courts in the Commonwealth jurisdictions generally have held that the executive arms of the Government is amenable to the judicial review proceedings. In the landmark case of *Council of Civil Service Unions*

v. Minister for the Civil Service (1984) 3 ALL ER 935, HL at pg 953
Lord Roskill said:

“Historically the use of the old prerogative writs of certiorari, prohibition and mandamus designed to establish control by the Court of King’s Bench over inferior courts or tribunals. But the use of those writs, and of their successors, the corresponding prerogative orders, has become far more extensive. They have come to be used for the purpose of controlling what would otherwise be unfettered executive action whether of central or local government ... this branch of public or administrative law has evolved, as with much of our law, on a case by case basis and no doubt hereafter that process will continue. Thus far this evolution has established that executive action will be the subject of judicial review on three separate grounds ...”

In the local case of *Teh Cheng Poh v. Public Prosecutor* (1979) 1 MLJ 50 the Privy Council intimated that even though under Art. 32(1) of Federal Constitution the Yang di Pertuan Agong is immuned from any proceedings whatsoever in any court, therefore, an order of mandamus would not lie against his Majesty but that would not prevent a mandamus be granted against the members of the Cabinet requiring them to advise the Yang di Pertuan Agong to act in a certain way.

In *Abdul Ghani Ali & Ors v. PP & Anor Appeal* (2001) 3 CLJ 769, the Federal Court adopted the view of the Privy Council that in so far as Art. 150(1) of the Federal Constitution is concerned, the Yang di Pertuan Agong has to act on the advice of the Cabinet.

Reverting to the issue in the present case, it would appear that under s. 33(4) of the GPA the Government is excluded from the ordinary enforcement procedure but on the other hand by s. 33(3) of the GPA the Government is under a statutory duty to pay the judgment sum as stated in the Certificate. This duty to pay under s. 33(3) of the GPA is clearly a statutory duty which is binding on the State Government.

The Appellant in the present case, as the Minister in charge of financial matters for the State is naturally responsible for the payment of the judgment sum. An order of mandamus may, in the circumstances, be issued to enforce such a compliance by the Appellant. This proposition flows from the judgment of L. Denning in *Franklin v. the Queen* (supra), where the judgment creditor took out a summons under Ord. 48 of the English RSC to examine the relevant officer of the Government of Southern Rhodesia to determine the financial resources available to the Government to satisfy his judgment. Shaw J set aside the order of the master granting such leave on the premise that it was barred by the English equivalent of our Order 72 rule 12 and his decision was affirmed by the Court of Appeal.

L. Denning said at pg 217:

“If it is found in those proceedings that there are any moneys available in addition to the £41, one can be quite sure that the Bank of England will pay them over in accordance with the statute. **If they did not do so, a mandamus would lie to compel them.**” (Emphasis added)

At pg 218 he made the following observation:

“That is enough to decide this case. But I would add this: in my opinion RSC, Ord. 48, r. 1, applies only to judgments or orders as between subjects. It has no application whatever to petitions of right against the Crown. A decision on a petition of rights is not a “judgment or order for the payment ... of money.” It is not a mandatory order. It is more in the nature of a declaratory order that a person is entitled to particular moneys. It has never had to be enforced by means of a writ of execution. It is always presumed that, once a declaration of entitlement is made, the Crown will honour it. And it has always done so. Furthermore the Crown is not a “judgment debtor” in any sense of the words. In addition, RSC, Ord. 77, r. 15, says that nothing in Orders 45 to 52 – which include Ord. 48 – shall apply in respect of any order against the Crown.” (Emphasis added)

In the United Kingdom it is settled law that the Crown has a duty to obey the law as declared by the Courts. (See *Reg. v. Secretary of State for Transport, Ex parte Factortame Ltd.* (1990) 2 A.C. 85). Likewise in Malaysia the Government, be it the Federal Government or the State Government, is subordinated to the law. As His Royal Highness Azlan Shah FCJ (as he then was) candidly stated in *Loh Kooi Choon v. Government of Malaysia* (1977) 2 MLJ 187 at pg 188:

“The Constitution is not a mere collection of pious platitudes. It is the supreme law of the land embodying 3 basic concept: One of them is that the individual has certain fundamental rights upon which not even the power of the State may encroach. The second is the distribution of sovereign power between the State and the Federation, that the 13 States shall exercise sovereign power in local matters and the nation in matters affecting the country at large. The third is that no single man or body shall exercise complete sovereign power, but that it shall be distributed among the Executive, Legislative and Judicial branches of Government, compendiously expressed in modern terms that we are a government of laws, not of men.”

On the power to enforce the law by injunction or contempt proceedings against a Minister the House of Lords speaking through Lord Templeman in *In re M* (1993) 3 CLJ 567 at pg 571 stated:

“My Lords, the argument that there is no power to enforce the law by injunction or contempt proceedings against a Minister in his official capacity would, if upheld, established the proposition that the executive obey the law as a matter of grace and not as a matter of necessity, a proposition which would reverse the result of the Civil War.”

On the question of whether the prerogative remedies could be obtained against the named minister of the Crown, Lord Woolf in his speech observed as follows:

“The prerogative remedies could not be obtained against the crown directly as was explained by Lord Denman CJ in *Reg. v. Powell* (1841) 1 QB 352:

... both because there would be an incongruity in the Queen commanding herself to do an act, and also because the disobedience to a writ of mandamus is to be enforced by attachment.

Originally this difficulty could not be avoided by bringing the proceedings against named Ministers of the Crown

(*Reg. v. Lords Commissioners of the Treasury* (1872) LR 7 QB 387). But, where a duty was imposed by statute for the benefit of the public upon a particular Minister, so that he was under a duty to perform that duty in his official capacity, then orders of prohibition and mandamus were granted regularly against the Minister. The proceedings were brought against the Minister in his official name and according to the title of the proceedings by the Crown. The title of the proceedings would be *Reg. v. Minister, Ex parte the applicant* (as is still the position today), so that unless the Minister was treated as being distinct from the Crown the title of the proceedings would disclose the “incongruity” of the Crown suing the Crown. This did not mean that the Minister was treated as acting other than in his official capacity and the order was made against him in his official name. In accordance with this practice there have been numerous cases where prerogative orders, including orders of prohibition and mandamus, have been made against Ministers. This was accepted by Mr. Richards as being the position prior to the introduction of judicial review and I will merely refer to one authority, *Reg. v. The Commissioners of Customs and Excise, Ex parte Cook and Anor.* (1970) 1 WLR 450 (which was not cited in *Factortame*) to illustrate the position, Lord Parker, CJ described the then situation of which he had great experience (at p. 455). He said:

“Accordingly, one approaches this case on the basis, and I confess for my part an alarming basis, that the word of the Minister is outweighing the law of the land. However, having said that, one moves on to the far more difficult question whether *mandamus* will lie. It is sometimes said as a general proposition that *mandamus* will not lie against the Crown or an officer or servant of the Crown. I think we all know in this day and age that that as a general proposition is quite untrue. There have been many cases, of which the most recent is *Padfield v. Minister of Agriculture, Fisheries and Food* (1968) AC 997 in which a *mandamus* was issued to a Minister. Indeed, that has always been the case, as can be seen since as long ago as 1850 when in *Reg. v. Commissioners of Woods, Forests, Land, Works and Buildings, Ex parte Budge* (1850) 15 QB 761, Sir Frederick Thesiger expressed the proposition in argument in this form, at p. 768:

‘Whenever a person, whether filling an office under the crown or not, has a statutory duty towards another person, a *mandamus* will lie to compel him to perform it.’

Those words of Sir Frederick Thesiger were in fact adopted by Cockburn CJ.

There are, of course, cases in which it has been held that a servant or officer of the Crown may have as his only duty a duty towards the Crown. That, indeed, was the deciding factor in *Reg. v. Lords Commissioners of the Treasury* (1872) LR7 QB 387; but equally there are other cases, for example, *Rex v. Income Tax Special*

Purposes Commissioners, Ex parte Dr. Barnado's Homes National Incorporated Association (1920) 1 KB 26, and the well known case of *Reg. v. Income Tax Special Purpose Commissioner* (1888) 21 QB 313, which show quite clearly that where by statute an officer or servant of the Crown has also a duty towards a member of the public, then provided that member of the public has a sufficient interest, *mandamus* will lie.”

The above quoted observation in my opinion equally applies to us. Relying on the power as conferred on the High Court by paragraph I of the Schedule of the CJA which is described as additional powers of the High Court, the Court of Appeal in *Hong Leong Equipment Sdn. Bhd. v. Liew Fook Chuan* (1996) 1 MLJ 481, at pg. 542 referring to the said Schedule stated:

“The powers conferred by the Schedule upon a High Court are, according to its terms, ‘additional powers’, that is to say, powers in addition to those already seized of by the Court. Resort may therefore be had to paragraphs in the Schedule to found jurisdiction to grant relief not expressly prohibited by written law. This is precisely the approach taken by the Federal Court in *Zainal Abidin v. Century Hotel* (1982) 1 MLJ 260, where it relied on para 6 of the Schedule to found the *Mareva* jurisdiction.”

At pg. 543, the learned Judge opined:

“Third, it is plain that Parliament intended that the High Court should be empowered to grant relief which is ordinarily beyond the scope of the usual public law remedies. That intention finds expression in the word ‘*including*’ which has been interposed between the phrase ‘directions, orders or writs’ and the phrase ‘writs of the nature of habeas corpus, mandamus, prohibition, quo warranto and certiorari, or any others’. So too, the phrase ‘or for any other purpose’, with which the paragraph concludes, makes clear the wide area in which the remedies are to operate. These matters, in my judgment, reflect the conferment of a wide power upon the High Court in the matter of public law remedies.”

At page 545 the learned Judge concluded by saying:

“Here, as earlier observed, the Minister had but two alternatives open to him. He could either refer or decline to do so. He elected the latter course and exhausted so much of the power as distinctly relates to that choice. So, all that is left is the power to refer, which, I am satisfied, is amenable to mandamus. In the circumstances, I am unable to accede to the submissions of counsel directed against the order of mandamus made by the learned judge.”

From the above, the position in law is that, there is a duty on the part of Government to pay the amount stated in the Certificate issued under s. 33(3) of the GPA to the Respondent. It is not a matter of discretion for the Government whether to pay or not to pay. As a statutory duty it is of course binding on the State Government. And it is incumbent upon the Court to give effect to such statutory duty and if necessary through the coercive force of the order of mandamus.

The next question is, should the Court in the present case grant such an order. This will turn on the facts and circumstances of each individual case. The chronology of the case shows that, the judgment was dated 1st of April 2002 and the Certificate under s. 33(3) of the GPA was issued on 20th May 2004. It was duly served on the State Attorney General's Chambers vide letter of 21st May 2004. The State Secretary Sabah, was also served with the Certificate vide letter of Respondent's solicitors dated 29th March 2005.

These demands for payment received, what I would say, an indifferent response from the Government or its agency. The Under Secretary Monitoring Public Agencies and State Investment Section to the Ministry of Finance of the State Government in his affidavit in opposition filed in these proceedings stated:

“In any event, despite the existence of the said Judgment the Respondents undertakes to make payment to the principle sum and thereat the interest payable as soon as

funds is made available without prejudice as to any possibility for an amicable settlement that may be available and which is acceptable to the Applicant.”

The response is a clear reflection of the little respect, if any, that the Government has for the Certificate. The learned High Court Judge in his judgment expressed his disapproval over the conduct of the State Government in the following words:

“The Applicant is not alone because there are others who have variously obtained judgments, decisions or awards against the Government of the State of Sabah which remain barren to this day. I do not propose to speculate on how much longer the Government of the State of Sabah can continue to defy the law and play the ostrich before it undermines the basis of its very existence. I would certainly eschew a discussion on the wisdom, or lack of it, of the abject recalcitrance of the Government of the State of Sabah in these circumstances. I need not say more, except lament the hollowness of the salutary expression of Lord Denning in FRANKLIN at p 871 – *“It is always presumed that, once a declaration or entitlement is made, the Crown will honour it. And it has always done so.”*, - and my misfortune in being placed in a situation where the Court is helpless to put right what is clearly an unmitigated wrong.”

But, for the reasons given above, I disagree with the learned Judge that the Court is helpless or powerless to put right what is plainly wrong in law. Lack of fund is no excuse, as the Constitution of the State of Sabah in Article 29(2) stipulates that any moneys required to satisfy any judgment, decision or award against the State by any Court or Tribunal shall be charged and paid out of the Consolidated Fund. Therefore, the money need not be provided for through any supply bill, as it is chargeable directly to the State's Consolidated Fund. In the final analysis I find no excuse whatsoever for the Appellant not to comply with the certificate issued under s. 33(3) of the GPA.

Conclusion

For the above reasons I am of the view that there are ample grounds in support of this application, therefore, in the circumstances I agree with the Court of Appeal that an order of mandamus be issued against the Appellant. Accordingly I would, therefore, dismiss this appeal with costs.

My learned brother Hashim Yusoff FCJ has read this judgment in draft and has expressed his agreement with it.

Dated: 2nd July 2008

(DATO' ARIFIN BIN ZAKARIA)
Federal Court Judge
Malaysia

Date of Hearing : 26.2.2008

Date of Decision : 2.7.2008

Counsel for Appellant : Roderic Fernandez &
Mohd. Hanafiah bin Mohd. Kassim

Solicitors for Appellant : State Attorney-General
State Attorney-General's Chambers
8th & 9th Floors, Menara Tun Mustapha
88990 Kota Kinabalu

Counsel for Respondent : Chen Kok On

Solicitors for Respondent : Messrs. Peter Lo & Co.
Advocates & Solicitors
2nd Floor
Standard Chartered Bank Building
P.O. Box 683
90707 Sandakan