THEORIES AND PRINCIPLES UNDERLYING THE DEVELOPMENT OF THE COMMON LAW – THE STATUTORY ELEPHANT IN THE ROOM

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Law cannot be treated purely as an intellectual system, a game to be played by scholars whose aim is to produce a perfectly harmonious structure of rules. It is something which operates at a practical level in society, and has to be understood as such.¹

I INTRODUCTION

The truth stated by Professor Ibbetson is recognised in the theme of this issue of the University of New South Wales Law Journal: The Practical Significance of the Theories Guiding the Development of the Common Law. This article seeks to expose and explain the consequences of two unstated major premises of that theme: what does it mean, in this age of statutes, to speak of the ‘common law’ and what does it mean to speak of its ‘development’?

This article contends that it is unhelpful in this context to speak of ‘common law’ and its ‘development’. It is unhelpful because of the central role of statutes. Most of what is actually occurring in the legal system is the construction and application of statutes. A great deal of what is simplistically described as ‘common law’ is the historical product of, or response to, statutes. And much of the contemporaneous ‘development’ in the day-to-day workings of courts in fact involves a process of harmonisation informed by statutory norms. Even when a court decides not to alter the law, the role of statutes can be influential.

In short, statutes are an under-appreciated component in the academic literature on the Australian legal system: their role lies not merely in stating

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norms of law, but in influencing judge-made law and as a critical driver of change and restraint in the Australian legal system. The sooner critical attention is paid to the statutory elephant in the room, the better. The position has long been different in the United States, where ‘[t]he interaction between statutes and the unwritten law has been a constant subject of academic inquiry … drawing sophisticated commentary from distinguished scholars and jurists alike.’ The first half of this article is directed to the role of statutes in the Australian legal system.

As an intellectual exercise, one can ignore statutes and construct various classifications of judge-made rules, and debate their merits, as well as their taxonomy and nomenclature. It can be useful for undergraduates to do so, because it is sensible to teach the simple before the complex, and because the focus on ideas and analogies and themes in judge-made law is far more attractive than the relentless verbalism of statutes. But the Australian legal


system operates very differently in practice. In truth the legal system is not and never has been logical or meticulously rational, not least because its practical operation has long been driven by statutes, and increasingly so in recent decades. As it turns out, the processes by which courts respond to statutes, which are aspects of courts’ constant striving for coherence – reflecting, to use Chief Justice Traynor’s typically Californian metaphor, the ‘continuity script of the common law’ – are also interesting and intellectually engaging. Although Professor Beatson has described the dominant view in common law systems of the relationship between common law and legislation as the ‘oil and water’ approach, and ‘a form of legal apartheid’,7 the second half of this article seeks to justify a more holistic approach, which better explains what courts are actually doing in the search for coherence.

II ‘COMMON LAW’

‘Common law’ is a deeply attractive, but also a deeply misleading concept. What is commonly thought of as ‘common law’, namely, the various bodies of judge-made law, including equity and admiralty, taught in law schools and written about in law books is and always has for the most part been sourced in statute and is unintelligible without reference to statute. Most of the time, as Windeyer J said, ‘it is misleading to speak glibly of the common law in order to compare and contrast it with a statute’.10 It is misleading because it distracts attention from what Gummow J called the ‘supreme importance of statute law’ in most areas of conduct (for example, taxation, company law, aviation law, occupational health and safety, industrial law, bills of exchange, family law, crime, consumer protection, migration, partnership, bankruptcy, real and personal property, assignment,

6 Roger J Traynor, ‘The Unguarded Affairs of the Semikempt Mistress’ (1965) 113 University of Pennsylvania Law Review 485, 489–90 (‘[J]udges are called upon to interpret all manner of statutes and to fit more and more pieces of statutory law into the continuity script of the common law’); see also, Traynor, above n 3, 401.
7 Beatson, ‘Has the Common Law a Future?’, above n 2, 308.
8 I am putting to one side for reasons of concision the attractive and powerful notion, not unrelated to the thesis of this article, that the common law is best defined not by reference to its content, but as a ‘practised framework of practical reasoning’: see H Patrick Glenn, On Common Laws (Oxford University Press 2005) 31–2, citing G Posterma, ‘Philosophy of the Common Law’ in J Coleman and S Shapiro (eds) The Oxford Handbook of Jurisprudence and Philosophy of Law (Oxford University Press, 2002) 588, 596 and M A Eisenberg, The Nature of the Common Law (Harvard University Press, 1988) 154, 156.
9 In this context, where the focus is on judge-made law and enacted law, ‘equity is just another form of common law’: A W B Simpson, Legal Theory and Legal History: Essays on the Common Law (Hambledon Press, 1987) 359–83. At a lower level of abstraction, it makes sense to distinguish separate bodies of common law and equity: see, eg, Mark Leeming, ‘What is a Trust?’ (2009) 7 Trusts Quarterly Review 5, 12–13; Mark Leeming, ‘Equity, the Judicature Acts and Restitution’ (2011) 5(3) Journal of Equity 199, although this article (save for this sentence) follows Lord Walker's approach in respect of ‘the “I” word’ fusion, and ‘do[es] not even think of going there’: Walker, above n 2, 234.
10 Gammage v The Queen (1969) 122 CLR 444, 462.
11 Sons of Gwalia Ltd v Margaretic (2007) 231 CLR 160, 186 [35].
defamation, not to mention civil and criminal procedure). As Finn J has said, ‘we live in an age of statutes and … it is statute which, more often than not, provides the rights necessary to secure the basic amenities of life in modern society.’\textsuperscript{12} That is no new thing. Sir Henry Maine wrote that ‘[t]he capital fact in the mechanism of modern states is the energy of legislatures,’\textsuperscript{13} although its impact has taken time to filter through. One example is the dilution of the principle that unmistakable clarity is required before legislation is found to have changed the common law to one that is now of ‘minimal weight’\textsuperscript{14}. It is trite to say that most of what lawyers advise, counsel argue, and courts decide, is the construction and application of statutes. I am echoing Stephen Gageler’s emphatic opening sentence:

Most cases in most courts in Australia are cases in which all or most of the substantive and procedural law that is applied by the court to determine the rights of the parties who are in dispute has its source in the text of a statute.\textsuperscript{15}

Sometimes it is hinted that those swathes of law are second-rate compared to tort, contract, equity and restitution; the latter are harder or purer or more important, perhaps because they are less influenced by statute. Roscoe Pound said in 1908 that ‘it is fashionable to preach the superiority of judge-made law.’\textsuperscript{16} Professor Cheshire wrote in 1935 of the virtue of private international law that ‘it has been only lightly touched by the paralysing hand of the Parliamentary draftsman.’\textsuperscript{17} Of the same flavour is Peter Birks’ statement 60 years later that ‘the alphabet serves well for contextual categories, all the law about aviation, banking, construction, dogs, education and so on.’\textsuperscript{18} To be sure, Birks was not demeaning the practical importance to litigants or the operation of the legal system, but was instead claiming that the best way to understand the interrelationship across different areas of the law was in areas unaffected by statute, reflecting a long-standing tradition in legal education, commonly associated with Christopher Columbus Langdell’s reign at Harvard.\textsuperscript{19}

But the suggestion that select areas of private law have some elite status is triply wrong, in my respectful view. First, a great deal of what is often regarded as ‘common law’ (including equity) either arose in statute or as a

\begin{itemize}
\item \textsuperscript{12} \textit{Buck v Comcare} (1996) 66 FCR 359, 364–5.
\item \textsuperscript{13} Sir Henry Sumner Maine, \textit{The Early History of Institutions} (John Murray, 6th ed, 1893) 398, cited in Roscoe Pound, above n 3, 403.
\item \textsuperscript{14} \textit{R v Janceski} (2005) 64 NSWLR 10, 23 [62] (Spigelman CJ); \textit{Gumana v Northern Territory} (2007) 158 FCR 349, 374 [96] (French, Finn and Sundberg JJ).
\item \textsuperscript{15} Gageler, above n 2, 1.
\item \textsuperscript{16} Pound, above n 3, 383–4.
\item \textsuperscript{18} Peter Birks, ‘Definition and Division: A Meditation on \textit{Institutes} 3.13’ in Peter Birks (ed), \textit{The Classification of Obligations} (Clarendon Press, 1997) 1, 33.
\item \textsuperscript{19} See William P LaPiana, \textit{Logic and Experience: The Origin of Modern American Legal Education} (Oxford University Press, 1994) 79 ff.
\end{itemize}
response to statute. Consider the law of trusts, or part performance, or defamation, or contributory negligence, or negligence *simpliciter* in a legal environment dominated by civil liability legislation and statutory norms of conduct in workplaces, roads, buildings and most everywhere, such that the existence and breach of duty and causation and damages are often decisively influenced by statute. Because it will serve to illustrate the complexity and dynamism of the legal system discussed further below, an example of the interplay between statute and judge-made law, even in the heartland of contract and equity, is provided below. It would be very easy to multiply examples.20

Secondly, no doubt swathes of statutory law lack the complexity brought about by decades or centuries of litigation and analysis, although there is ample scope for analysis and complexity in just as many other areas dominated by statute (consider employers’ liability, or admiralty, or civil aviation, or bankruptcy). 21 After all, ‘[o]nce a statute has been in force for a few years, a cluster of decisions begins to build up around it which bears some resemblance to the common law itself.’ 22 But it is far from self-evident that areas of law relatively untouched by statute are more worthy of study and analysis; why is what some call the ‘law of obligations’ – itself a recent

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20 For example, criminal conspiracy is derived from thirteenth century statutes as explained by McHugh J in *Peters v The Queen* (1998) 192 CLR 493, 513–15; the changing role of duplicity in courts exercising summary jurisdiction following Sir John Jervis’ Acts is considered in *Environmental Protection Authority v Truegain Pty Ltd* [2013] NSWCCA 204, [36]–[52]; the law of charity turns upon the preamble to the *Statute of Charitable Uses 1601*, 43 Eliz 1, c 4 by what Lord Macnaghten described in *Commissioners for Special Purposes of the Income Tax v Pemsel* [1891] 1 AC 531 as a ‘singular construction’, and in a sense the whole of the law of trusts is a response to the *Statute of Uses 1535*, 27 Hen 8, c 10: the repeal of the latter (by the *Imperial Acts Application Act 1969* (NSW)) did not destroy the institution developed by equity; cf part performance in the United Kingdom (see Part III below).

21 Lawyers as distinguished as Harold Glass and Michael McHugh chose to write about the body of law created since 1837 on employers’ liability in part because it was conceptually challenging: see Harold H Glass and Michael H McHugh, *The Liability of Employers in Damages for Personal Injury* (Law Book, 1966). *CSL Australia Pty Ltd v Formosa* (2009) 261 ALR 441 shows that the starting point for analysis in a slip and fall case on a bulk carrier is that the negligence claim is a general maritime lien, engaging the federal jurisdiction invested by the *Admiralty Act 1988* (Cth). The international character of admiralty and maritime law is demonstrated by James Allsop, ‘Maritime Law: The Nature and Importance of its International Character’ (2010) 84 *Australian Law Journal* 681. The regulation of civil aviation through the series of multilateral treaties (chiefly those of Paris, Warsaw, Chicago, Guadalajara and Montreal), the federal, state and territory statutes implementing those treaties, and the body of largely uniform international law construing them is more modern, but is equally worthy of analysis: see, eg, *Povey v Qantas Airways Ltd* (2005) 223 CLR 189, 202–3 [26] (Gleeson CJ, Gummow, Hayne and Heydon J). Part of what underlies the term ‘jurisdiction in bankruptcy’ may be seen in *Meriton Apartments Pty Ltd v Industrial Court of NSW* (2008) 171 FCR 380, 400–8 [88]–[116] (Greenwood J), 422–8 [178]–[197] (Perram J).

invention, central aspects of which were radically refashioned in the nineteenth and twentieth centuries—qualitatively different and superior?

Thirdly, the notion of a legal system being reduced to a regularly ordered taxonomy is not even close to reflecting reality. Long ago, Frederick Pollock rejected Holmes’ attempts to define the duty to keep a contract as meaning ‘that you must pay damages if you do not keep it – and nothing else’ by reference to the tort of inducing a breach of contract, in revealing language:

Thus Lumley v Gye, and your cases as well as ours which have confirmed it, would be all wrong. But this is surely not now arguable except in the Langdellian ether of a super-terrestrial Common Law where authority does not count at all.24

The thesis propounded by Brian Simpson, echoing Holmes’ famous introduction to The Common Law (which in turn derives from an anonymous, hostile, notice he had written of Langdell’s contract casebook) has obvious force, or so it seems to me:

How then are we to view the positivists’ notion of the common law as a body of rules, forming a system in that the rules satisfy tests of validity? We must start by recognizing what common sense suggests, which is that the common law is more like a muddle than a system, and that it would be difficult to conceive of a less systematic body of law.27

All this is a natural consequence of a legal system whose norms are statutes of general application enacted by different levels of government, and by

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24 Letter from Sir Frederick Pollock to Oliver Wendell Holmes, 17 September 1897 in Mark DeWolfe Howe (ed), The Pollock-Holmes Letters: Correspondence of Sir Frederick Pollock and Mr. Justice Holmes 1874–1932 (Cambridge University Press, 1942) vol 1, 80.

25 O W Holmes Jr, The Common Law (Macmillan, 1882) 1:

The life of the law has not been logic: it has been experience. The felt necessities of the time, the prevalent moral and political theories, intuitions of public policy, avowed or unconscious, even the prejudices which judges share with their fellow-men, have had a good deal more to do than the syllogism in determining the rules by which men should be governed.

26 ‘The life of the law has not been logic: it has been experience … The form of continuity has been kept up by reasonings purporting to reduce every thing to a logical sequence; but that form is nothing but the evening dress which the newcomer puts on to make itself presentable according to conventional requirements … [T]he law finds its philosophy not in self-consistency, which it must always fail in so long as it continues to grow, but in history and the nature of human needs.’ See G Edward White, Justice Oliver Wendell Holmes: Law and the Inner Self (Oxford University Press, 1993) 148–51, citing Oliver Wendell Holmes, ‘Book Notice’ (1880) 14 American Law Review 223.

27 A W B Simpson, above n 9, 381.
governments with different policy objectives, and court decisions whose reasons are formulated to resolve particular controversies.

III    PART PERFORMANCE: AN EXAMPLE OF THE INTERPLAY OF STATUTE AND COMMON LAW

An overview of part performance is readily sketched. The Statute of Frauds prevented actions on contracts for the sale of lands and other interests in land without writing signed by the person sought to be charged or that person’s agent. But “[n]o sooner had the Statute of Frauds been enacted in 1677 than the courts set about relieving persons of its effect in cases where it was thought that the legislation could not have been intended to apply.” One of those cases was where there had been ‘part performance’. If there were acts unequivocally referable to a contract of the kind alleged, then specific performance might be obtained. Hence the summary by the High Court:

The doctrine of part performance is expressed in three centuries of case law which has the effect of allowing specific performance of a contract which on its face the Statute of Frauds renders unenforceable.

A critic might object that part performance has scarcely been chosen at random: part performance is an exceptional example of judge-made law responding to statute. There is some force in the criticism, but there are two distinct answers to it for the purposes of this article. First, the interplay between statute and judge-made law was and is far more complicated than summarised above, and secondly, there is similar interplay even in areas central to contract, tort and restitution. Each is addressed in turn immediately below.

A    Ongoing Interplay between Statute and Court Decisions

This article is not concerned with the ‘immense body of case law’, which Professor Simpson said was of ‘little intellectual interest’ generated by the 1677 Statute. Instead, it makes four observations about the interplay between court decisions and the statute. First, part performance preceded the Statute of Frauds.

28 Statute of Frauds (1677) 29 Car 2, c 3: No action shall be brought to charge any person, upon any contract or sale of lands, tenements or hereditaments, or any interest in or concerning them, unless the agreement upon which such action shall be brought, or some memorandum or note thereof, shall be in writing, and signed by the party to be charged therewith, or some other person by him lawfully authorized (‘Statute of Frauds’).


Frauds. As Bryson JA has shown, there are at least three decisions before 1677 where part performance was considered, and Lord Nottingham’s Prolegomena on Chancery and Equity, which was probably written before the Statute was enacted, referred to the concept. The editor of Nottingham’s cases wrote that ‘[t]he question probably never came before [Lord Nottingham] because it was a matter of assumption, quite correctly, that the Statute did not apply where the contract had been executed in part.’ Ultimately, most legislatures responded to the exception recognised in equity and included it expressly in more modern re-enactments. Even so, the result is complex and nuanced. For in places like Western Australia where the original Statute continues to apply, or Tasmania where it has been re-enacted verbatim, with no part performance exception being added, the judge-made doctrine continues to be available. On the other hand, the part performance exception in section 40(2) of the Law of Property Act 1925 was not repeated in the Law of Property (Miscellaneous Provisions) Act 1989, which has been treated as causing two and a half centuries of law to disappear. Thus, Western Australia and Tasmania share with the United Kingdom a statutory command against enforcing oral contracts for the sale of interests in land, but because of the different legislative history, the court-fashioned exception is available in the former but not the latter. The different legislative history mattered.

Thirdly, the consequences of the 1989 amendment in the United Kingdom go well beyond the doctrine’s removal. One is that a deposit of title deeds by way of security no longer creates a valid equitable mortgage, on the footing that the security was contract-based and therefore controlled by the statute. Another is a slew of cases seeking to take advantage of the remaining exception relating to

34 Khoury v Khouri (2006) 66 NSWLR 241, 262–3 (‘Khoury’).
35 D E C Yale (ed), Lord Nottingham’s Chancery Cases (Selden Society, 1957) vol 1, ciii (introduction). Bryson JA continued: ‘[t]he first reported decision which associates part performance with the Statute of Frauds is Butcher v Stapely where Jeffreys LC (whose place in history does not arise from a reputation as an Equity lawyer) seems to have treated the association as obvious’: Khoury (2006) 66 NSWLR 241, 263 [74], citing Butcher v Stapely (1685) 1 Vernon 363; 23 ER 524.
37 For example, Lighting by Design (Aust) Pty Ltd v Cunnington Nominees Pty Ltd [2008] WASC 23, [45]–[51] (Pullin JA, dissenting), [82]–[87] (Buss JA), [194]–[202] (Le Miere JA); Williams v Coleman (1936) 31 Tas LR 1, 10 (Clark J).
38 Mercantile Law Act 1935 (Tas) s 6.
constructive trusts, sourced in estoppel or other forms of unconscientious conduct. Typically of the sort of flow-on effects of statutory change, it is doubtful that they could have been perceived at the time the amendment was made; this is a topic to which this article returns, because it is an important element of the interaction between statute and common law.

Finally, in most Australian states and territories, including New South Wales, the statutory exception endures, and is not only to be found in section 54A(2) of the Conveyancing Act 1919 (NSW) as a qualification to the modern counterpart to the Statute of Frauds, but also in section 23E(d), which deals with the effectiveness of assignments, rather than contracts, and is not confined to interests in land. It is not clear what turns on the proposition that part performance is unaffected in relation to an assignment of personal property. More generally, the relationship between the two gives rise to considerable controversy. It is easy to see that section 23E(d) applies to an equitable charge created by agreement, but more generally the interrelationship remains unclear.

B Similar Interplay Occurs Throughout the Law

The claim that a similarly complex interplay may be seen even in areas of law, which are relatively untouched by statute is a large one, and obviously the extent of the interplay varies depending on the area. But take a simple Woolwich claim for the recovery of an overpaid tax. Analysis in Australia commences with the terms of the statute pursuant to which the tax was levied.

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43 As much is illustrated by Adamson v Hayes (1973) 130 CLR 276 and Grey v Inland Revenue Commissioners [1960] AC 1, as was held in PT Ltd v Maradona Pty Ltd (No 2) (1992) 27 NSWLR 241, 250–2 (Giles J); Warner v Hung (No 2) [2011] FCA 1123 [129] (Emmett J).

44 The existence of the doctrine of part performance is expressly recognised in the terms of the Conveyancing Act, not only in relation to s 54A which is the successor to s 4 of the Statute of Frauds, but also in relation to s 23C, which is the successor of provisions in relation to which part performance appears to have been little discussed, if discussed at all. Part performance of a contract is a subject relating to enforcement of contracts such as s 54A deals with, and less readily can be seen as a subject relating to the effectiveness of assurances; yet if an assurance was given under a contract there seems to be room to remedy any defect by specific performance, and hence for the operation of doctrine of part performance in relation to s 23C.

45 For example, see Moloney v Coppola [2012] NSWSC 728 [25]–[41] (Nicholas J).


47 Woolwich Equitable Building Society v Inland Revenue Commissioners [1993] 1 AC 70.

48 Commissioner of State Revenue (Vic) v Royal Insurance Australia Ltd (1994) 182 CLR 51, 64–6 (Mason CJ), 84–7 (Brennan J).
Regard to state and territory recovery of imposts legislation will be needed, in relation to limitation periods, defences of passing on and change of position, and, if the claim is in federal jurisdiction, that will require in turn attention to section 79 of the *Judiciary Act 1903* (Cth). Standing behind any such claim against the Commonwealth or a state is the legislative or constitutional provision which removes any immunity from suit. Or take a purely contractual claim. It is possible, but in my experience unlikely, that the whole justiciable controversy of which the claim forms part can be resolved without regard to state and federal laws directed to implying terms into the contract, or special laws relating to particular contracts (such as insurance, or agency, or the provision of credit), or the broad provisions of the *Competition and Consumer Act 2010* (Cth) which may render the pre-contractual dealings misleading or deceptive thereby giving rise to rights to damages and to reformulate or rescind the contract. It is surely unnecessary to state the ways in which most tortious liability has been altered, dramatically, by statute. And obviously the whole of the law of remedies has been fundamentally altered in its practical operation by regulatory and consumer statutes, such that it makes sense to ask whether remedies at general law have been influenced. Considerations like those suggest it is also worth looking more closely at what might be meant by ‘development’.

### IV DEVELOPMENT

‘Development’, no differently from ‘common law’, is also a deceptively ambiguous word, in law and elsewhere. Property developers have contributed much to the last two centuries of Australian history, but they are on the whole an unloved class of entrepreneurs (their large contribution to private law

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49 See for example *Meriton Apartments Pty Limited v Council of the City of Sydney (No 3)* (2011) 80 NSWLR 541, 564–72 [122]–[164] (Pepper J).
52 *Accounting Systems 2000 (Developments) Pty Ltd v CCH Australia Ltd* (1993) 42 FCR 470; *Campbell v Backoffice Investments Pty Ltd* (2009) 238 CLR 304, 322 [34]–[36] (French CJ). Contrast Birks’ downplaying of an ‘ambiguous statutory jurisdiction’ to give damages in lieu of rescission (referring to Lord Cairns’ Act): Birks, ‘Definition and Division’, above n 18, 27; statutory damages in the Australian legal system are regularly at the forefront of a plaintiff’s claim.
54 See Dietrich and Middleton, above n 2. See further Part V below.
and some of their efforts are bad, or at least arguably bad. When considering development within a legal system, caution is needed for the same reason: how to tell? It is often debatable whether a new statute or a new judicial decision is a ‘forward’ or a ‘retrograde’ step, and not merely because different commentators have different values and different expectations of how a change in law will play out, but also because it is difficult to bring to bear any objective scale against which legal change may be assessed. Take the implied limitations on legislative power identified by majorities in *Kable v DPP (NSW)* \(^56\) and *Australian Capital Television v Commonwealth* \(^57\) and reformulated in *Fardon v Attorney-General (Qld)* \(^58\) and *Lange v Australian Broadcasting Corporation*, \(^59\) as to the wisdom of which serious questions remain two and three decades later. \(^60\) Constitutional examples are probably most familiar, but they may be found in all areas of the law. Is it a good thing that confidential information is seen no longer (in most circumstances) to comprise property, \(^61\) with consequences that it does not engage the first limb *Barnes v Addy*, \(^62\) liability? \(^63\) Or that the rules in a choice of law case by which damages are calculated are seen as substantive rather than procedural? \(^64\) Or the recognition that an equitable jurisdiction for the relief against penalties no longer ‘withered on the vine’ after 1873, as had been said in *AMEV-UDC Finance Ltd v Austin*, \(^65\) but continued? \(^66\) Or the expansion of negligence in cases like *Burnie Port Authority v General Jones Pty Ltd* \(^67\) and *Northern Territory v Mengel*, \(^68\) subsuming more specific categories of tortious liability under the ‘imperialistic banner of negligence law’, \(^69\) whilst evidencing ‘inherent indeterminacy’ at least in cases of pure economic loss. \(^70\) There is no canonical way of assessing the wisdom or

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56 (1996) 189 CLR 51 (‘Kable’).

57 (1992) 177 CLR 106 (‘ACTV’).

58 (2004) 223 CLR 575 (‘Fardon’).

59 (1997) 189 CLR 520 (‘Lange’).


62 (1874) LR 9 Ch App 244.


64 *John Pfeiffer Pty Ltd v Rogerson* (2000) 203 CLR 503.


67 (1994) 179 CLR 520 (‘Burnie’).

68 (1995) 185 CLR 307 (‘Mengel’).


70 *Burnie* (1994) 179 CLR 520, 593 (McHugh J).
unwisdom of those decisions; a safer course is to follow the approach (wrongly)\textsuperscript{71} attributed to Zhou Enlai of the French Revolution – it is too early to say.

The problem of attributing a positive or progressive direction to the changes in the legal system implied by ‘development’ is made much worse because of statute. New laws are apt to have an impact upon courts’ decisions, not merely directly in construing the new statute itself, but also, as has been hinted above and is emphasised below, indirectly and more broadly in the legal system. Different governments enact laws reflecting different policies, and reacting to different political exigencies. Either, as Traynor CJ put it, ‘statutes are often bad and indifferent as well as good’,\textsuperscript{72} or, at the very least, there is no way of knowing whether many or most statutes can be evaluated as progressive or regressive.

There is a much deeper problem too. It is convenient for the purposes of legal reasoning to pretend that centuries of past decisions culminate in the answer contended for by counsel or determined by the court, but that mode of reasoning is profoundly un-historic. ‘Whig interpretations may be unsuccessful history, but they are often very successful law.’\textsuperscript{73} This is an aspect of the lawyer’s ‘peculiar attitude to the legal past’\textsuperscript{74} as Maitland famously put it:

\text{[W]hat is really required of the practising lawyer is not, save in the rarest cases, a knowledge of medieval law as it was in the middle ages, but rather a knowledge of medieval law as interpreted by modern courts to suit modern facts.}\textsuperscript{75}

This ‘legal embryology’ (to use the phrase coined by Daniel Boorstin),\textsuperscript{76} highlights the fact that most lawyers are poor legal historians.

\textsuperscript{71} President Nixon's interpreter said that he distinctly remembered the exchange, and said ‘[t]here was a misunderstanding that was too delicious to invite correction’; Zhou Enlai was referring to the 1968 student riots in Paris: see Richard McGregor, ‘Zhou's Cryptic Comment Lost in Translation’, \textit{Financial Times} (Washington), 10 June 2011.

\textsuperscript{72} Traynor, above n 3, 425.

\textsuperscript{73} Martin Krygier, ‘Law as Tradition’ (1986) 5 \textit{Law and Philosophy} 237, 249.

\textsuperscript{74} Ibid, 248.

\textsuperscript{75} Fredric William Maitland, ‘Why the History of English Law is Not Written’ in H A L Fisher (ed), \textit{The Collected Papers of Frederic William Maitland} (Cambridge University Press, 1911) vol 1, 490. Hence Justice Windeyer’s observation in \textit{Benning v Wong} (1969) 122 CLR 249, 295 that ‘[t]here is never much to be gained by searching in mediaeval law for presages of modern rules, interesting though such doctrinal genealogy may be.’

\textsuperscript{76} ‘So obviously has it seemed necessary to adopt the categories of the modern “developed” legal system that much of legal history has become a sort of legal embryology – a search for the rudimentary forms of the “full-grown” legal system. The present becomes the culmination of all the past, and the present forms of institutions seem to be their inevitable forms. The imagination is thus closed to the infinite possibilities of history’: D J Boorstin ‘Tradition and Method in Legal History’ (1941) 54 \textit{Harvard Law Review} 424, 428–9; see also David M Rabban, ‘Methodology in Legal History: From the History of Free Speech to the Role of History in Transatlantic Legal Thought’ in Anthony Musson and Chantal Stebbings (eds), \textit{Making Legal History: Approaches and Methodologies} (Cambridge University Press, 2012) 88, 91–2.
VI  THE SYMBIOTIC RELATIONSHIP BETWEEN STATUTE LAW AND JUDGE-MADE LAW

For all those reasons, there are considerable difficulties in identifying the principles underlying the ‘development’ of the ‘common law’. It is more prudent to speak of ‘change’ rather than ‘development’, and it is highly artificial to exclude statutes from the inquiry. If one is going to analyse the Australian legal system as it operates in practice, statutes need to be front and centre.

Accordingly, it is desirable to reformulate the question. It makes sense to refer, as Professor Atiyah did, to a ‘kind of legal partnership’ between statute law and common law. More recently, Gleeson CJ wrote that:

Legislation and the common law are not separate and independent sources of law; the one the concern of parliaments, and the other the concern of courts. They exist in a symbiotic relationship.

Symbiosis describes the interaction between two dissimilar organisms living in close physical association. Pamela O’Connor, and Lyria Bennett Moses and Brendan Edgeworth have borrowed the Canadian term ‘bijuralism’, which ‘refers to the two different sources of legal norms that provide the sum of rules constituting the system as a whole.’ Writing with particular focus on the operation of the Torrens system, Bennett Moses and Edgeworth add that it has been ‘a substantial task, for the judiciary to fit these two systems into a coherent and interlocking whole.’

Real property is a good example: the Torrens legislation introduced a radical change to rules which appeared to be largely judge-made, the full consequences of which are still being worked out. The law of real property is vitally important in practice, as well as being complex and interesting in its own right, and obviously cannot be approached without close attention to statute. Much the same is true in all areas of the legal system. That may be seen in a variety of ways, some more obvious than others. It is convenient to start with statutory construction.


78 Brodie v Singleton Shire Council (2001) 206 CLR 512, 532 [31].


80 Bennett Moses and Edgeworth, above n 79, 111.

81 Some of those familiar judge-made rules merely reflect the approval of conveyancers’ drafting practices; more generally, what ‘property’ is within the legal system is considered in detail by P G Turner, ‘Degrees of Property’ (Research Paper No 01/2011, University of Cambridge Faculty of Law).

A The Contextual Approach to Statutory Construction

The task of courts is to give legal meaning to the words and phrases used in statutes (at least, in the Anglo-Australian system); the classic example is Hart’s prohibition against vehicles in a park: does it apply to prams, to ambulances, to toy cars, to bicycles, or to motorcycles? That inevitably arises even in simple cases where non-technical words and phrases are used, and produce contestable results, for the language of statutes (no differently from that of novels or newspapers or restaurant menus) is unavoidably open-textured. For example, one recurring issue is the meaning to be given to ‘relational terms’ such as ‘connected with’ or ‘in respect of’ or ‘with respect to’, giving rise to a particularly restrained approach to construction because of the risk of inconsistency when later cases based on different facts arise. Such words are largely contextual, and one aspect of the context is the surrounding body of statute and judge-made law.

Without seeking to be exhaustive, it is convenient to illustrate some ways in which the contextual aspect of interpretation gives rise to interplay between statute law and courts’ decisions.

B Statutory Language that Already Bears a Legal Meaning

First, and very commonly, legislation uses language which is heavily laden with legal connotation. The Australian Constitution, and in particular ‘[s]ection...
51, teems with such terms: “insurance”, “bills of exchange”, “promissory notes”, “bankruptcy and insolvency”, “copyrights”, “patents of inventions and designs”, “trade marks”, “the acquisition of property” are some of them. Thus, critical to the delineation of federal legislative power is language encrusted with a developed antecedent legal meaning, to which are then applied familiar constitutional concepts, including their ‘inherent scope for expansion’. The remainder of the Constitution is no different: consider for example ‘office of profit under the Crown’ in section 44, ‘mandamus’ and ‘prohibition’ in section 75(v), ‘jury’ in section 80, and ‘customs and excise’ in section 90; the Constitution is framed in accordance with many traditional conceptions.

There are ample non-constitutional examples too. Sometimes the use of a technical legal term is clear. It is clear that ‘sudden provocation’ in section 304 of the Criminal Code Act 1899 (Qld) ‘was intended to import well-established principles of the common law concerning the partial defence in the law of homicide’. It was much less clear what changes were introduced by the reformulation of the ‘common form criminal appeal provision’ derived from the Criminal Appeal Act 1907 in Victoria in 2009 in Baini v The Queen. Where a building block of the law of property is used in statute, such as ‘charge’ or ‘pawn’ or ‘trust’, it is natural that it bear its legal meaning, although far from inevitable, as the dissents in Associated Alloys and Palgo as well as the outcome in Bathurst City Council v PWC Properties Pty Ltd indicate. ‘[W]hilst statute may appear to have adopted general law principles and institutions as elements in a new regime, in truth the legislature has done so only on particular terms.’ But what is undoubtedly clear is that where statute uses the language of basic common law principles, Justice Windeyer’s memorable metaphor determines the approach:

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91 See Re Refugee Review Tribunal; Ex parte Aala (2000) 204 CLR 82.
92 See Cheatle v The Queen (1993) 177 CLR 541.
94 See, eg, Australian Communist Party v Commonwealth (1951) 83 CLR 1, 193 (Dixon J).
96 7 Edw 7 c 23, in which an appeal was to be allowed if there was inter alia a miscarriage of justice provided that the court might dismiss the appeal if it considers that no substantial miscarriage of justice has actually occurred: see Weiss v The Queen (2004) 224 CLR 300, 306–11 [12]–[25] (Gleeson CJ, Gummow, Kirby, Hayne, Callinan and Heydon JJ).
97 (2012) 246 CLR 469; See Criminal Procedure Act 2009 (Vic) s 276, which provided that an appeal was to be allowed ‘if the appellant satisfies the court that … there has been a substantial miscarriage of justice’.
100 Wik Peoples v Queensland (1996) 187 CLR 1, 197 (Gummow J).
We cannot interpret its general provisions … as if they were written on a tabula rasa, with all that used to be there removed. … Rather [the statute is] written on a palimpsest, with the old writing still discernible behind.101

Nor is this palimpsestic quality confined to the interaction between the statutory text and the common law. ‘Basic legal principles’, such as the notion that a criminal statute does not apply where there was an honest and reasonable mistake, result in an approach to construction which requires very clear language for it to be displaced.102

The likely consequence of all this is complexity. Two examples may serve to illustrate that recurring complexity. First, the ‘appeal’ which is created by many modern statutes is most directly derived from the jurisdiction first of the Chancellor and later of the Court of Appeal in Chancery,103 yet its meaning in a particular case is, notoriously, highly contestable104 and it carries with it a raft of judge-made law on fresh evidence, raising new points and appellate review of discretionary judgments.105 More generally, as Murray Gleeson has observed, there is a tension between the value attributed by the common law to finality following a trial, reflected in doctrines of merger and autrefois convict and autrefois acquit, and the existence of a statutory appeal, which inevitably detracts from finality.106 Secondly, new statutory causes of action almost invariably deploy the language of, or language which resembles, pre-existing rules. A host of interpretation questions arise: is the scope of the statute restricted by reference to the earlier law? Does the statute pick up elements of the earlier law (such as causation or remoteness of quantification)? Where statute confers a discretionary power, to what extent does pre-existing law inform the exercise of discretion? All this is familiar, yet there seems to be considerable scope for further analysis, not least so that the legal meaning likely to be given to legislative drafting can be more confidently predicted.107

C Statutory Prohibitions Giving Rise to Causes of Action

More difficult questions arise where statutes are silent as to a cause of action. What if there is a statutory prohibition whose breach is an offence; how and when is there a correlative action for a person who suffers loss by reason of the

101 Vallance v The Queen (1961) 108 CLR 56, 76.
104 No taxonomy can be established, as the legal meaning in each case will turn on the particular statutory language and context: Kostas v HIA Insurance Services Pty Ltd (2010) 241 CLR 390, 418 [89] (Hayne, Heydon, Crennan and Kiefel JJ). Particular difficulty arises because of the range of expressions which have been used to modify and limit the scope of appeals: Workers Compensation Nominal Insurer v Al Othmani [2012] NSWCA 45, [39] (Bathurst CJ).
breach when the statute is otherwise silent? There is Glanville Williams’
famously realistic but unattractive answer: ‘When [penal legislation] concerns
industrial welfare, such legislation results in absolute liability in tort. In all other
cases it is ignored.’

In truth, the position is less simple. Justice Dixon, equally
famously, considered the question long ago:

In the absence of a contrary intention, a duty imposed by statute to take measures
for the safety of others seems to be regarded as involving a correlative private
right, although the sanction is penal, because it protects an interest recognised by
the general principles of the common law.

But it was not always so. As it turns out, ‘this elementary question is
strangely debatable’. Until around the middle of the nineteenth century – prior
to the development of a coherent theory of negligence – Coke’s view that ‘every
Act of Parliament made against any injury, mischief, or grievance doth either
expressly, or impliedly give a remedy to the party wronged, or grieved [by any
violation of the Act]’ prevailed. That is reflected in Chief Justice Holt’s
statement in Ashby v White that ‘[i]f the plaintiff has a right, he must of necessity
have a means to vindicate and maintain it, and a remedy if he is injured in the
exercise or enjoyment of it’, and in broad statements such as that of Lord
Campbell CJ in Couch v Steel that a penal statute did not impliedly take away the
‘right to maintain an action in respect of special damage resulting from the
breach of a public duty’ which traced the right to the Statute of Westminster.

Indeed, the same reasoning may be seen in the less well-known aspects of
Marbury v Madison. Professor Foy’s work on implied private actions describes
the early history and the changes in the second half of the nineteenth century.
At around the time negligence was being formalised, these decisions were
criticised and replaced by a more nuanced approach to construing the statute, a
reluctance to discern a statutory cause of action, and the idea that contravention
of the statute was merely ‘evidence of negligence’; the process may
conveniently be seen 20 years later, when Couch v Steel was formally

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110 Foy, above n 3, 505.
111 See Edward Coke, The Second Part of the Institutes of the Lawes of England (Flesher and Young, 1642)
55.
112 (1703) 2 Ld Raym 938, 953; 92 ER 126, 136.
113 (1854) 3 El & Bl 402, 412–13; 118 ER 1193, 1197.
114 Ibid 411; 1196: ‘The statute of Westm. 2 (1 stat. 13 Ed. 1) c 50, gives a remedy by action on the case to
all who are aggrieved by the neglect of any duty created by statute.’
115 5 US 137, 153–73 (1 Cranch, 1803).
117 See especially Blamires v Lancashire and Yorkshire Railway Co (1873) 8 LR Ex 283; Atkinson v
Newcastle & Gateshead Waterworks Co (1877) 2 Ex D 441.
overruled.\textsuperscript{118} For present purposes, it suffices to mention the transitional difficulties as described by Professor Foy:

\textit{[Blamires]} reflected the law in transition, illustrating the analytic and semantic confusion produced by the collision of two very different ideas: the old idea that neglect of legal duty, including statutory duty, was actionable negligence, and the new idea that negligence was conduct that a jury found to be unreasonable.\textsuperscript{119}

Notwithstanding the underlying change in the prevailing paradigm, under \textit{both} the earlier approach \textit{and} that which replaced it, questions of coherence were involved. That basal concern continues to this day: when a plaintiff sues another for damages sustained in the course of or as a result of illegal conduct of the plaintiff, ‘the central policy consideration at stake is the coherence of the law.’\textsuperscript{120}

That means that the analysis is wide-ranging.\textsuperscript{121} As Neil Foster has written, the courts will consider:

Does the statute itself prescribe a penalty, or not? Is the statutory provision designed for the benefit of a limited class of persons, or is it meant for the benefit of the public at large? Is the obligation concerned a specific and confined obligation, or is it more general and ill-defined? Does the provision occur in a statutory context where other obligations are likely to be actionable, or not? Has this obligation, or an obligation analogous to this in previous legislation, been already held by the courts to give rise to a civil action?\textsuperscript{122}

That process turns on \textit{both} judge-made and statute law. In the words of Gleeson CJ, Gaudron, McHugh, Hayne and Callinan JJ in \textit{Sullivan v Moody}, to conclude that the law of negligence creates a duty in the particular circumstances of that appeal ‘would subvert many other principles of law, and statutory provisions, which strike a balance of rights and obligations, duties and freedoms.’\textsuperscript{123} In short, whether breach of a penal statute gives rise to a cause of

\textsuperscript{118} \textit{Saunders v Holborn District Board of Works} [1895] 1 QB 64. ‘The result of [the decisions of the 1870s] is plain. It is that … it must be shewn that the legislature has used language indicating an intention that this liability shall be imposed, and unless such an intention on the part of the legislature is clearly disclosed no action will lie.’: at 68.

\textsuperscript{119} Foy, above n 3, 544.

\textsuperscript{120} \textit{Miller v Miller} (2011) 242 CLR 446, 454 [15] (French CJ, Gummow, Hayne, Crennan, Kiefel and Bell JJ); \textit{Equuscorp Pty Ltd v Haxton} (2012) 246 CLR 498, 513 [23], 518 [34] (Gummow, Heydon and Crennan JJ).

\textsuperscript{121} ‘[T]he task is one that requires consideration of the whole range of circumstances relevant upon a question of statutory interpretation, including the nature, scope and terms of the statute, the nature of the evil against which it is directed, the nature of the conduct prescribed and the pre-existing state of the law’: \textit{Miller v Miller} (2011) 242 CLR 446, 459–60 [29] (French CJ, Gummow, Hayne, Crennan, Kiefel and Bell JJ), citing \textit{Byrne v Australian Airlines Ltd} (1995) 185 CLR 410, 460–1 (Gummow J).

\textsuperscript{122} Neil Foster, ‘The Merits of the Civil Action for Breach of Statutory Duty’ (2011) 33 Sydney Law Review 67, 74. In the United States of America, significantly different approaches have been adopted: see \textit{J I Case Co v Borak}, 377 US 426 (1964); \textit{Cort v Ash}, 422 US 66 (1975); \textit{Touche Ross & Co v Redington}, 442 US 560 (1979). The changing approach of the courts to construction led in turn to the question (answered negatively) whether a different approach ought be adopted depending on when the statute was enacted: \textit{Alexander v Sandova}, 1,532 US 275 (2001). Most recently, Scalia J has urged a similarly narrow approach for implying constitutional causes of action: \textit{Minneci v Pollard}, 132 S Ct 617 (2012). The literature is vast, but see further Williams, above n 3, 576–80.

\textsuperscript{123} (2001) 207 CLR 562, 576 [42].
action is a question of construction, an element of which is the body of statutory law.

The High Court’s decision in *Miller v Miller* emphasises that ‘coherence’ is not a policy consideration which applies exclusively to judge-made law. The question was whether a passenger injured in a car, stolen by her and her relatives in a joint criminal enterprise, could recover in negligence. The joint judgment of French CJ, Gummow, Hayne, Crennan, Kiefel and Bell JJ emphasised that not only was coherence ‘the central policy consideration at stake’ but also that it applied at two levels:

[The coherence of the law] is a consideration that is important at two levels. First, the principles applied in relation to the tort of negligence must be congruent with those applied in other areas of the civil law (most notably contract and trusts).

Secondly, and more fundamentally, the issue that is presented by observing that a plaintiff was acting illegally when injured as a result of the defendant’s negligence is whether there is some relevant intersection between the law that made the plaintiff’s conduct unlawful and the legal principles that determine whether the plaintiff should have a cause of action for negligence against the defendant. Ultimately, the question is: would it be incongruous for the law to proscribe the plaintiff’s conduct and yet allow recovery in negligence for damage suffered in the course, or as a result, of that unlawful conduct?

It is clear that the second and more fundamental aspect of the analysis turns on statute. Their Honours concluded:

If a statute has been contravened, careful attention must be paid to the purposes of that statute. It will be by reference to the relevant statute, and identification of its purposes, that any incongruity, contrariety or lack of coherence denying the existence of a duty of care will be found. That is the path that was taken in *Henwood*. It is the same as the path that has been taken in relation to illegality in contract and trusts. The same path should be taken in cases where the plaintiff sues the defendant for damages for the negligent infliction of injury suffered in the course of, or as a result of, the pursuit of a joint illegal enterprise.

A similar approach may be seen in other High Court decisions.

D Other Examples of Legislative Interaction with Judge-Made Law

Sometimes legislation uses language which more elaborately picks up the dynamism of judge-made law: ‘A person must not, in trade or commerce, engage in conduct that is unconscionable, within the meaning of the unwritten law from

124 (2011) 242 CLR 446, 454 [15].
126 Ibid 473 [74].
127 See CAL No 14 Pty Ltd (t/as Tandara Motor Inn) v Motor Accidents Insurance Board (2009) 239 CLR 390, 406–9 [39]–[41] (Gummow, Heydon and Crennan JJ), where the legal incoherence was assessed against tort, crimes, bailment, s 45 of the *Criminal Code (Tas)* and the enacted law governing the service of alcohol in Tasmania. In *Equuscorp Pty Ltd v Haxton* (2012) 246 CLR 498, 514 [25] (French CJ, Crennan and Kiefel JJ), it was said that:

‘The requirement of coherence in this area of the law is not satisfied by the mere exclusion of an implied legislative intention to render unenforceable a contract made in furtherance of a contravening purpose. Unenforceability flows from the application of the common law informed, inter alia, by the scope and purpose of the relevant statute.’
time to time'\textsuperscript{128} or ‘[s]ubject to this Act, the common law of Australia in respect of native title has, after 30 June 1993, the force of a law of the Commonwealth’\textsuperscript{129} these present particular problems.\textsuperscript{130} In the United Kingdom, the Human Rights Act 1998 (UK) c 42 has (controversially) been construed as imposing a duty on courts to mould and extend the common law to ensure that decisions are compatible with human rights,\textsuperscript{131} but its different history and constitutional context has led to a different approach to similar language in the Charter of Human Rights and Responsibilities Act 2006 (Vic).\textsuperscript{132}

VI THE TEMPORAL DIMENSION: THE ROLE OF LEGISLATIVE AND JUDICIAL CHANGE

An analysis of the impact of statutes on judge-made law which confined attention to the statute book in its present form would be incomplete. Laws are constantly enacted, amended and repealed. The fact of legislative change, or the absence of change, is itself an influence on judge-made law, and the fact of judicial change can produce both predictable and unlikely consequences on statute law.

A Legislative Activity

There are at least three ways in which legislative activity alters judge-made law. One is that legislative change may operate as a catalyst to prompt changes in judge-made law. A well-known example is the nineteenth century married women’s statutes, whose impact was described by Dean Landis:

The statutes themselves were quite terse … [T]heir terms did not directly control numerous allied questions. … There has been general recognition that the married women’s acts embodied principles which were of wider import than the statutes in terms expressed and thus necessitated remoulding common-law doctrines to fit the statutory aims.\textsuperscript{133}

Another is the use of limitation statutes in a range of areas, including their application to equitable claims by analogy, and their extension to easements by

\begin{thebibliography}{133}
\bibitem{128} Australian Consumer Law (Cth) s 20(1); formerly Trade Practices Act 1974 (Cth) s 51AA.
\bibitem{129} Native Title Act 1993 (Cth) s 12 (repealed).
\bibitem{130} See Australian Competition and Consumer Commission v CG Berbatis Holdings Pty Ltd (2003) 214 CLR 51; Western Australia v Commonwealth (1995) 183 CLR 373.
\bibitem{132} See Momcilovic v The Queen (2011) 245 CLR 1, 49–50 [49]–[50] (French CJ), 89–90 [155]–[160] (Gummow J).
\end{thebibliography}
prescription. A likely third is the expansion of rescission in equity seen in Vadasz v Pioneer Concrete (SA) Pty Ltd. The limits to such an approach in a federation with a single common law may be seen in the attempts to rely on the Federal and New South Wales Evidence Acts which had not elsewhere been implemented to alter the test for legal professional privilege at common law. All these developments (and non-developments) are driven by considerations of coherence.

A second way is that legislative change may force litigation in a different direction, as seems to have occurred in constructive trusts in England following the abolition of part performance. In Australia it is easy to see how the Commonwealth Parliament’s sustained (and bipartisan) attempts to restrict or deny judicial review of decisions under the Migration Act 1958 (Cth) has led to an expansion of jurisdictional error (decisions affected by which cannot be excluded from section 75(v) review). That in turn gives rise to different questions of coherence, for, as John Basten has noted, ought it necessarily follow that the same considerations govern jurisdictional error where executive power has granted a licence or a planning approval?

Thirdly, the fact that some ordinary legislation has been regularly amended is a factor against giving an expanded or strained meaning to the text. Roadshow Films Pty Ltd v iiNet Ltd is a recent example.

B Legislative Inertia

Conversely, the absence of legislation may inform change in judge-made law. The High Court has noted that it is one thing for the common law to develop by analogy to the enacted law, and another for the common law to stand still because the legislature has not moved; nevertheless, the High Court observed that legislative inertia ‘might have some attraction if this Court were contemplating the reformulation of basic doctrine’. Conversely, it may be argued that the growing social acceptance of long term unmarried relationships led in this

137 See Part III above.
139 (2012) 286 ALR 466 (‘iiNet’). ‘The history of the Act since 1968 shows that the parliament is more responsive to pressures for change to accommodate new circumstances than in the past. Those pressures are best resolved by legislative processes rather than by any extreme exercise in statutory interpretation by judicial decisions.’ at 494 [120] (Gummow and Hayne JJ).
country to decisions such as *Baumgartner v Baumgartner*, where a remedial constructive trust was crafted so as to confer 45% of the beneficial ownership of a home upon the former de facto partner of the man who owned it at law (notwithstanding ‘equity is equality’ and the domestic character of the relationship). That tension with settled equitable principle was substantially removed, first by reason of state and territory de facto relationships legislation, and then by a referral of power to the Commonwealth and new Part VIIIAB to the *Family Law Act 1975* (Cth). In contrast, in England the difficulties in the absence of legislation have been described by Lord Walker. Neither the Australian nor English decisions are easy to reconcile with established principle, but it is equally easy to see how legislative inertia led to those court decisions.

C Judicial Change

Considerations of that nature suggest that the willingness of courts to change the law depends in part on the operation of statute. Lord Walker has observed that although ‘a lot seems to depend on judicial intuition’, the nature of the legal rule influences the extent to which courts are prepared to modify it.

But the cases suggest that it is common law rules which might be described as ‘lawyer’s law’ – such as witness immunity or mistake of law – that the judges are most ready to develop. Lord Goff had passionately-held views about mistake of law, but it is not a topic that is much talked about on the Clapham bus or the Glen Iris tram. Conversely, issues which potentially have large social and economic consequences, such as causation in clinical negligence and industrial diseases, are generally best left to Parliament.

Although it is difficult to predict let alone analyse when courts reformulate legal doctrine, there are statutory consequences. Some are obvious. The most prominent examples are constitutional developments: for example, the identification of implied restrictions on power, such as those associated with *R v*

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141 (1987) 164 CLR 137.

142 Lord Walker, above n 2, 251:

In England, the Law Commission has considered this issue at length but has failed to find a solution that Parliament will accept. Parliament has therefore done nothing. In these circumstances, the court has had no option but to try to develop trust law concepts to provide a solution. The problems of trying to balance fairness of outcome with predictability of outcome are formidable. The latest case is the decision of the Supreme Court in *Jones* [2012] 1 AC 776. Our efforts have met with less than universal approval (to say the least) from legal scholars, but it is not open to judges, faced with a difficult question, to say ‘pass’.

143 In Australia, see Julie Dodds, ‘The New Constructive Trust: An Analysis of its Nature and Scope’ (1988) 16 Melbourne University Law Review 482; A J Oakley ‘The Development of the Constructive Trust as a Remedy in Australia’ (1989) 5 Queensland University of Technology Law Journal 19, 32 (‘That is not to say that this new principle is wrong – in fact, it seems eminently sensible – but that its creation amounts to an act of judicial legislation for which the High Court may not be the most appropriate forum’).


144 Walker, above n 2, 250.
Sometimes a reformulation of doctrine occurs in an area that is less closely connected with statute. Examples are the recognition of native title in *Mabo v Queensland [No 2]*151 and that legal professional privilege is a common law right. Every time that happens, there is a cascade of consequences, including in statute law. *Mabo* led to the *Native Title Act 1993* (Cth) and its amendment under successive governments. Another point emerges from *iiNet*, namely, the danger of looking backwards with the dubious benefit of hindsight. There was of course a substantial legislative response to *University of New South Wales v Moorhouse*,152 but during the hearing, Gummow J said ‘[t]he lesson of *Moorhouse* is that it achieved a situation which had to be solved by legislation and *Moorhouse* is treated as if it is some revelation from Mount Sinai, but it is not really.’153

There are subtle relationships between the processes by which judge-made law is created and modified over time, and the way in which legal meaning is fixed to statute law. Stephen Gageler emphasised this in an important recent paper:

> Although the enactment of the text occurs by or under the authority of a legislature at a point in time, that enactment occurs in a broader structural and temporal context where the enacted text becomes part of the law that is to be applied by courts, on and from the time of its enactment, to determine rights and resolve disputes in individual cases. The meaning of a statutory text in that broader structural and temporal context is informed by the experience of the courts in the process of application of the law to the facts in those individual cases. Over time, the meaning of a statutory text is reinforced by the accumulated experience of courts in the application of the law to the facts in a succession of cases. The meaning of a statutory text is also informed, and reinforced, by the need for the courts to apply the text each time, not in isolation, but as part of the totality of the common law and statute law as it then exists.

The attribution of meaning by courts to the statutory text in this way resembles the declaration and development by courts of the common law. The common law and statute law as applied by courts are, to a significant degree, products of the same inherently dynamic legal process.154

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145 (1956) 94 CLR 254 (‘Boilermakers’).
147 (1997) 189 CLR 520.
151 (1992) 175 CLR 1 (‘Mabo’).
152 (1975) 133 CLR 1 (‘Moorhouse’). *Copyright Act 1968* (Cth) s 39A provides a defence for libraries and archives with photocopying machines if a prescribed notice is on display nearby, and subsequently a scheme operated by CAL, the Copyright Agency Limited collecting society, in pt 5B was put in place.
154 Gageler, above n 2, 1–2.
Consequently, the legal meaning of the same statutory language can and will change depending upon the contextual change in the judge-made law in which the statute operates. Three examples must suffice. One is the signal change in legal professional privilege effected by *Baker v Campbell* in 1983. Prior to 1983, legal professional privilege was seen as an evidentiary rule, and therefore not available in non-curial proceedings where the rules of evidence did not apply. Legislation enacted prior to 1983 dealing with compulsive production by executive agencies, such as the corporate and trade practices regulators, made non-compliance an offence unless there was a ‘reasonable excuse’. Plainly enough, prior to 1983, the legal meaning of the exception could not comprehend a claim of legal professional privilege, nor did any question arise as to whether there were clear words abrogating it; those questions simply did not arise, because the privilege was not available.

The legal meaning of the statute changed after 1983, when privilege came to be regarded as a deeply entrenched common law ‘right’, capable of being removed by statute but only by, *Potter v Minahan* (1908) 7 CLR 277, words of unmistakable clarity. The High Court divided 3:2 in *Corporate Affairs Commission (NSW) v Yuill* in 1991, with the dissentients (Gaudron and McHugh JJ) reasoning that the fact that there was an express qualification of ‘reasonable excuse’ to the compulsory order accommodated the newly available claim of privilege, and confirmed that it was not abrogated. More recently, in *Daniels Corporation International Pty Ltd v Australian Competition and Consumer Commission*, a majority of the High Court indicated a preference for the reasoning of the dissentients in *Yuill*. Accepting that they are right, there has been a substantive change in legal meaning of the same statutory text, consequent upon the working through of a change in the characterisation of the nature of the privilege to which the statute was directed.

Secondly, consider the (radically) different meanings given to ‘arising under’ in the delineation of federal judicial power in the *United States Constitution* Article III (‘arising under this Constitution, the Laws of the United States and Treaties’) and the same words in 28 USC §1331, (‘The district courts shall have original jurisdiction of all civil actions arising under the Constitution, laws, or
treaties of the United States’). The constitutional words are satisfied by any case or controversy which might call for the application of federal law, but the statutory grant of jurisdiction requires the question of federal law to appear on the face of the plaintiff’s originating process, and for it to be ‘direct’ or ‘central’, and for it to be ‘substantial’.161 Predictably there is a formidable amount of criticism, for why should a substantially narrower meaning be given to the same words in essentially the same context?162

Thirdly, there is the remarkable and formidably argued thesis of Professor Nelson to the effect that in the United States, federal statutes are construed more broadly than identically worded state statutes, for a variety of reasons including the substantial absence of federal common law (notably, of choice of law and of crimes).163 That thesis reflects a remarkable aspect of the architecture of the United States legal system and the working out, ultimately, of what flows from Erie.164

One could multiply examples, but it is hoped that the foregoing suffice to confirm Martin Krygier’s conclusion that statutes are ‘situated in and deeply affected by contexts which they presuppose, from which they cannot escape, and which make it possible for them to have such effects as they do.’165

VII THE LIMITED UTILITY OF BIRKSEAN TAXONOMY

One corollary of the foregoing is the difficulty of formulating a taxonomy of the legal system which reflects its practical operation. For example, Professor Birks wrote that Spring v Guardian Assurance plc166 was a ‘species of problem which disfigures the law’ and that it was ‘discreditably elementary’,167 when it was held that an employer was liable in negligence for erroneous statements in a reference, which caused pure economic loss; what made the decision so egregious to Birks was that the reference was a communication which was subject to qualified privilege and the employer could not have been liable in defamation without proof of malice. He added:

It is enough that we see the makings of an intellectual disaster. The whole law of tort is bedevilled by the same essentially trivial problem. The law cannot tolerate,
or should not be able to tolerate, torts named so as to intersect. It is symptomatic of the common law’s worrying indifference to system that academic literature has not eliminated this kind of intellectual trap. But the same problem which bedevils tort bedevils the whole law.168

Although far from original,169 in my view this is badly wrong. The criticisms of Birks’ taxonomic project are familiar, not least those persuasively advanced by Joachim Dietrich,170 and they go beyond considerations of statutes. There is nothing per se wrong with overlapping causes of action,171 which in part reflects the historical rivalry between courts and explains much of the growth of the royal courts, and many legal fictions. As Professor Horwitz has put it, legal architecture has an historically contingent character.172 The notion that there can be no antinomy in the legal system is exploded once one considers the common injunction issued by chancery, or the prohibitions directed by common law courts to their admiralty and ecclesiastical competitors.173 Chief Justice Spiegelman has said that “[t]he common law has never had the fascination for consistency apparent in the civil law, which operates on the assumption that all relevant legal rules can be written down in a comprehensive manner”174 echoing Lord Goff’s understatement that ‘the common law is not antipathetic to concurrent


169 Cf F Hilliard’s criticisms in 1859 of treatises which lacked a ‘scientific basis’ and failed ‘to present a connected, systematic or complete view of any one of the somewhat heterogeneous topics of which they promiscuously treat’: F Hilliard, The Law of Torts (Little, Brown 1859) iv, quoted in Morton J Horwitz, The Transformation of American Law 1870–1960 (Oxford University Press, 1992) 12.


171 The same conduct may (and often will) give rise to actions for conversion and detinue; likewise, what is a nuisance may also be negligent. And a plaintiff may succeed in one tort and fail on another: see, eg, Volman t/a Volman Engineering v Lobb [2005] NSWCA 348. More generally, the same conduct may (and notoriously, often is) both a tort and a breach of an express or implied contractual term to take reasonable care. That difference was critical when contributory negligence was a complete defence, and when, prior to amendments made in Australia following Astley v Austrust Ltd (1999) 197 CLR 1, the statutory reformulation of contributory negligence applied only to negligence, giving rise to divergent outcomes when the same harm was caused by persons who were and were not in contractual relations: see Gary Davis and Jane Knowler, ‘Astley v Austrust Ltd: Down but not Out: Contributory Negligence, Contract, Statute and Common Law’ (1999) 23 Melbourne University Law Review 795, 812–13. None of this is to deny that it is highly relevant as a matter of coherence that the elements of, or defences to, one source of tortious liability diverge from another, and indeed it seems doubtful (to say the least) whether the expanded approach in Spring v Guardian Assurance plc itself applies in Australia: see Sullivan v Moody (2001) 207 CLR 562, 580–1 [54]–[55] (Gleeson CJ, Gaudron, McHugh, Hayne and Callinan JJ); Stewart v Ronalds (2009) 76 NSWLR 99, 120–1 [104] (Hodgson JA).


173 Justices Gaudron and Gummow referred to the ‘judicial strife’ between those courts in Re Refugee Review Tribunal: Ex parte Aula (2000) 204 CLR 82, 96 [31]; see also Leeming, above n 51, 224.

liability.'175 More generally, of course, the High Court has rejected the utility of 'all-embracing theories', particularly because they fail to have regard to well-settled equitable doctrines and remedies.176

However, the impact and dominance of statute is one of the most fundamental of all weaknesses in the taxonomic project. As Dietrich says:

The law is a chaotic jumble of (sur viving) common law rules and piecemeal, inconsistent and unsystematic statutory incursions, whether we like it or not. … We could of course ignore the legislation and carry on with our taxonomy regardless, but to what end? Given the piecemeal nature of statutory intervention, those parts of the common law remaining are even less likely to be capable of systematic ordering, one would imagine.177

Peter Birks’ article fills 99 pages, which is very long by Anglo-Australian law review standards, but mentions one statute.178 Statute has substantially altered most tortious causes of action, and creates many new ones.179 There will inevitably be overlap; indeed, perhaps the easiest way home for the former employee in Spring v Guardian Assurance would be, assuming events took place in Australia, to allege that the reference was misleading or deceptive and made in trade or commerce. Once again, prior to statutory amendments, there was no just and equitable reduction for plaintiffs whose fault contributed to the loss suffered by reason of misleading or deceptive conduct.

Moreover, the taxonomical project ignores the dynamic aspects of the legal system. Constantly laws are made, construed, amended and repealed; judge-made law is deeply affected by this, as I have sought to emphasise in this article. The temporal dimension of the legal system is wholly absent from taxonomies, at least in the forms in which they are traditionally propounded.180 But that dynamism is central to the practical operation of the legal system. Indeed, it is why it is a system. Once the dynamic aspects of the legal system are borne in mind, the force of Professor Williams’ contention may be seen:

[T]he common law [should be understood] not as a body of law whose change is impeded or blocked by a static body of statutory rules, but as a process best served by the rational integration of judge-made and legislative law.181

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177 Dietrich, ‘What is “Lawyering”?’, above n 2, 573. See also Dietrich and Middleton, above n 2, 170 (‘the debate about the taxonomy of the law of “obligations” would be seen to be of little interest or relevance to understanding how law in fact works’).
178 Sale of Goods Act 1979 (UK) c 54, s 52, which deals with specific performance.
180 See, eg, the examples in Emily Sherwin, ‘Legal Taxonomy’ (2009) 15 Legal Theory 25. There is some acknowledgement of the issue by Jensen, above n 168, at 537–538, suggesting that mapping the law does not deny the law’s complexity and dynamism, but merely assists with managing that complexity.
181 Williams, above n 3, 599.
VIII CONCLUSION

As Learned Hand J observed (in a very different context), history teaches scepticism about any easy explanations.\textsuperscript{182} The reality of the Australian legal system is that it is highly complex. There are intersecting Commonwealth and State laws, each of which interacts with judge-made law in complex ways. Indeed, the same dispute between the same parties may be adjudicated in different courts within Australia and be subject to different procedural rules and different substantive outcomes.\textsuperscript{183} It should come as little surprise that there is little practical utility in pretending that statutes are not there, and seeking to arrange what remains into an orderly whole. So to do removes a central element of the system, and obscures the dynamic reality of how that system operates in the real world. That such a project has any attraction at all is a consequence of the persuasiveness of its advocates and ‘the temptation, which is so apt to assail us, to import a meretricious symmetry into the law.’\textsuperscript{184} This article has sought to demonstrate that considering the legal system in all its parts has the advantage of engaging with the real world, rather than the ‘Langdellian ether of a super-terrestrial Common Law’,\textsuperscript{185} as well as being an intrinsically interesting area of analysis.

\textsuperscript{182} Testimony to the Senate Committee on Labor and Public Welfare, 28 June 1951, in Irving Dilliard (ed), \textit{The Spirit of Liberty: Papers and Addresses of Learned Hand} (Knopf, 1952) 225–52, 249.

\textsuperscript{183} ‘It inevitably follows from [the fact that a State court may take jurisdiction in a personal action when its originating process is served on the defendant within the bounds of its territorial jurisdiction] that there can be cases in which similar, even identical, issues can be raised in the courts of two States between the same or related parties. It is inevitable, therefore, that there can be overlapping, even conflicting, procedures and judgments of the courts concerned.’: \textit{Mobil Oil Australia Pty Ltd v Victoria} (2002) 211 CLR 1, 36–7 [58] (Gaudron, Gummow and Hayne JJ).

\textsuperscript{184} \textit{A-G (NSW) v Perpetual Trustee Co Ltd} (1952) 85 CLR 237, 285 (Fullagar J).

\textsuperscript{185} See letter from Sir Frederick Pollock to Oliver Wendell Holmes, 17 September 1897 in Howe (ed), above n 24, 80. Coincidentally, many years later, a youthful Felix Frankfurter wrote to Holmes for advice, having been invited to join the Harvard faculty to teach a series of courses ‘largely to be determined by Pound’, and referred to the fact that Pound’s sociological work which might ‘be a help to save me and the students from Langdellian sterilization’: Letter from Felix Frankfurter to Oliver Wendell Holmes, 4 July 1913, in Robert M Mennel and Christine L Compston (eds), \textit{Holmes & Frankfurter: Their Correspondence, 1912–1934} (University Press of New England, 1996) 10–11.