

**From:** bobday@77fullarton.com.au  
**Sent:** Sunday, 7 August 2016 12:55 PM  
**To:** Ryan, Scott (Senator)  
**Subject:** RE: Senate office

Scott

If the Department pulls the 'pecuniary interest' card, I have dealt with that with them and stated, in accordance with Chief Justice Barwick's decision, that the pecuniary interest test is not relevant (see below). From the legal researcher at the Parliamentary Library:

*Re Webster (1975) 132 CLR 270.* In that case individual contracts awarded to a Senator's family company were held to be outside the scope of s 44 (v), as they were not current for a substantial period of time. The most relevant quote from Barwick CJ's decision is:

It seems to me that, upon the proper construction of the paragraph, bearing in mind the purpose of its presence in the Constitution, the agreement to fall within the scope of s. 44(v.) must have a currency for a substantial period of time, and must be one under which the Crown could conceivably influence the contractor in relation to parliamentary affairs by the very existence of the agreement, or by something done or refrained from being done in relation to the contract or to its subject matter, whether or not that act or omission is within the terms of the contract. In the climate of the eighteenth century, the likelihood of such influence upon a government contractor could well be thought to be high. Accordingly, the mere existence of a supply contract justified the disqualification. But in modern business and departmental conditions the possibility of influence by the Crown is not so apparent: whilst it need not be certain, at least it must be conceivable, and in any case the possibility must arise from the continuing nature of the agreement. Further, it seems to me that the interest in the agreement of the person said to be disqualified must be pecuniary in the sense that through the possibility of financial gain by the existence or the performance of the agreement, that person could conceivably be influenced by the Crown in relation to Parliamentary affairs.

In my case, I have no contract or agreement with the Crown. I have an agreement with someone else who has an agreement with the Crown.

Bob

**From:** Ryan, Scott (Senator) [mailto:Senator.Ryan@aph.gov.au]  
**Sent:** Thursday, 4 August 2016 5:36 PM  
**To:** . bobday@77fullarton.com.au  
**Subject:** Re: Senate office

Thanks for the email Bob. I'm completely unaware of this but I will get briefed and come back to you to chat about it

Regards,

Scott.

*Senator the Hon Scott Ryan  
Special Minister of State*



**SENATOR THE HON SCOTT RYAN**  
Special Minister of State  
Minister Assisting the Cabinet Secretary

SR:MP:2016:08:DT

Senator Bob Day AO  
Senator for South Australia  
Parliament House  
CANBERRA ACT 2600

Dear Senator Day *Bob,*

I refer to your recent representations about your Electorate Office accommodation and the payment of rent by the Commonwealth for 77 Fullarton Road, Kent Town, SA 5067. As I have mentioned to you following your initial approach, there is some history to this matter and I have taken the time since then look into it the matter in detail. Having done so, I am writing to you to seek clarity about some of the facts which remain unclear from the correspondence between yourself and the Department of Finance and my predecessors.

I am advised that when the previous Special Minister of State, Senator Ronaldson, initially agreed on 20 March 2014 to consider allowing you to establish your Electorate Office at 77 Fullarton Road, Kent Town, it was on your advice that you no longer had any financial interest in this property "I confirm your advice to me that you have disposed of your interest in the Kent Town property". He further advised on 23 June 2014 "As I have indicated from the start of our discussions, I have no option but to ensure your tenancy at Kent Town is at no cost to the Commonwealth."

You have since advised both myself and the Department of Finance that a vendor finance arrangement is in place between you and the new owners of the property, Fullarton Investments Pty Ltd, with arrangements for the payment of rent to fund your mortgage repayments on the property. Consequently, I am concerned that a financial interest in the property may still exist, even if inadvertent.

To finalise this matter, I have sought advice about the issues to be resolved. I have outlined a series of queries below, relating to the financial arrangements for 77 Fullarton Road, Kent Town given the limited information available from the file of correspondence. If you have answered some or all of these queries earlier, please accept my apologies in advance:

1. Can you confirm that neither you nor any of your family have any involvement, including but not limited to shareholdings and directorships, in Fullarton Investments Pty Ltd? If you or any of your family do have any involvement, can you please detail it?
2. Can you detail what involvement you have, including but not limited to shareholdings and directorships, in Fullarton Nominees?
3. What are the business arrangements between Fullarton Nominees and Fullarton Investments Pty Ltd in relation to the 77 Fullarton Road property?

4. Can you please provide a copy of the vendor finance sale contract, including sale price and deposit paid, between you (or the previous entity which owned 77 Fullarton Road) and Fullarton Investments Pty Ltd outlining the sale of 77 Fullarton Road?
5. Can you please provide a copy of the full repayment schedule for the 77 Fullarton Road property for Fullarton Investments Pty Ltd? Are Fullarton Investments Pty Ltd still bound to make repayments under the vendor finance arrangement if no rent is received?
6. Do you or any other party have the ability to repossess the property if Fullarton Investments Pty Ltd fails to make its repayments under the vendor finance agreement?

As I have mentioned above, I appreciate you may have had discussions regarding some of these matters with my predecessors. However, in bringing this matter to a conclusion I need to determine some of the facts which are unclear to me from the correspondence file.

I appreciate some of these questions may seem intrusive, but I am sure you will understand the unique circumstances given this arrangement directly relates to the office you hold as Senator for South Australia.

I am happy to discuss this matter with you directly. I look forward to your reply.

Yours sincerely,



SCOTT RYAN

26 August 2016

**Try, Daniel**

**From:** bobday@77fullarton.com.au  
**Sent:** Monday, 29 August 2016 9:08 AM  
**To:** Try, Daniel  
**Cc:** David.Bold@pm.gov.au  
**Subject:** Letter from Minister Ryan [DLM=For-Official-Use-Only]  
**Attachments:** Letter from Min Ryan 26.8.16.pdf; Pecuniary interest 7.8.16.docx; Email to Scott Ryan 4.8.16.docx; 2016.01.14-Cormann(MIN)-Rent\_for\_Kent\_Town.pdf; Letter to Senator-elect Bob Day.pdf; Letter to Michael Ronaldson.docx; Contract B&BDay-FullartonInv 77FullartonRd.pdf; FullartonInv Financials2015.pdf

Dear Minister

Thank you for your letter of 26 August 2016 regarding my Senate office. I am more than happy to answer your questions:

1. Fullarton Investments Pty Ltd is currently owned by a friend of mine Colin Steinert. The company was formed for the express purpose of purchasing the Fullarton Road property from B & B Day Pty Ltd. Like any Pty Ltd company, Fullarton Investment Pty Ltd is an independent entity and whilst I am not a director or shareholder, my 'involvement' is centred around the relationship I have with the current shareholder and director Mr Steinert.
2. Fullarton Nominees is a registered Business Name owned by me. Its connection with this matter is it is the owner of the nominated bank account that Fullarton Investments Pty Ltd has directed lease payments to go into. This has been the subject of discussions between myself and the department and an offer was made to the department that if this was in any way a problem then the lease payments could go into a Fullarton Investments Pty Ltd-owned bank account.
3. There are no business arrangements between Fullarton Nominees and Fullarton Investments Pty Ltd other than Fullarton Nominees being the owner of the designated bank account for the lease payments.
4. The contract of sale from B & B Day Pty Ltd to Fullarton Investments Pty Ltd is attached.
5. There is no repayment schedule. Fullarton Investments Pty Ltd has a debt to B & B Day Pty Ltd equal to the purchase price (Fullarton Investments Pty Ltd has provided a copy of its latest financial statement – see attached).
6. Neither I or any other party has the ability to re-possess the property based on non-payment of rent. If the department does not pay rent to Fullarton Investments Pty Ltd, Fullarton Investments Pty Ltd does not have the ability to service the vendor finance payments. Based on discussions with the department and then Minister in 2014, this was not envisaged at the time of purchase.



Regarding pecuniary interest, my understanding is if the question of pecuniary interest arises, the onus is on the office holder under the Crown to determine whether he or she has a pecuniary interest or not as defined by the court, and I am satisfied I do not (see attached).

As discussed in previous correspondence, the department has had free rent for 2 years and has not had to spend \$300k renovating an office to prepare for an incoming senator, which, if I was moving in now it would be required to do so. It also continues to enjoy 'free rent' notwithstanding the fact it has signed a lease with Fullarton Investments Pty Ltd.

In hindsight, I was not given accurate information by either the department or then Minister as to the distance required between a senator and a senate office's landlord. Whilst I am very familiar with property ownership arrangements, prior to being elected in 2013 I had no experience of departmental, Ministerial or dare I say bureaucratic protocols surrounding the above matters and relied on departmental and Ministerial advice. Their advice basically centred on the principle that it was "not a good look" for a senator to own his or her own office. That was basically it. I was told there was no law against it but that it "wouldn't look good" or "pass the pub test". Hence my agreement to sell the property.

At this point I am simply asking that Minister Cormann's commitment to pay rent from 1<sup>st</sup> July 2015 be adhered to.

This matter has consumed an inordinate amount of my time since the day I was elected in 2013. I look forward to it being resolved soon so I focus on the task I was elected to do.

Yours sincerely

Bob Day

**Senator Bob Day AO**

**Senator for South Australia**

77 Fullarton Road, Kent Town SA 5067

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**From:** Montgomery, Joy (Sen B. Day) [mailto:[REDACTED]@aph.gov.au]  
**Sent:** Friday, 26 August 2016 3:54 PM

**To:** bobday@77fullarton.com.au  
**Subject:** Letter from Minister Ryan [DLM=For-Official-Use-Only]

Letter regarding 77 Fullarton Road Lease

**From:** Try, Daniel [mailto: [REDACTED]@finance.gov.au]  
**Sent:** Friday, 26 August 2016 3:45 PM  
**To:** Day, Bob (Senator)  
**Cc:** Ryan, Scott (Senator)  
**Subject:** Letter from Minister Ryan [DLM=For-Official-Use-Only]

For-Official-Use-Only

Dear Senator Day,

Please find attached correspondence from Minister Ryan.

Regards,

**Daniel Try** | Senior Adviser  
Office of Senator the Hon. Scott Ryan  
Special Minister of State  
Minister Assisting the Cabinet Secretary  
**T:** 02 6277 [REDACTED] | **M:** [REDACTED] | **E:** [REDACTED]@finance.gov.au  
**A:** Suite M1-48 Parliament House, Canberra ACT 2600

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