

Senate push on banks

Adele Ferguson
Sarah Danckert

Pressure is building for a commission of inquiry into Australia's scandal-plagued banking system after the Senate crossbench threw its weight behind a Greens bill to establish one.

The private members' bill is co-sponsored by Greens senator Peter Whish-Wilson and crossbenchers Nick Xenophon, Jacqui Lambie, Derryn Hinch and the current One Nation senators after extensive talks between them during the past few months over the terms of reference for the inquiry.

Labor is also expected to support the bill, which was tabled on Tuesday, while Nationals senator John Williams has confirmed he will cross the floor to vote for it. Senator Williams is a long-time supporter of a royal commission into the banks.

The move follows stiff resistance from the government against a royal commission into the banking sector despite scandals over financial advice, life insurance, investment schemes, unfair lending practices and alleged bank bill swap rate rigging.

The terms of reference will send a chill through banking channels as it widens the net to include executives who oversaw departments that engaged in rampant misconduct as well as chief executive officers.

The bill will be debated on Thursday in the Senate, but a vote will not be immediately called on the issue to allow debate.

"The Greens have consulted across parties and the crossbench to make changes that have satisfied everyone," Senator Whish-Wilson said.

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If the Senate passes the bill it would then go to the House of Representatives for a vote, where the numbers are finely balanced after Liberal National MP George Christensen signalled he could cross the floor to vote in favour of an inquiry.

“After this, all we will need is one additional Coalition MP to choose the interests of the people of their electorate over those of the banking sector and then this commission of inquiry can get up and running,” Senator Whish-Wilson said.

A commission of inquiry, like a royal commission, has powers to compel documents, testimony and court-ordered searches. A key difference is that under a royal commission the government has much greater control of the process. It can set the terms of reference and the royal commission reports to the government.

A commission of inquiry reports to Parliament.

If passed, the bill could be the first step towards a potential no-confidence motion against the government if it then decides not to support or fund the commission.

The move comes as independent MP Bob Katter and Mr Christensen are working on a separate private member’s bill in the House of

Representatives calling for a commission of inquiry into the banking sector. It is understood both men would support the bill tabled in the Senate.

The private members’ bill has been filed with extensive terms of reference that plan to target systemic issues in the sector.

A spokeswoman for the government said it had set out its policy on the matter before the election, which included bolstering the Australian Securities and Investments Commission’s funding by \$121 million, and boosting its powers and enhancing surveillance capabilities.

“We are also granting greater access for the treatment of claims and complaints to the Financial Services Ombudsman to ensure we have a better system for people to be able to get access to hearing and consideration of their issues,” the spokeswoman said.