

Parliamentary probe to come with bite

Lawyers have said a parliamentary commission of inquiry into the banks could be just as powerful as a royal commission if the terms of reference are broad enough.

Momentum for an inquiry has built after Queensland LNP senator Barry O'Sullivan said as many as four Coalition MPs could provide the votes necessary for a commission of inquiry into misconduct in the banking sector.

While a royal commission requires the support of the prime minister, a commission of

inquiry could be achieved with a parliamentary vote.

"A commission of inquiry can be catalysed by a vote in the parliament and that's what we're seeing now become possible," said Josh Mennen of the Australian Lawyers Alliance. "The fundamental difference is that a royal commission reports back to the government of the day, whereas a commission of inquiry reports back to parliament as a whole."

Mr Mennen said the two had "equivalent powers", depending on the terms of reference.

"But in terms of their functions and the way they operate, they both have the coercive power to compel oral

evidence from witnesses and to compel the production of documents and that's what's very important in the context of a banking inquiry."

In August last year, the Clerk of the Senate, Rosemary Laing, advised Greens senator Peter Whish-Wilson of the challenges of setting up a commission of inquiry without the government's support.

First, she said the inquiry could be challenged for validity. Second, she said it could be difficult to fund the inquiry. "A government cannot be compelled to include amounts in an appropriation act," she wrote.

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