

## FINANCIAL SERVICES

# Greens back Nats' bank inquiry

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The Greens have thrown their weight behind a commission of inquiry into the banking and financials services sector after securing last minute amendments from Nationals senator Barry O'Sullivan.

The inquiry will now also examine the pay packets of senior executives and be broadened beyond its focus on farmers and rural businesses to cover all aggrieved customers of financial institutions.

But it will not examine political donations from financial institutions in detail or the impact of interest-only home loans after the Nationals rejected those Greens amendments.

Independent senator Lucy Gichuhi said she would also now vote in favour of the legislation, which means it will sail through the Senate by Thursday.

The move will heap pressure on Prime Minister Malcolm Turnbull to back the inquiry – with the votes of two Nationals MPs and Greens MP Adam Bandt now secured in the House of Representatives, the legislation could pass before Christmas.

But questions remain over how the inquiry will be funded as cabinet is the only legislative power with the authority to appropriate funding.

The Greens said they have received advice from the clerk of the

Senate that “it would be a very brave government who rejected the will of both houses of Parliament and therefore the Australian people,” and that refusing to fund legislation that had been passed was “a very remote possibility”.

Greens leader Richard Di Natale and Treasury spokesman Peter Whish-Wilson told the country's financial institutions to prepare for an inquiry.

“There are only two options, this legislation passes both houses of parliament or the Prime Minister announces a royal commission,”

said Senator Di Natale. “If I was the banks I would be getting ready, you are going to have to answer to the victims whom you fleeced through your predatory practices.

“My message to every bank CEO across the country is: it's coming, it's coming fast – you are going to have to answer to the victims that you have preyed on for so long.”

The commission of inquiry would have the same powers as a royal commission, but report to Parliament, not cabinet.

Senator O'Sullivan, who will introduce the bill on Wednesday, has offered Mr Turnbull the opportunity to take over the terms of reference and swing behind the legislation.

Mr Turnbull has repeatedly refused his advances.

In a letter sent out to Senate colleagues, Senator O'Sullivan said the inquiry will drive significant cultural change in the sector.

“I am now confident we have developed a solid working document that can achieve this objective,” he said.

Senator Whish-Wilson said the inquiry, which will make it an offence to fail to attend and give evidence under oath, was necessary to bring financial executives to account beyond the power of conventional Senate hearings. It will have the ability to refer matters to the Director of Public Prosecutions, followed by criminal prosecutions.

He said former Australian Securities and Investments Commission chair Greg Medcraft – who was previously responsible for regulating the sector – had told him that “nothing has happened in recent times that has changed the culture in the banks”.

Business leaders have been alarmed at the momentum of the legislation.

Financial Services chief executive Sally Loane said reforms to the sector had already cost it \$3 billion and an inquiry would just require going over old ground.