Malcolm Turnbull argues it is so vital to revive a tough watchdog in the construction industry that there will be a double dissolution if the Senate refuses to agree.

Critics such as Queensland independent senator Glenn Lazarus point to scandals and bad behaviour in other areas and say that if the Australian Building and Construction Commission (ABCC) were to be resurrected, it should be as a wide anti-corruption body – a proposition the government won't countenance.

It's reasonable for Turnbull to resist calls to transform the proposed ABCC into a new and different entity. That would not be an amendment but a complete change of concept for the body. The case for such a comprehensive new organisation has not been established.

But the broader point being made has some validity. If the government believes it is imperative to tackle problems with the unions, it can't credibly ignore those in other areas.

Two obvious examples are what's been happening in the financial sector, and the inadequacy of the federal law for the disclosure of electoral donations.

Turnbull on Wednesday laid into the banks with damning comments about ethical lapses and failure to put customers first. He said pointedly that the public, via the government, had supported the banks during the global financial crisis and now many Australians were asking "have our bankers done enough in return for this support? Have they lived up to the standards we expect, not just the laws we enact?"

We know the answers to these questions are, for the most part, no. Senate committee probing into the Commonwealth Bank produced evidence of appalling behaviour in the financial advice area, where people who were entitled to honest and neutral help with their investments were instead sold products designed to best reward adviser and bank.

We also know that if it were not for the Senate the government – pushed by the banks – would have unwound the financial advice controls Labor brought in.

This week has seen the Australian Securities and Investment Commission (ASIC) move against Westpac for allegedly manipulating a benchmark interest rate to boost profits. Earlier, action had been launched against the ANZ for similar conduct.

There are many other examples of bad behaviour in the banking and wider financial sector.

Turnbull dodged a reporter's question on Wednesday about calls for a royal commission. But if it was good enough for the Coalition to have a royal commission into unions, why not have one into the financial sector?

Bad union behaviour hits the economy and workers. Unscrupulous operations by banks and other financial institutions hurt many customers and undermine confidence in the sector.

Turnbull would sound more convincing about the ABCC if he also promised to have a comprehensive investigation into misconduct in the financial sector where – as with the union movement – issues of "culture" needed tackling.

The other area to which Turnbull should turn attention if he is to be consistent is that of political donations. The complicated shenanigans indulged in by the NSW Liberals – Turnbull's home party – to get around that state's strong donation laws have been disgraceful. They have now been called out by the NSW Electoral Commission, which said it would withhold their public funding until there was proper disclosure in accordance with the law.

The federal disclosure provisions are much less stringent than those in NSW, with the current (indexed) disclosure threshold more than A$13,000. Donations under that do not have to be made public.

Left without reform, the issues around donations will corrode our democracy. We need a much tougher, more transparent federal regime, with the threshold a lot lower and disclosure having to be made in real time.

These would be important changes, albeit mild compared with what Turnbull advocated when he was shadow treasurer. Then, he suggested donations from organisations, including unions and companies, should be banned, with only those from individuals allowed.

Electoral funding and disclosure should be a matter of debate at this election. This is not just as a result of what we have seen happening with the NSW Liberals, or the fact that the unions buy clout with Labor. It is because the power of money and the potential danger of its influence on our politics will only grow in coming years – and the best antidote is to shine a bright light continuously on who is paying what to whom.

If Turnbull acted on the financial sector and if he promised to put a more stringent set of rules in place governing political donations, he would bolster his case on the unions.

Disclosure

Michelle Grattan owns bank shares.

Read more http://theconversation.com/turnbull-needs-to-act-on-bank-royal-commission-to-boost-his-credibility-on-the-unions-57386