Malcolm Turnbull and senator Barry O'Sullivan have discussed the rebel National's private senator's bill for a commission of inquiry into the banks and other financial institutions.

As the stand-off continues over an inquiry, Turnbull on Tuesday publicly reaffirmed that “we are not going to establish a royal commission”.

But behind the scenes the Prime Minister appears to be seeking some resolution of the impasse, which could lead to his hand being forced.

It is believed he is due to have a further discussion with O'Sullivan after the bill is printed.

O'Sullivan refused to confirm Tuesday's meeting.

The bill is now considered to have the numbers to pass not just in the Senate but in the House of Representatives as well. Two lower house Nationals, George Christensen and Llew O'Brien, are supporters, although O'Brien has cast his backing in terms of being “quite likely” to vote for it.

Nationals leader Barnaby Joyce, who is fighting a byelection in New England to get back into parliament, has indicated he is very willing to have the bank inquiry issue considered by the Nationals party room, and has signalled he is relaxed about the outcome. The O'Sullivan bill will be discussed there on Monday.

If the Nationals as a party moved to support an inquiry, Turnbull would be deeply embarrassed.

O'Sullivan was inundated with suggestions for fine tuning after circulating his draft bill, and it has taken some time for these to be dealt with and a final version to be sent to the parliamentary draftsman.

Turnbull, campaigning in Bennelong for the byelection in that seat, said the government had been concentrating on “positive steps, real reforms right now”.

“We have put more money into the regulators to give them stronger teeth and more effective powers. And of course we are setting up the one-stop shop, the Australian Financial Complaints Authority which will mean that people will have one place to go to for help and assistance with complaints and concerns with their financial service providers.

"We are constantly working to ensure that the cultural change in the banks occurs and we are getting strong support for that,” he said.

“Our focus is on results. It is on action. That is why we have not supported a royal commission.”

Turnbull argues that a royal commission would take a very long time and delay getting results.

But O'Sullivan has maintained that what is fundamental is achieving cultural change and this won’t happen without a bright light being shone on the way banks and other institution have operated.

The commission proposed in the O'Sullivan bill is one that would be set up by parliament and report back to parliament. A royal commission is set up by the executive and reports to the executive.

Essential Media, in a poll published Tuesda y, reported 64% supported holding a royal commission into banking and the financial services industry and 12% opposed. Support among Labor voters was 72% - among Coalition voters it was 62%.

Michelle Grattan does not work for, consult, own shares in or receive funding from any company or organisation that would benefit from this article, and has disclosed no relevant affiliations beyond their academic appointment.

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