

Submission to Bills Committee on Stamp Duty (Amendment) (No.2) Bill 2010
For the meeting on 24 March 2011

Dear Members,

Thank you for your invitation to comment on the Committee Stage Amendments (**CSAs**) of the proposed legislation to introduce Special Stamp Duty.

I refer you to my previous submissions dated [2-Mar-2011](#) and [30-Jan-2011](#). I have listened to the recording of your meeting on 10 March 2011. It appears that both the Administration and the Committee are bogged down in the minutiae of what happens when A sells to B who sells a half-interest to C and so on, or what happens to people who entered into provisional agreements before the announcement of the proposal. The Committee and the Administration have not addressed the substantive issues raised in my submissions, regarding the unconstitutionality of the proposed law and the large number of unintended victims of the proposal.

I will not repeat the arguments in this submission. The Administration just keeps repeating the mantra that the SSD proposal has reduced speculation (however they define it), without stating what, if any, substantial harm speculation causes to society. Without an identifiable harm, much less a harm which outweighs the obvious benefits of liquidity and price discovery, this punitive tax lacks a legitimate purpose and is thus unconstitutional.

I have no interest in commenting on CSAs while the substantive issues remain unaddressed. You are just rearranging deck chairs on the Titanic before launching it. So I will not attend the meeting. The only thing that can be said in favour of such debate is that it prolongs the process and makes it less likely that this proposal will come to a vote before the property bubble (the existence of which the Government still denies) bursts and the proposal's misguided motivation evaporates.

If the Bill becomes law and then prices start falling into a vacuum, then citizens will know why the so-called "speculators" are not stepping in to take some risk. You cannot expect people to enter a tunnel when the exit is blocked for two years. Recent homebuyers will also know why selling, to stop their losses or to avoid negative equity, is not an option if they have purchased within the last 2 years.

Regards

David M Webb
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13th March 2011