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Visitor Levy – Views of Consumers and Residents

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Mae'r ddogfen yma hefyd ar gael yn Gymraeg.

This document is also available in Welsh.

Full Research Report: Visitor Levy – Views of Consumers and Residents
Cardiff: Welsh Government, GSR report number 33/2023.

Available at: https://www.gov.wales/visitor-levy-research-views-consumers-and-residents

Views expressed in this report are those of the researcher and not necessarily those of the Welsh Government.

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Background and Methodology

Background

The Welsh Government is currently working on a consultation of a proposed Visitor Levy in Wales.

One evidence gap they have identified is the views of Welsh residents and UK consumers of domestic holidays on whether they think visitors should contribute via a Levy, are willing to pay a Levy and whether they would still come to Wales if a Levy was introduced.

To understand the views of the public, the Welsh government would like to undertake bespoke research across two stages:

1. Stage 1 ran as qualitative research through in-depth interviews to understand the full range of potential opinions on the matter
2. Stage 2 ran as a quantitative survey work to quantify opinions amongst a statistically robust sample

This research sits within a wider programme of research activity. The Welsh Government intends to conduct further research once policy development has further progressed.

Methodology – Qualitative stage

16 x participants were recruited by local recruiters based on their adherence to the below criteria. In-depth interviews were conducted over zoom or telephone on a one-on-one basis.

All participants were consumers of domestic UK holidays which we qualified as:

- Must be a holiday or short break decision-maker
- Must have taken a UK short break or holiday in the last 5 years
- Must be seriously considering taking a holiday or short break in the UK in the next 12 months.

Fieldwork took place from 11th November to 18th November 2022.

Depth interviews took 30 minutes to complete on average. Each participant received a monetary incentive to take part.

Sample definition		Number of interviews (minimum)
General	Consumers of domestic holidays (intenders)	16 (All respondents)
	Wales intenders	8-10
Destination type	Countryside or rural coastline intenders	3-4
	Traditional seaside town intenders	3-4
	Mountain or hill intenders	3-4
	City or large town intenders	3-4
Life stage	Pre-nesters	3-4
	Families	4-6
	Older independents	3-4
	Retirees	4-6
Social grade	AB social grade	3-4
	C1 social grade	3-4
	C2 social grade	3-4
	DE social grade	3-4
Region	Wales residents	6-8
	Non-Wales residents	8-10

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Methodology – Quantitative stage

The core stage of the research was quantitative, conducted via BVA BDRC via their ClearSight online survey – a monthly nationally representative survey that focusses on the UK public's attitudes to travel and leisure. The ClearSight survey is co-sponsored by VisitEngland, Visit Wales and VisitScotland, and includes a number of questions on domestic tourism intentions in the coming year.

- The study ran from the 3rd January through to 18th January
- 2,558 respondents completed these survey, of whom 1,005 live in Wales
- The data has been weighted by age, gender, social grade and region so it is nationally representative of the UK population

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Interpreting this report

This report features a number of different sub groups as defined below:

1. **Lots of tourism in area:** Respondents who self-describe as having ‘lots of tourism’ in their local area – 29% of the weighted sample with a base of 743

2. **Lots of tourism in area and live in Wales:** Respondents who self-describe as having ‘lots of tourism’ in their local area and live in Wales – 1% of the weighted sample with a base of 311

3. **Very likely to go to Wales on holiday:** Respondents who are very likely to go on holiday in Wales in the next few years – 15% of the weighted sample with a base of 618

This report also uses ‘financial segments’ which relate to current attitudes to the cost-of-living crisis. Whilst the Visitor Levy will be implemented beyond the cost of living crisis, these sub-groups provide a good steer of financial means and for this reason are preferable to household incomes. The segments are described as below:

1. **I’m one of the lucky ones** – I’m actually better off than before the crisis
2. **I’m alright** – the cost of living crisis has not really affected me and I’m pretty confident that it won’t
3. **I’m cautious** - so far things are OK but I feel I have to be very careful
4. **I’ve been hit hard** – I’ve got no option but to really cut back on my spending or although I’ve been hit hard and perhaps should cut back, I’d rather carry on spending today and let tomorrow look after itself

Demographics of the sample

Gender and life stage

- The gender split of respondents is relatively even across each of the sub-groups featured within this report. The age profile also broadly mirrors the UK population, although those with lots of tourism in their area (in Wales and outside), tend to be older than average.

Figure 1. Gender of respondents (weighted), Percentage, All respondents

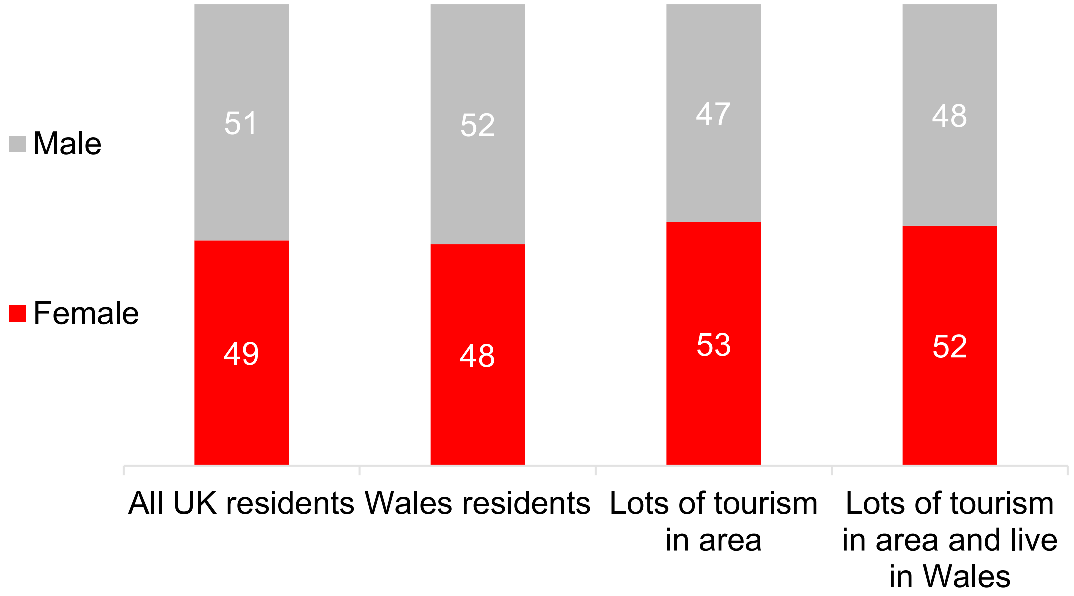
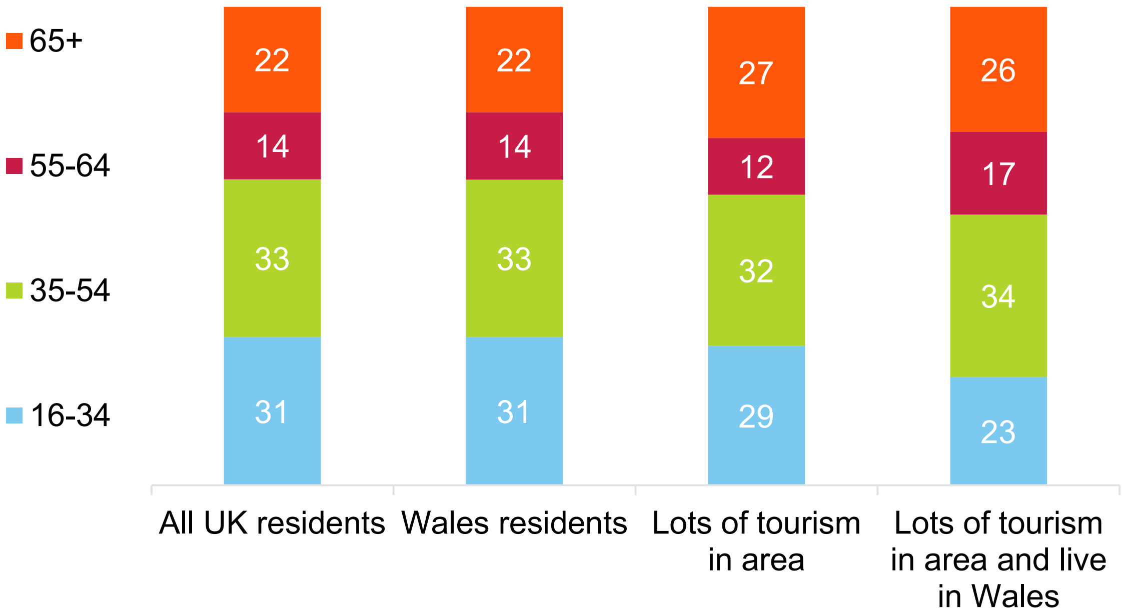


Figure 2. Age of respondents, Percentage, All respondents



Q4: Are you…? (Gender) Q2: Which of the following age groups are you in? (Age)
Base: All UK residents n=2,558; Wales residents n=1,005; Lots of tourism in area n=743; Lots of tourism in area and live in Wales n=311

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Household income and social grade

- Around half of all UK residents belong to high social grades ABC1, relatively consistent across each sub-group featured in the research. When looking at financial segment (see page 8 for explanation), around 1 in 5 of the UK population have been 'hit hard' by the cost-of-living-crisis, over half 'being very careful', with the remainder either unaffected or better off.

Figure 3. Social grade of respondents (weighted), Percentage, All respondents

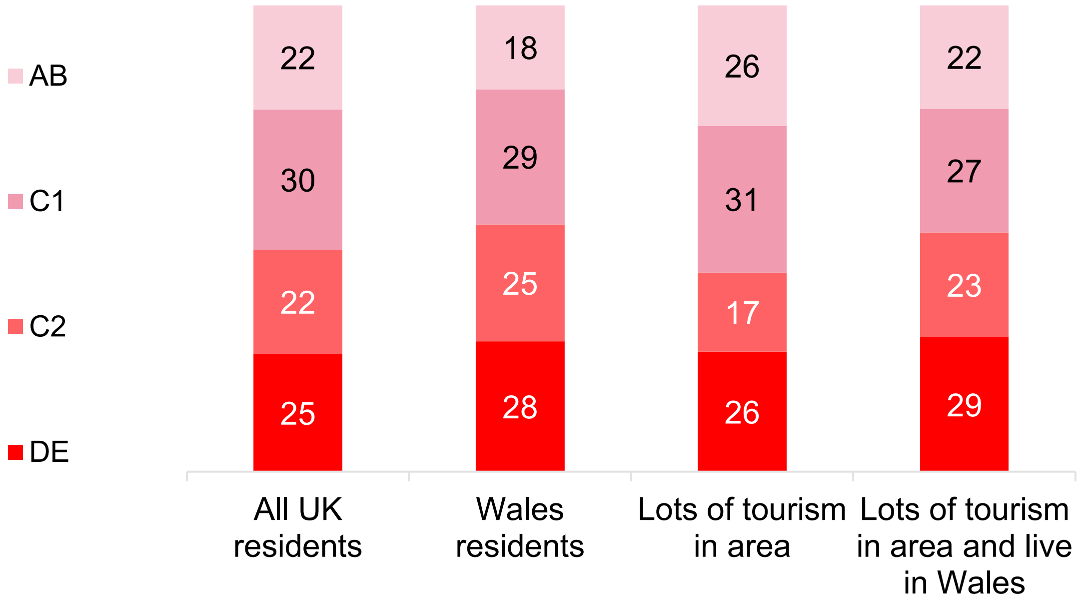
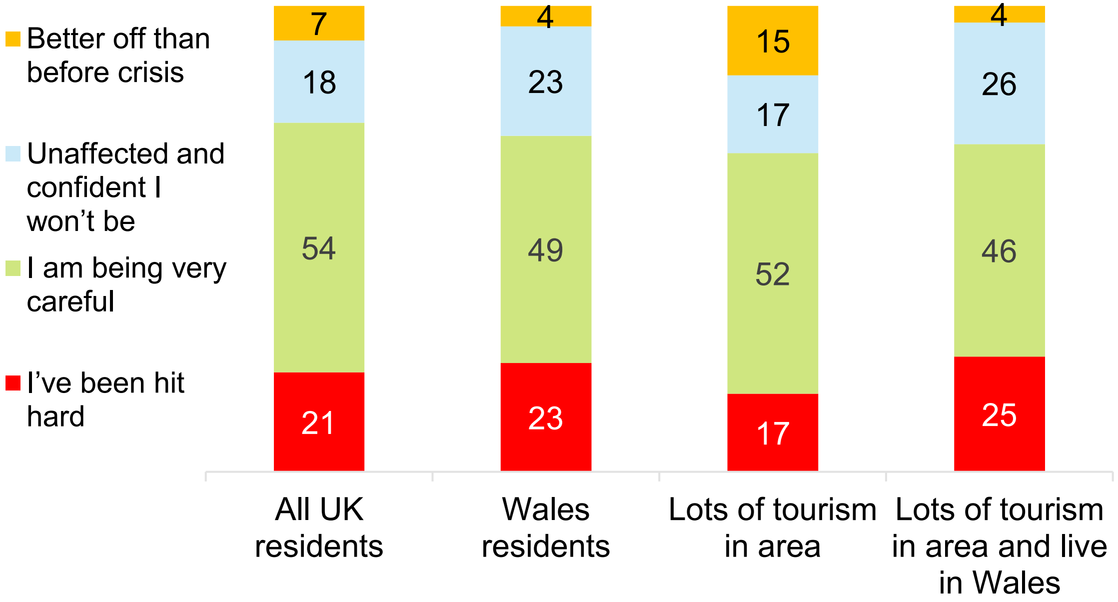


Figure 4. Impact of cost-of-living on respondents, Percentage, All respondents



Q15: Which of these most clearly applies to your occupation? q17: There has been a lot of talk about how the 'cost of living crisis' has affected people's financial circumstances. If you had to choose, which ONE of the following statements would best describe your feelings about your own situation, right now?
Base: All UK residents n=2,558; Wales residents n=1,005; Lots of tourism in area n=743; Lots of tourism in area and live in Wales n=311

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Key Findings

Key findings

1. A majority (58%) of the UK public agree that tourists should contribute towards the costs of maintaining and investing in the destinations they stay in, rising amongst people with lots of tourism in their area – in Wales (66%) and the UK (72%). Very few (13%) disagree with this.
2. When introduced to the concept of a 'visitor levy' in a place where they go on holiday or in their area, the UK public were more positive than negative – 45% were positive, and 25% were negative. Again positivity increased amongst people with lots of tourism in their area.
3. Although reactions were more positive than negative, it's important to note that when the visitor levy was turned from an abstract commitment (i.e. for tourists to contribute to tourism areas) to a tangible concept (an actual visitor levy in areas they visit or live in), negativity does increase, and for some respondents, negativity was visceral. Furthermore, for those with lower household incomes, positivity drops significantly, suggesting financial means are a driver of a positive response.
4. Not all objections related to personal financial means. The qualitative research indicated some objected on principle – 'paying to travel in their own country', 'lack of understanding of the details', 'regional reputation', 'national reputation damage' and 'concern for local business' (particularly those that locals also used) all mentioned. Positively, however, the qualitative research indicated that explaining the reasoning behind the levy and adding clarity to what it would look like, helped allay some negativity.
5. Almost all subgroups felt it was very important that they be told where the funds would be spent, particularly Wales residents who have lots of tourism in their area. 'Protecting the local environment' and 'maintaining local services and infrastructure' were the main ways in which both holiday-makers and locals felt funds should be spent, although the order of priority changed between the two.
6. A range of ideas were put forward to ensure the levy is a success – including trialling in busy destinations, being accountable for funds raised, relabelling as an environmental tax, launching with other destinations and waiting until the cost-of-living crisis has lifted before launching.

Attitudes to tourism

UK respondents attitudes to travel and holidaying in the UK

The qualitative research generated a number of broad themes around attitudes to domestic travel:

- The UK public factor the price of the entire holiday into their budget when planning – this could include additional costs such as a levy
- Many choose the UK because it is a cheaper option, with overseas trips seen as a luxury. When faced with increasing domestic trip costs, overseas trips become more appealing
- A few noted that travelling within the UK 'doesn't feel like being a tourist' because they are in their own country. So additional 'tourism taxes' (as described by some respondents) would be slightly incongruent

"I try to go away in the summer holidays but post covid the prices of places in UK have sky rocketed. For 4 nights, I looked at the UK but £1500 to stay in Devon – that's just far too much. Instead we went to Spain for £80 return for 4 people." (Wales resident)

"For me, when I'm booking a holiday, I look at the location, the facilities, and the price. All are equally important." (non-Wales UK resident)

"It's a weird thing really as although I know I'm a tourist when I go to another city in the UK, I don't really think of myself as being a tourist, say if I went to Devon, […] I see it as my country, so I feel like I'm not a tourist." (Wales resident)

Qualitative study conducted in November 2022

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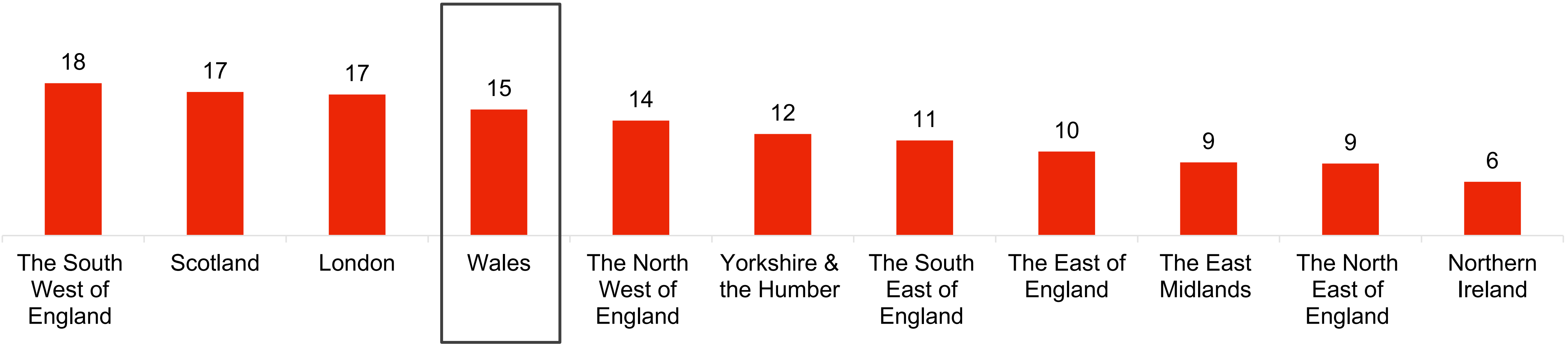
Destinations for a UK overnight trip

- The South West of England is the most popular destination being considered for a UK overnight trip in the next few years - just under 1 in 5 (18%) considering this region. Wales is near the top for consideration, with 15% seriously considering it for an overnight visit in the next few years.

Figure 5. Destinations respondents seriously considering a holiday/short break in next few years, Percentage, All respondents



TS1a. How likely or unlikely are you to go on a short break or holiday in the following parts of the UK in the next few years?
Base: All respondents n=2,558

Amount of tourism get in local area across UK regions

- Only around 3 in 10 (29%) of the UK public believe they get ‘a lot’ of tourism in their local area, although this rises to 3 in 5 (58%) amongst residents of the South West of England. 3 in 10 Wales residents believe they get lots of tourism in their area – consistent with Scotland.

Figure 6. Amount of tourism get in local area, Percentage, All UK residents

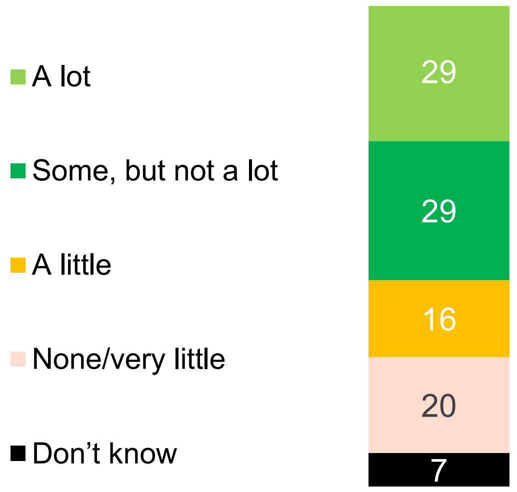
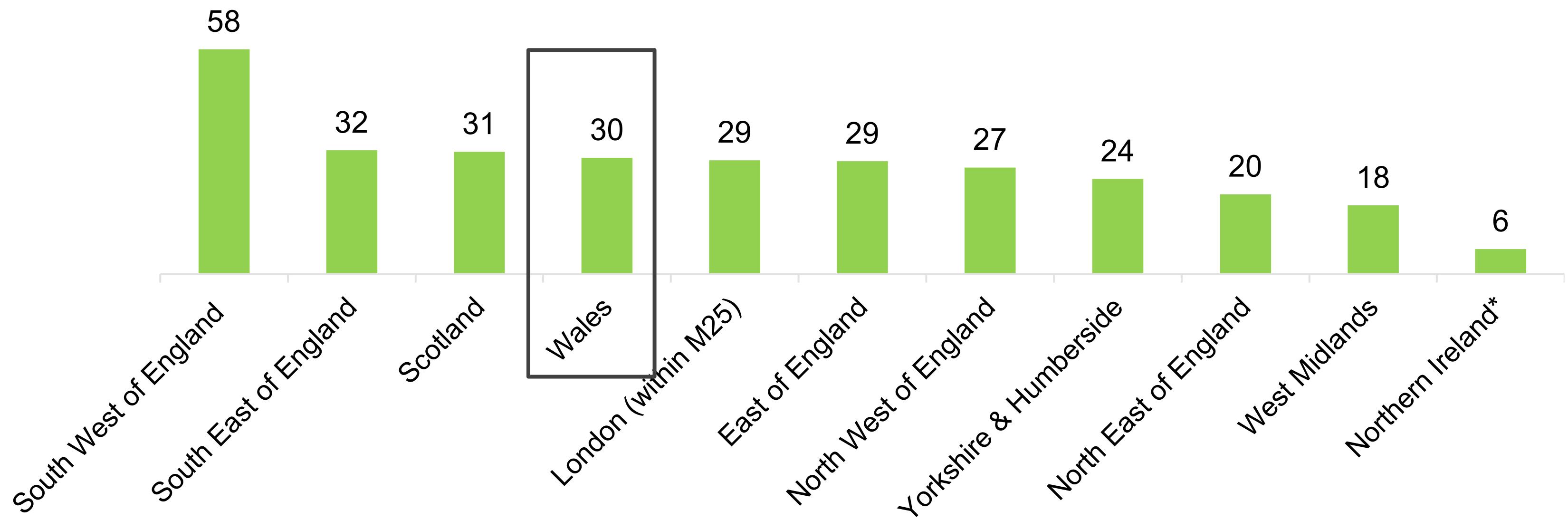


Figure 7. Amount of tourism get in local area, those that select ‘a lot’, Percentage, All respondents

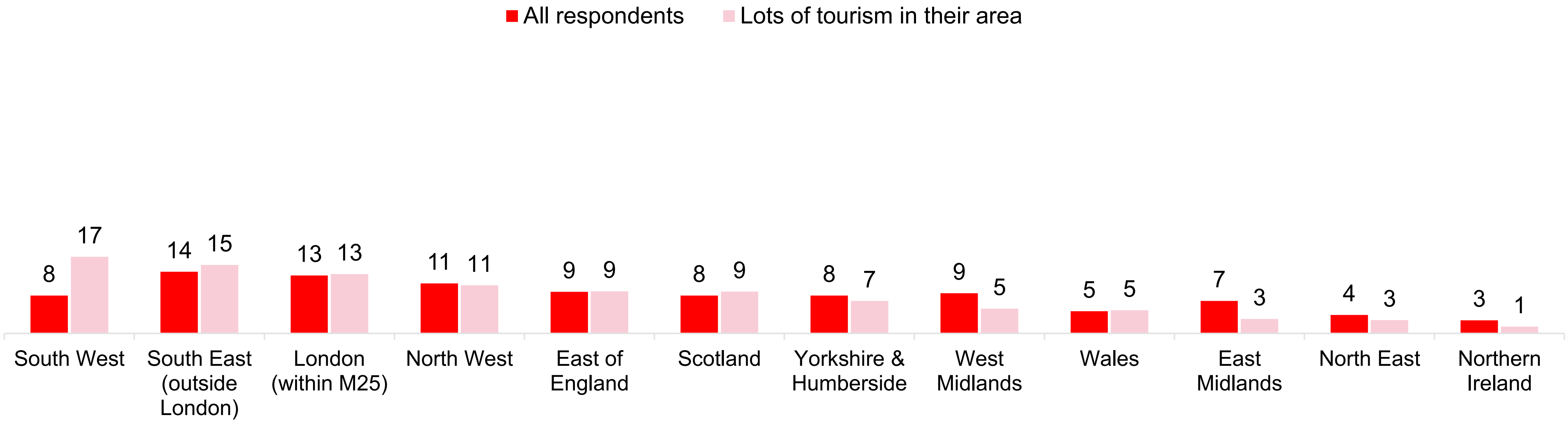


TS1b: How much tourism do you get in your local area? Q3: In which region do you live?
Base: All respondents n= 2,558, NE (n=71) NW (n=173) Y&H (n=144) WM (n=157) EM (n=113) EofE (n=125) SE (n=195) SW(n=124) London (n=178) Scotland (n=125) Wales (n=1005) NI (n=23*) *base low

Region of residence

- The South West of England, the South East of England, London and the North West of England are the parts of the UK that generate the highest proportion of residents that believe they have 'lots of tourism in their area'.

Figure 8. Region of origin of respondents (weighted), Percentage, Amongst all respondents and respondents with lots of tourism in their area



Q3: In which region do you live?
Base: All respondents n=2,558; Lots of tourism in their area n=743

Attitudes to tourism in their local areas

When considering tourism in their own local areas, most respondents saw the benefits outweighing the negatives.

- Many noted how much local businesses relied on tourism
- For some, an element of pride came with living in a popular area through seeing their local amenities used
- Locals felt they are generally treated with respect from visitors
- A few noted traffic issues, however highlighted ways they have found of avoiding the 'rush hour'.

For those that travel to areas where overcrowding was a concern, they deliberately travelled outside of the peak season dates. Meanwhile those that did travel at peak times highlighted the effort they made to be considerate to locals as a way of minimising impact.

"It keeps the local businesses going - I imagine my local cafés make a lot from the tourism. I mean, we live by the river so we get lots of tourists canoeing, walking […] sometimes there's lots of canoes and paddle boards on the river so you do get litter, but on the other hand it's nice that it's used" (Wales resident)

"Where I live we get a lot of visitors in the summer but when they realise that I'm a local, they will often ask questions and be very friendly" (Wales resident)

"As a tourist, overcrowded places don't worry me. Wherever we go into the world, we respect what the locals do" (non-Wales UK resident)

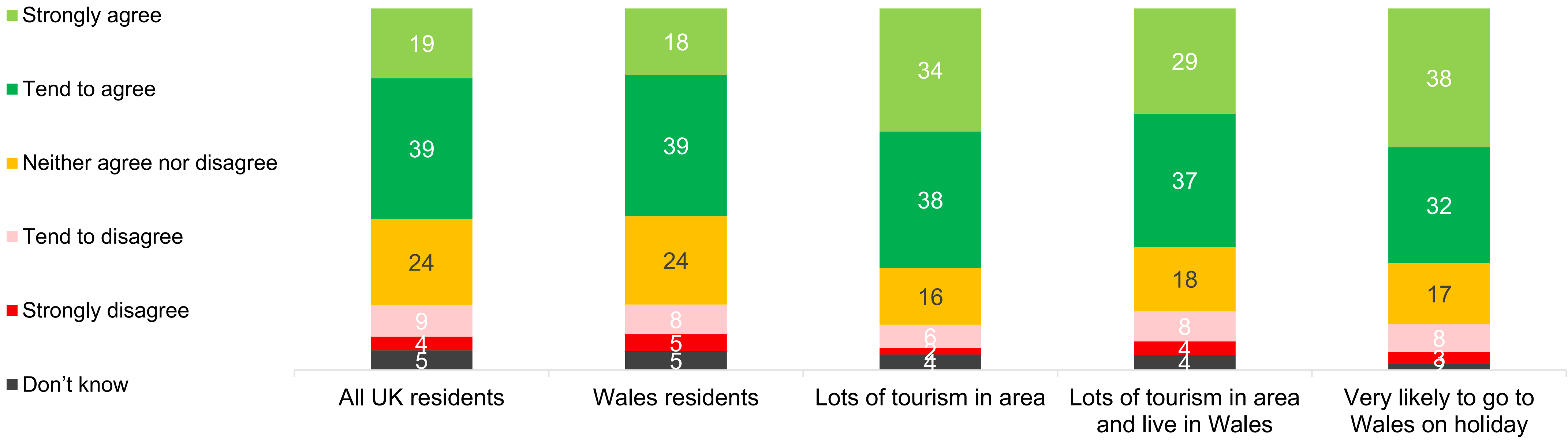
Qualitative study conducted in December 2022

Attitudes to the visitor levy

Attitudes towards maintaining and investing in destinations

- Over half of UK and Wales residents agree that tourists should contribute towards the costs of maintaining and investing in the destinations they stay in – only a small proportion (13%) disagreeing.
- This increases to just under three quarters (72%) amongst people who live in areas with lots of tourism, and two thirds (66%) for people who live in areas of Wales with lots of tourism.

Figure 9. Level of agreement with levy at destination, Percentage, All respondents



'TS2: How much do you agree or disagree that tourists should contribute towards the costs of maintaining and investing in the destinations they stay in? Base: All UK residents (n=2,558) Wales Residents (n=1,005) 'Lots of tourism in area (n= 743) 'Lots of tourism in area and live in Wales (n=311) 'Very likely to go to Wales on hol (n=618)

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Attitudes towards maintaining and investing in destinations

- Agreement that tourists should contribute to maintaining and investing in destinations correlates strongly with social grade and ‘financial means’ – higher social grades and people less impacted by the cost-of-living crisis for more likely to agree than lower social grades and people more impacted by the cost-of-living crisis. That said, only a minority of all sub-groups disagree with this sentiment

Figure 10. Level of agreement with levy at destination by social grade, Percentage, All respondents

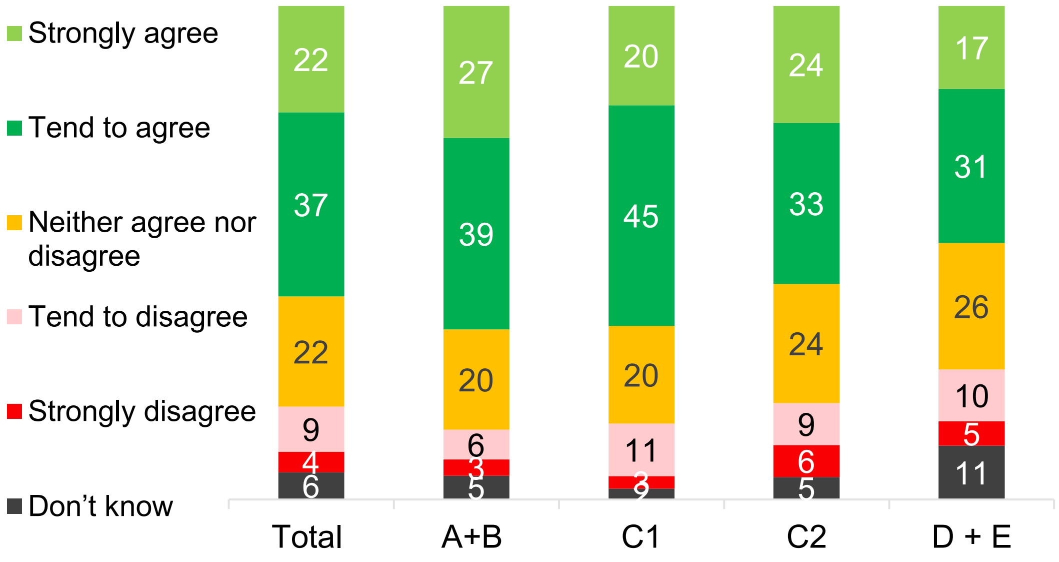
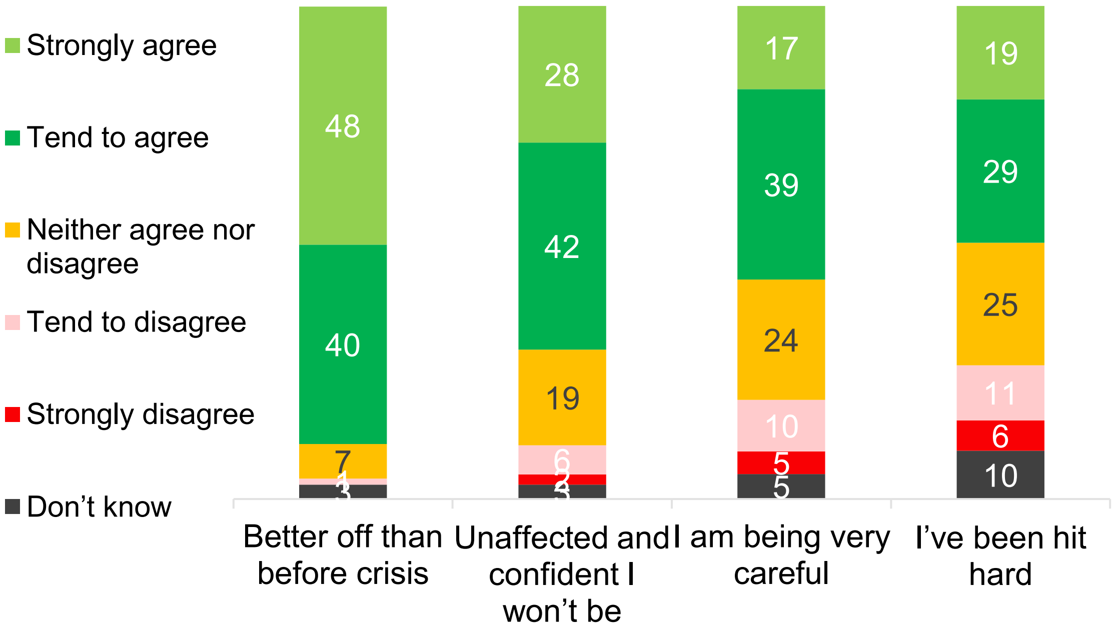


Figure 11. Level of agreement with levy at destination by financial segment, Percentage, All respondents



'TS2: How much do you agree or disagree that tourists should contribute towards the costs of maintaining and investing in the destinations they stay in? Base: All providing social grade and who are very likely to take a holiday (n=2,068) A+B (n=563) C1 (n= 307) C2 (n=394) D+E (n=804) Better off than before crisis (n=129); Unaffected and confident I won’t be (n=380); I am being very careful (n=1,040); I’ve been hit hard (n=519)

Introducing the visitor levy concept

Following their response to the concept of contributing to tourism, respondents were provided with the below description of the visitor levy concept:

Holiday destinations within Wales are considering charging a 'visitor levy' to UK and overseas tourists staying overnight in <u>paid-for accommodation.</u> This small charge would be used to support sustainable tourism through helping to fund local services and infrastructure, used by visitors and residents.*

The actual fee has not yet been decided, but it would be comparable to existing charges in European destinations, representing a small percentage of a visitor's overall spend on accommodation. It would be set at a level relative to the cost of the accommodation.

*Wales was provided as an option for all respondents stating they are 'very/fairly' likely to take a holiday or short break in Wales in the next few years (36% of the sample). For all those that did not state they are very/fairly likely to to take a holiday or short break in Wales in the next few years, another destination they are likely to visit was inserted at random. This was to ensure that respondent reactions to the levy were anchored on a destination that is relevant to the individual.

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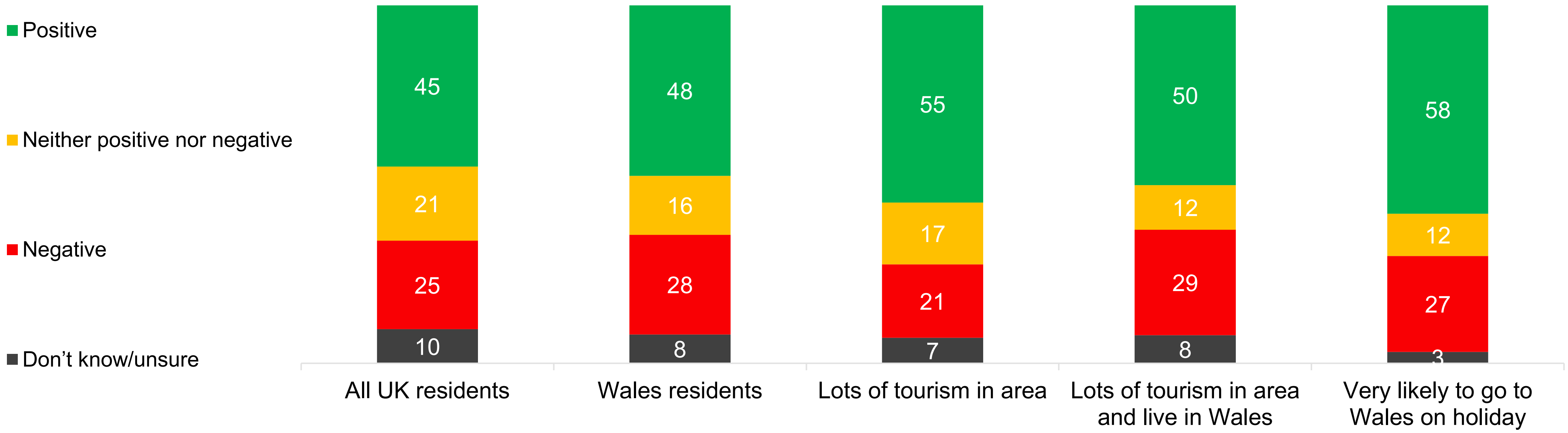
Attitudes to visitor levy

- When provided with a description of the visitor levy concept within the domestic tourism context, all subgroups were more positive than negative about the initiative. 45% of UK residents were positive (48% of Wales residents), with 25% negative. A further 3 in 10 (31%) were either 'neither positive nor negative' or did not have an opinion.
- Positivity increases for people with lots of tourism in their area – in the UK and in Wales – and for people very likely to go to Wales on a holiday.

Figure 12. View of levy at tourism destination, Percentage, All respondents



'TS3: From the description above, do you see the introduction of a visitor levy in …as a positive or negative initiative? Base: All UK residents (n=2,558) Wales Residents (n=1,005) 'Lots of tourism in area (n= 743) 'Lots of tourism in area and live in Wales (n=311) 'Very likely to go to Wales on hol (n=618)

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View of visitor levy by social grade

- All social grades and financial segments were more positive than negative about the ‘visitor levy’ concept. However, it’s important to note that positivity does broadly decrease amongst lower social grades and lower financial means. Notably, those that have been ‘hit hard’ by the cost-of-living crisis (around 1 in 5 of the population) are almost as likely to see the visitor levy as a negative initiative.

Figure 13. View of levy at tourism destination by social grade, Percentage, Amongst all respondents who are very likely to take any holiday

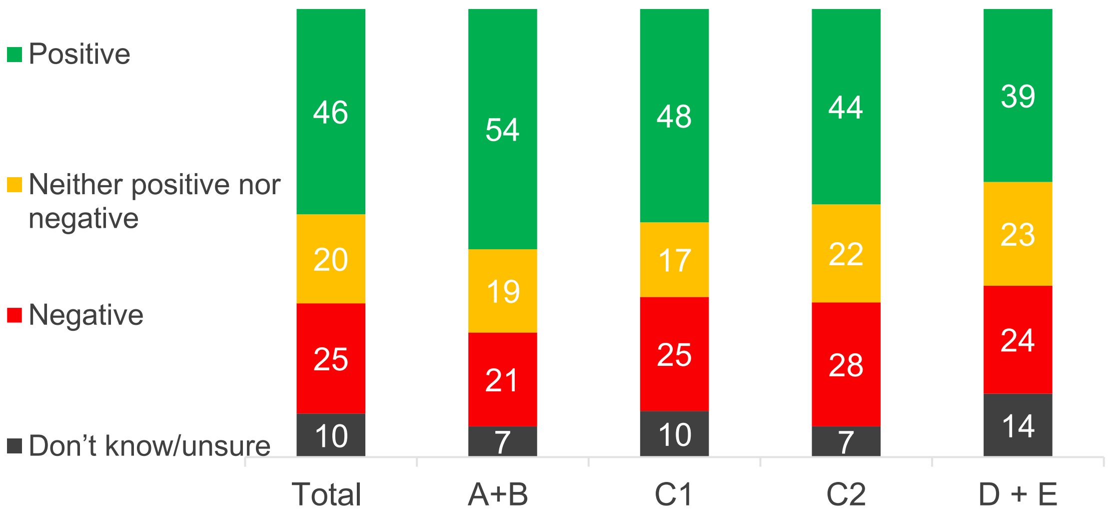
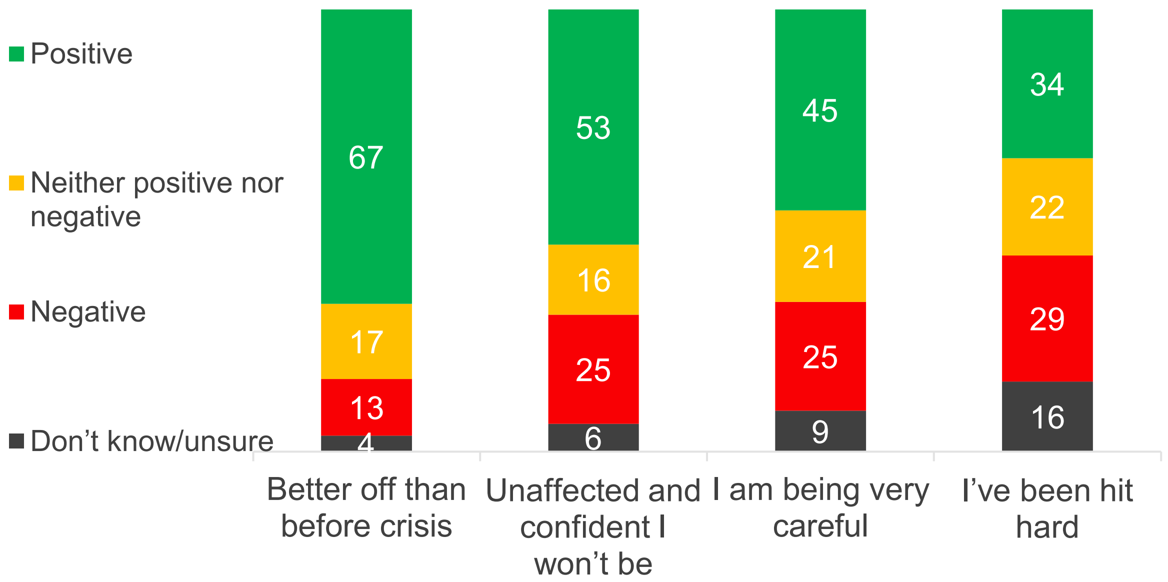


Figure 14. View of levy at tourism destination by by financial segment, Percentage, Amongst all respondents who are very likely to take any holiday



'TS3: From the description above, do you see the introduction of a visitor levy in …as a positive or negative initiative? Q15: Which of these most clearly applies to your occupation?
Base: All providing social grade and who are very likely to take a holiday (n=2,068) A+B (n=563) C1 (n= 307) C2 (n=394) D+E (n=804) Better off than before crisis (n=129); Unaffected and confident I won’t be (n=380); I am being very careful (n=1,040); I’ve been hit hard (n=519)

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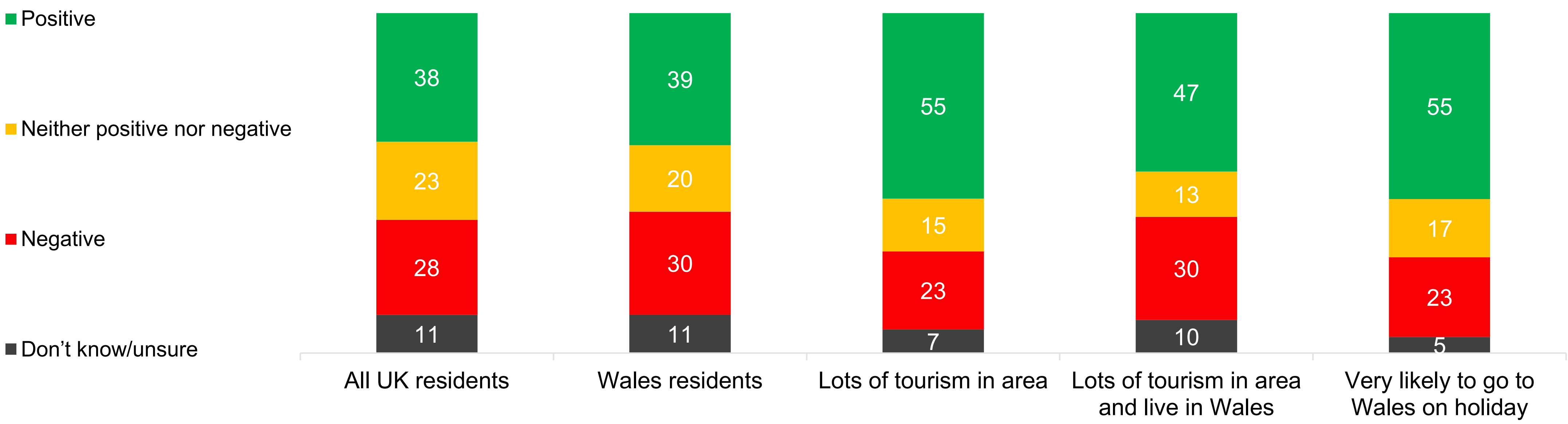
Attitudes to visitor levy if introduced in their local area

- When asked how they would feel about the visitor levy if it was introduced in their local area, the UK public remained more positive than negative. Most notably, those with lots of tourism in their area were broadly as supportive of the concept as they were when it was a more general concept related to places they would go on holiday.

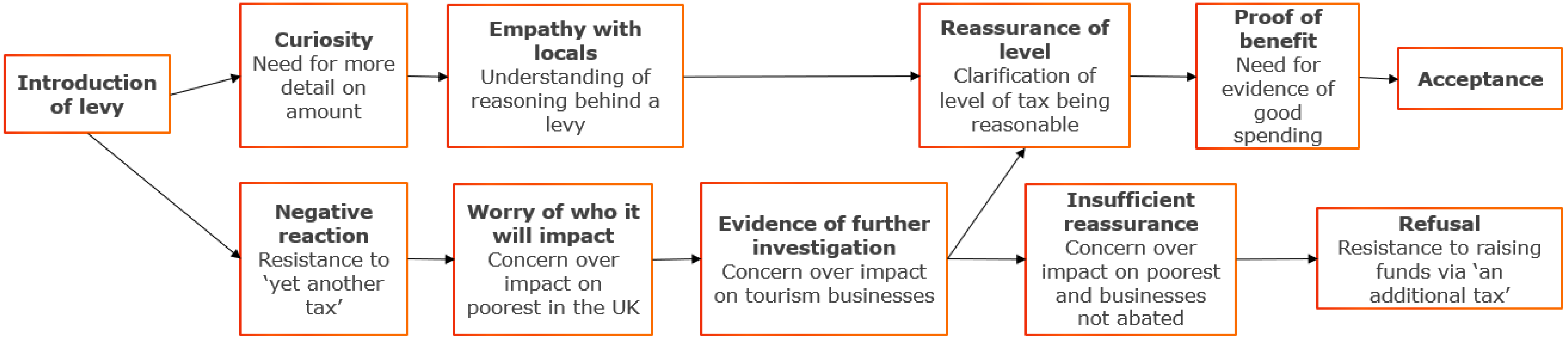
Figure 15. View of levy in <u>own local area</u>, Percentage, All Respondents



TS5: And would you see the visitor levy as a positive or negative initiative if it was introduced in your local area? Base: All UK residents (n=2,558) Wales Residents (n=1,005) 'Lots of tourism in area (n= 743) 'Lots of tourism in area and live in Wales (n=311) 'Very likely to go to Wales on hol (n=618)

The ‘response journey’ to the visitor levy

The reaction to the visitor levy was divided between those who were accepting and those who require some convincing. **For those more open**, they generally are curious about how it will work, and while they do have some concerns, they typically will have encountered the levy in other countries and so are less averse to it becoming enforced in the UK as long as it is of a reasonable level and has a clear benefit. **For the more sceptical**, the reaction to seeing the levy as ‘yet another tax’ is almost automatic, and it is then a case of alleviating their concerns and reassuring them how it will be of a benefit rather than a hindrance to local areas and businesses. They also are less likely to have encountered it previously, so would need clear indication of how it will be enforced and how much it would be, so as to understand level of impact on their own UK travel plans. If they are not provided with sufficient reassurance however, then the levy is still met with resistance.



“Idea of a levy in Wales doesn’t phase him but would think that anything more than £15-20 per night would be far too much. Think 10% of overall expenditure in accommodation would be more than enough. Anymore and I might be wary” (Wales resident)

“I would still make the visit but might not stay as long or try to avoid those areas and go somewhere else. I can see that tourists paying for maintenance would be good for the local community” (non-Wales UK resident)

“Wouldn’t expect it in this country – we’re taxed on everything. You can’t earn your money, you can’t spend your money. You can’t do anything – the thought of going on holiday and paying another tax seems a bit harsh” (non-Wales UK resident)

“Can understand it from a perspective of keeping crowds down but I’m not too happy with that really” (non-Wales UK resident)

Qualitative study conducted in December 2022

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Concerns regarding the levy - tourists

Those highly likely to travel in the UK, had some key concerns with regards to the levy:

Timing
Introducing an additional tax during a cost of living crisis was perceived as insensitive (this was raised despite assurances that it was a medium to long-term initiative).

‘Taxing’ the poorest
As UK staycations are often perceived to be an option for those that cannot afford to go abroad, there was concern that this visitor levy will have a disproportionately negative impact on the least well off. It was notable that despite our positioning, participants automatically referred to the levy as ‘a tax’.

Use of funds
There is a general mistrust of the government and so a concern that the funds wouldn’t be spent on what they are intended for.

The levy was generally viewed as an additional cost to the holiday, and so the level of cost would impact how affordable a particular area would be to visit compared to another region.

“It depends on how much it was, say if it was a minimal amount and I really wanted to go to Cornwall, then I'd go, but if it’s the difference between getting nice accommodation elsewhere, then I’d think twice” (Wales resident)

“I think an awful lot of people would be most concerned about paying a tourist tax especially at this very difficult financial time.... timing will have to be carefully considered about its introduction. I can imagine a lot of people saying, "we can’t afford to heat our houses, buy food and now we can't even afford to go away on holiday!” (Wales resident)

“If they’re being unfair and unjust no I’m not prepared to pay that. If there’s a reasonable amount then maybe. We go to Wales because it’s good value for money. If they spend it on people less fortunate than ourselves – charitable uses nearby then it could be justified.” (non-Wales UK resident)

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Concerns over impact of levy on own local area

Local residents, in particular those who lived in areas with higher tourism, had some of the strongest levels of concern.

Worried for local businesses
Having witnessed how much local businesses struggled without tourists during the covid period, there was real worry that their favourite places (which they also enjoy as local residents) that rely strongly on tourism might have to close should the visitor levy put off visitors. With the concern that it would impact visitor numbers, locals were worried that the amount lost from fewer tourists visiting Wales would be greater than the amount gained.

Regional reputation
For those that live in Wales, there was concern that being the first region in the UK to introduce the visitor levy would harm Wales's reputation across the UK. Locals noted how much work had recently been done to make Wales a welcoming destination, and saw the visitor levy as a step backwards in that respect.

Pay to travel in own country
Particularly for those that already live in Wales and choose to travel within Wales to save money, there was concern that they would have to pay the additional tax despite already being a Welsh tax payer. This sentiment also existed at a broader UK level.

"I'd want to know how it would affect me and would it improve things I guess, and how will it affect businesses, would it turn people away […] the local impact on businesses, my favourite café would it have to close because less people are coming because they have to pay a tax?'"(Wales resident)

"If I had a business there I would be worried that people will try to avoid the location" (non-Wales UK resident)

"It'll prevent people from coming to Wales. We want visitors and Wales needs the economy." (Wales resident)

"Speak to local businesses that it would affect,[…] speak to the businesses, and I think if prices of holidays increased, they're going to be increased anyway in terms of fuel, accommodation, cottages and things going to go up as well. Do you really want to put people off, which is hopefully one of the good things about covid is that people did holiday more in the UK & in Wales, do you want to ruin that momentum? People have discovered Wales more because of having to holiday more in the UK and I think it's a shame if they increase the costs to make it unachievable for people and lose all that momentum you worked so hard to build for Wales." (Wales resident)

"It seems harsh to be charging UK citizens – creates even more of a divide when we are meant to be united. If Wales does it, England, Scotland and NI should too! Why can't they just charge tourists from abroad?" (non-Wales UK resident)

Qualitative study conducted in November 2022

The importance of clarity

While some of the people spoken to had knowingly experienced the visitor levy in other countries, many had not and were unsure of what this was and how it worked.

As such, there is a clear need for clarity on:

- What the visitor levy actually is
- Why it is needed
- Who it applies to
- How much it is
- How it is paid
- Who it benefits and how it will be used
- How it will impact local communities

Once respondents have a greater understanding of the levy, they are much more open to paying this.

"In Menorca I paid a tourism tax. I got a good deal on the holiday and then I factored that into it. Nowadays there's plus plus plus per day and it all adds up. With this I would go through the process so obviously it's something negative as it's more cost, and of course it's a negative reaction. When you go abroad you realise there's a plus plus plus . This country it's more hassle free, you take your car – diesel to add to it. It's another thing. Here we go again" (non-Wales UK resident)

"Is it going to help clean and maintain the area? Will it reduce the cost of my accommodation and then add tax on top – I can't imagine that will happen" (Wales resident)

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View on price levels

In terms of the level of the visitor levy, those that had experienced it previously were less concerned that it would be something that would add a significant cost to the price of the holiday.

There was a preference to the levy being proportional to the cost of the accommodation rather than a fixed fee, as that would help for it to feel more fair in terms of taxing the more wealthy more.

As Wales is generally perceived to be a cheaper destination than Cornwall or the Cotswolds, the overall cost of the holiday including the levy was generally seen to be less than going to those other regions and so wouldn't put most people off as long as the overall amount remained the cheaper option.

While there were various suggestions, the general amounts suggested were 5-10% of the accommodation cost, or an amount that would not exceed £100 for the week.

Due to the cost of living crisis, it was noted that the levy should be minimal (if at all) if it is to be introduced before the crisis ends.

"If I was going to stay for one night, and the tax was the same for someone staying 2 weeks, I don't think that would be fair. I would think it should be a percentage" (non-Wales UK resident)

"I think that a flat rate of £5 per person, per night is reasonable, or 10% of the room charge. Anymore and it would put me off booking" (non-Wales UK resident)

"If It's a small amount then you'd incorporate it anyway – everything goes up. If it's quite a bit extra then you think twice… I'd imagine it is per day. Under £100 it's probably ok. Will need to make decisions over whether to go there if it goes over £100. I think £7-8 a day – very roughly speaking" (non-Wales UK resident)

"It depends a lot on how much it would be but can't imagine it would put me off going too much. I think about 5% is reasonable. People go away in caravans etc. because they want a cheap and cheerful holiday – anything more than 5% could put people off" (Wales resident)

"I understand that it's difficult times, however you'd need to carefully consider the actual amount you're proposing because people are already very stretched and they wouldn't want it to then hinder tourism going forwards" (Wales resident)

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The broader impact of the levy

Perceived general impact of visitor levy

- Despite general positivity towards the concept, half of UK residents felt the levy would make short breaks or holidays in the UK too expensive – rising to 55% of those likely to take a holiday in Wales. Around 3 in 5 agreed it would discourage people to visit. However, it's important to note that these opinions are 'abstract' and when asked directly about their own behaviour, there is less of an impact (see next page).

Figure 16. Agreement that levy would make short breaks or holidays in the UK too expensive, Percentage, All respondents

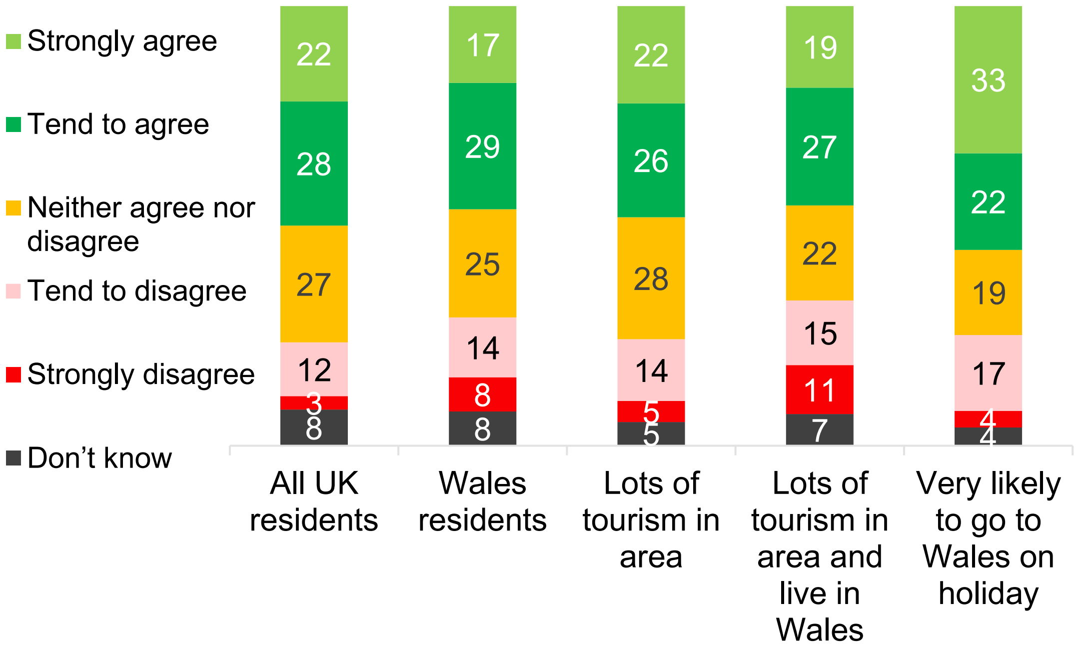
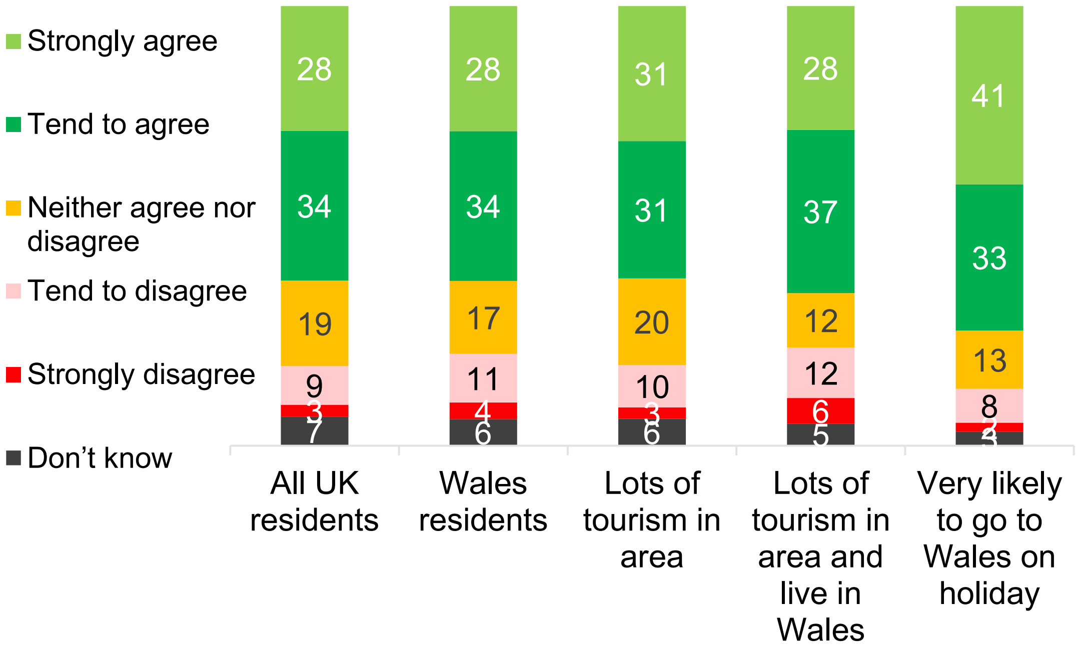


Figure 17. Agreement that levy may discourage people from visiting, Percentage, All respondents

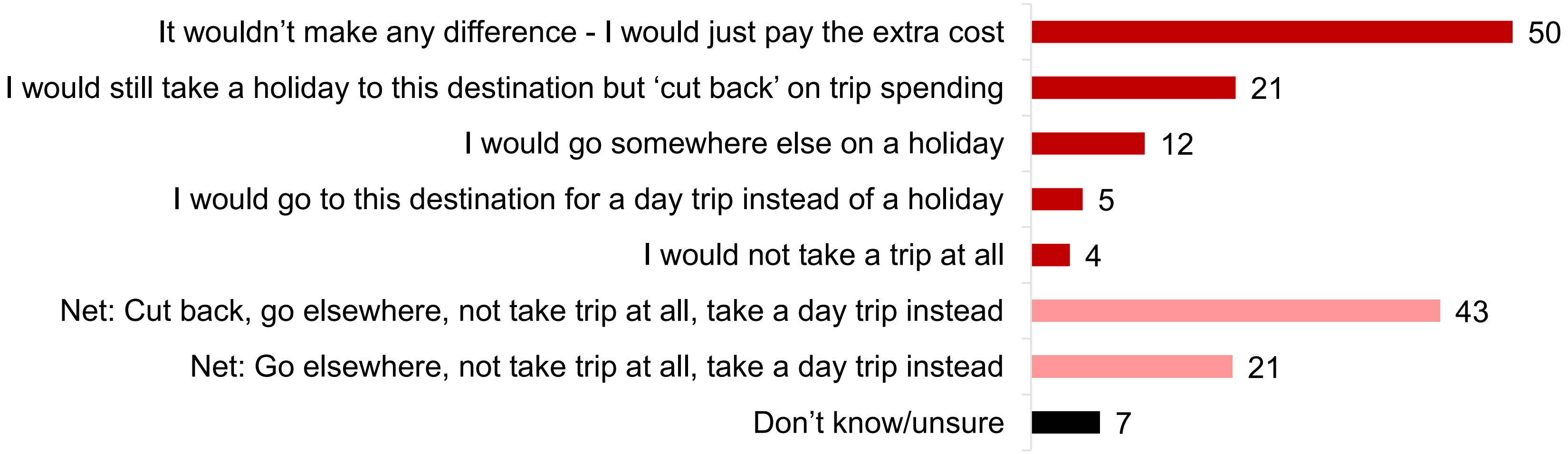


A9. Thinking more generally how much do you agree or disagree with the following statements around the introduction of a visitor levy in <the UK> <Wales>? Base: All UK residents (n=2,558) Wales Residents (n=1,005) 'Lots of tourism in area (n= 743) 'Lots of tourism in area and live in Wales (n=311) 'Very likely to go to Wales on hol (n=618)

Behaviour change if levy introduced

- Although there was agreement that the visitor levy would make UK short breaks or holidays prohibitive (see previous page), when asked directly how a visitor levy would impact *their* trip-taking, only 1 in 5 of Wales trip-takers would not take their Wales trip at all (12% would go somewhere else, 5% would take a day trip instead and 4% would not take any trip). A further 1 in 5 (21%) would 'cut back' on trip spending but still take a holiday to Wales.

Figure 18. Response to the introduction of a visitor levy in Wales, Amongst those very likely to go to Wales on holiday, Percentage



TS7: Which of the following best describes how you would respond to the introduction of a visitor levy in Wales you are considering for a short break or holiday? Base: All respondents who are very likely to go to Wales on holiday n=618. Totals may not sum due to rounding

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Behaviour change if levy introduced

- Amongst those planning a Wales holiday or short break, the likelihood of 'cutting back' in the event of a visitor levy being introduced increases by financial segment. Of those better off than before the crisis (around 1 in 13 of the population), only 18% would 'cut back', but this rises to 45% amongst those unaffected, 44% of those being very careful and 57% of those 'hit hard'.

Figure 19. Response to the introduction of a visitor levy in Wales split by current financial status in relation to cost-of-living crisis, Amongst those very likely to go to Wales on holiday, Percentage

	Better off than before crisis	Unaffected and confident I won't be	I am being very careful	I've been hit hard
It wouldn't make any difference - I would just pay the extra cost	78%	51%	48%	33%
I would still take a holiday to this destination but 'cut back' on trip spending	17%	20%	26%	14%
I would go somewhere else on a holiday	<1%	12%	10%	27%
I would not take a trip at all	<1%	12%	4%	7%
I would go to this destination for a day trip instead of a holiday	0%	1%	4%	10%
Don't know/unsure	4%	4%	9%	10%
Net: Cut back, go elsewhere, not take trip at all*	18%	45%	44%	57%

TS7: Which of the following best describes how you would respond to the introduction of a visitor levy in Wales you are considering for a short break or holiday? Base: All respondents who are very likely to go to Wales on holiday Better off than before crisis (n=57); Unaffected and confident I won't be (n=112); I am being very careful (n=308); I've been hit hard (n=141)
*Net totals may sum more than whole numbers due to decimal point rounding

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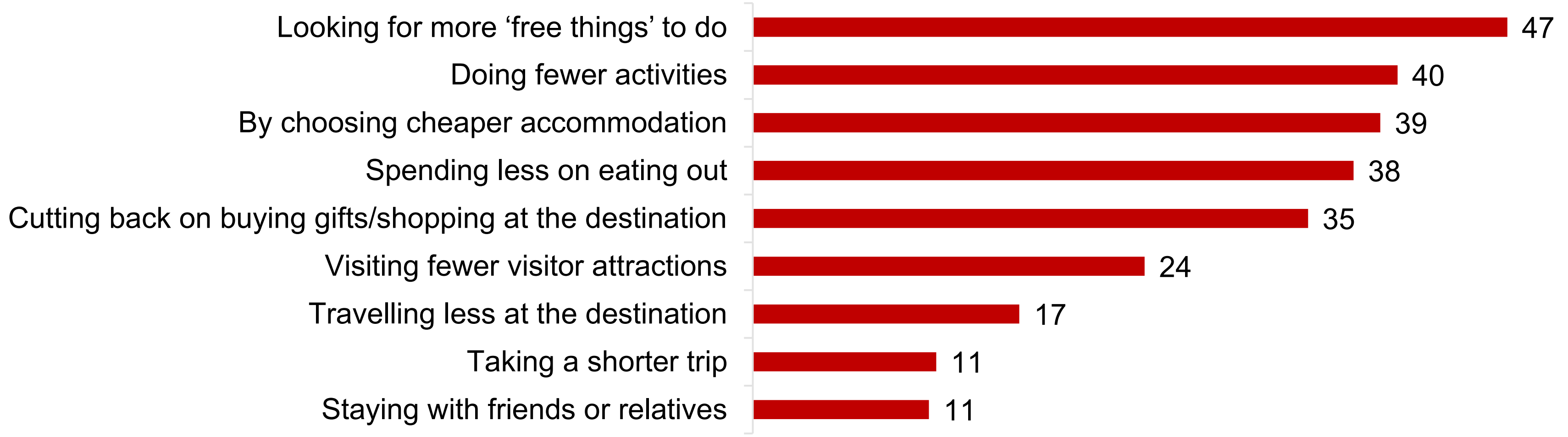
How visitors anticipate ‘cutting back’ on trip spending

- The main way that UK residents who are very likely to go to Wales for a holiday or short break look to ‘cut back’ is by looking for more free things to do, with just under half opting for this.
- Other popular options include doing fewer activities (40%), choosing cheaper accommodation (39%) and spending less on eating out (38%).
- Areas where they are less willing to compromise are in the length of their trip and whether they stay independently or with friends and relatives.

Figure 20. How anticipate ‘cutting back’ on trip spending, Amongst those very likely to go to Wales on holiday, Percentage



'TS8. And how would you anticipate ‘cutting back’ on trip spending? Base: All respondents who are very likely to go to Wales on holiday and looking to cut back n=134

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How visitors anticipate 'cutting back' on trip spending

- The ways in which trip-takers would cut-back vary by financial segment. In particular, it's notable that although the 'I am being very careful' segment is as likely to 'cut back' as the 'unaffected and confident I won't be' segment, 'I am being very careful' are likely to cut back in more areas. Along with 'I've been hit hard', they are particularly more likely to cut back by 'spending less on eating out', 'looking for more 'free things to do', 'by choosing cheaper accommodation' and 'cutting back on buying gifts/shopping a the destination'.

Figure 21. How anticipate 'cutting back' on trip spending split by current financial status in relation to cost-of-living crisis, Amongst those very likely to go on a domestic holiday, Percentage

	Better off than before crisis*	Unaffected and confident I won't be	I am being very careful	I've been hit hard
Spending less on eating out	24%	26%	54%	63%
Looking for more 'free things' to do	1%	17%	51%	42%
By choosing cheaper accommodation	19%	18%	40%	39%
Cutting back on buying gifts/shopping at the destination	12%	17%	37%	34%
Doing fewer activities	1%	27%	28%	33%
Visiting fewer visitor attractions	27%	18%	27%	34%
Travelling less at the destination	8%	17%	20%	21%
Taking a shorter trip	25%	17%	16%	25%
Staying with friends or relatives	13%	19%	13%	17%

'TS8. And how would you anticipate 'cutting back' on trip spending? Base: All respondents who are very likely to go on a domestic holiday in the next few years. Better off than before crisis (n=57); Unaffected and confident I won't be (n=112); I am being very careful (n=308); I've been hit hard (n=141) Note: Broader sample used here to increase base sizes.

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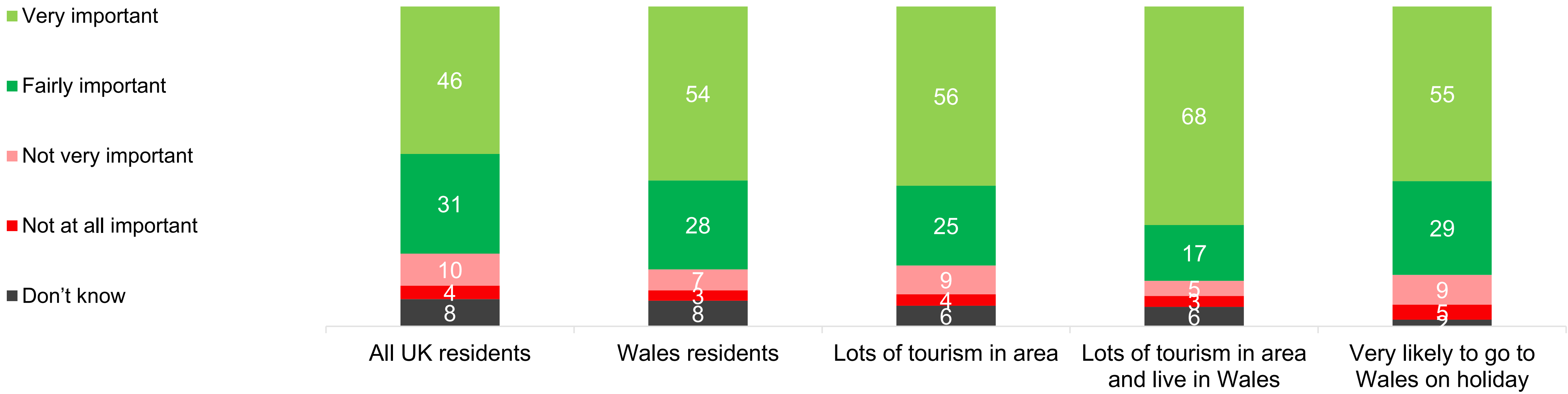
How funds are spent

Attitudes to how funds are spent

- In the areas with the greatest levels of tourism in Wales, over two thirds (68%) of respondents felt it was ‘very important’ to know where the funds from the levy are being spent.
- This is also high amongst those who are likely to go on holiday to Wales, with over half (55%) stating it’s ‘very important’ to know.

Figure 22. Importance of being told where the funds raised from the visitor levy will be spent, Percentage, All Respondents



TS10: How important, if at all, is it that you are told where the funds raised from the visitor levy would be spent? Base: All UK residents (n=2,558) Wales Residents (n=1,005) 'Lots of tourism in area (n= 743) 'Lots of tourism in area and live in Wales (n=311) 'Very likely to go to Wales on hol (n=618)

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Attitudes to how funds are spent

When trying to understand why the levy is necessary and whether they will accept paying it, respondents showed a clear need for transparency over where the money would be used.

Most wanted the money to be spent locally, on that specific tourism area/town.

There is a need for accountability and evidence of the money being spent in communities in tangible ways, as mistrust of government results in concerns that the money would not go where it is intended.

For many, a clear argument against the levy was that they pay tax already and so they questioned why that money couldn't be used instead.

"Birmingham held the Commonwealth earlier this year and it would have been good to have had any extra money that the council could have made to assist in keeping it clean and bringing in the tourists" (non-Wales UK resident)

"I would think it should be used for improved car parks, traffic management, keeping the town clean" (non-Wales UK resident)

"One other thing I'd suggest would be to be transparent – this is a new levy and the justification for this is, and this is what we're looking to use it for. If it's something I'm happy with then I'd be happily do this." (non-Wales UK resident)

"It'll probably go into Mr Drakeford's pocket. Would it be used in the right places and the right ways? They seem to be having money that's not used for the right things, which is of no use to them at all." (Wales resident)

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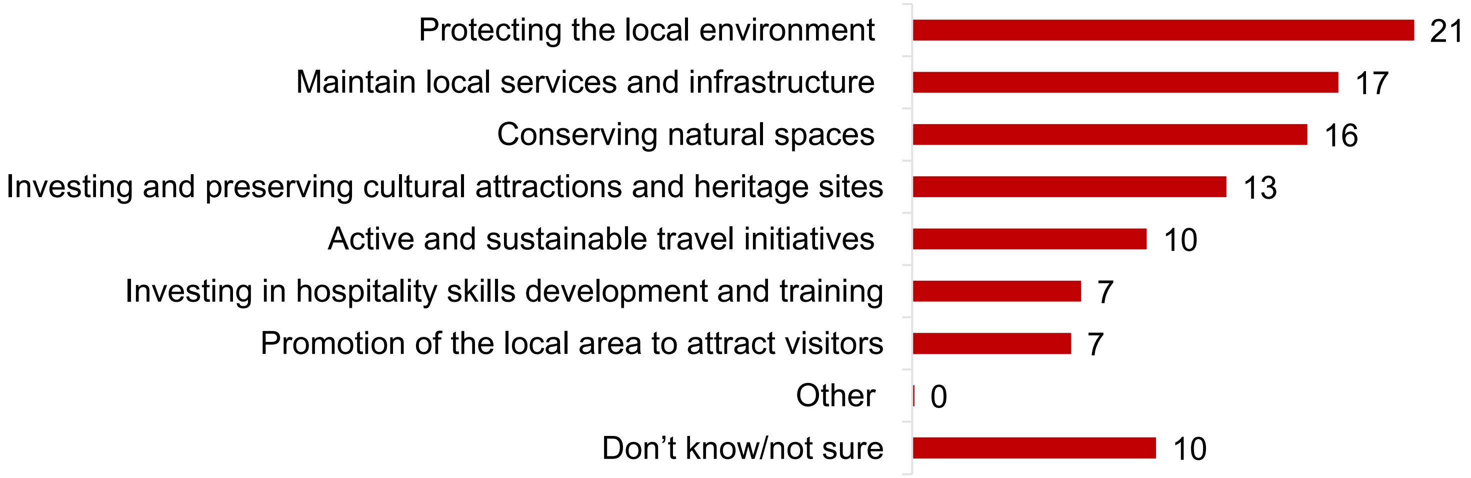
Areas to focus visitor levy funding

- In terms of where those that are very likely to go to Wales on a holiday would like to have the visitor levy money spent, the largest proportion (21%) would like a visitor levy on their own area to be spent on protecting the local environment.

Figure 23. Areas would most like the funds raised from a visitor levy to be spent on, Amongst those very likely to go to Wales on holiday, Percentage

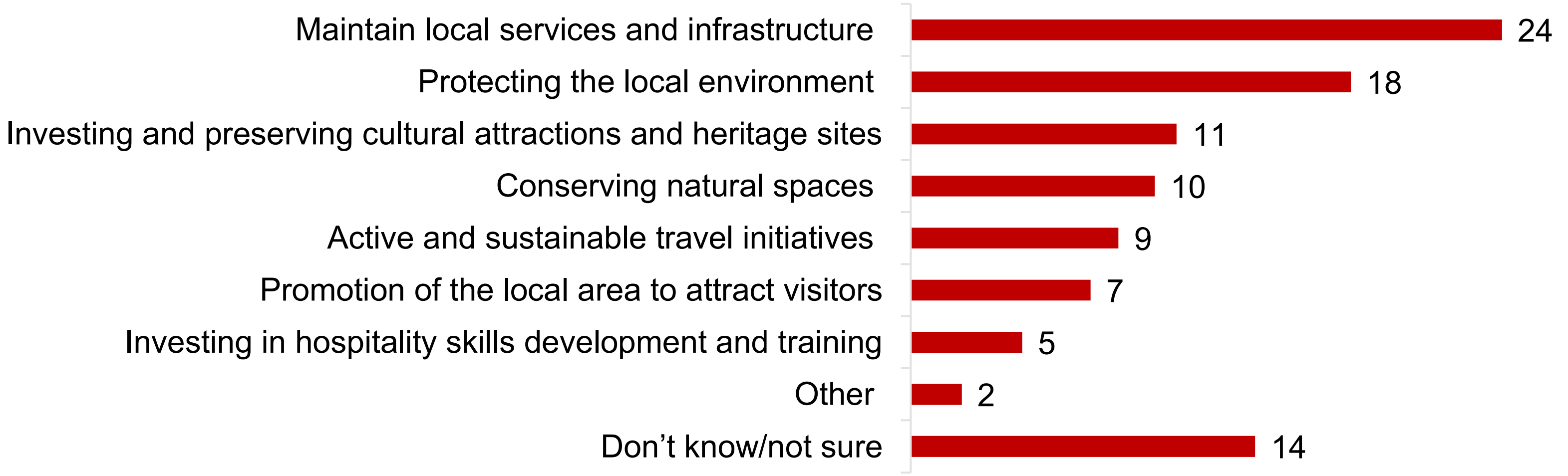


TS11c1: At a UK holiday destination (again, it may help to think of the next UK holiday or short break you are planning) - Which, if any, of the below areas would you most like the funds raised from a visitor levy to be spent on? Base: 'Very likely to go to Wales on hol (n=618)

Areas to focus visitor levy funding on amongst Wales residents

- When locals were asked what they would like the tourism levy to be spent on ‘local services and infrastructure’ were preferred.

Figure 24. Areas would most like the funds raised from a visitor levy to be spent on in own local area, Amongst those who have lots of tourism in area and live in Wales, Percentage



TS11c2: In your local area - Which, if any, of the below areas would you most like the funds raised from a visitor levy to be spent on? Base: Lots of tourism in area and live in Wales (n=311)

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Further thoughts on introducing the visitor levy

Ensuring a smooth introduction

There were several suggestions that would help with the success of the levy.

- Trialling it in busier tourist areas only, perhaps during peak weeks. This would hopefully have less of a negative impact on areas where they have fewer tourists and rely on visitors more.
- Provide clear and accountable evidence of where the money is spent and how it is used, with regular updates.
- Consider relabelling the visitor levy as an environmental tax and direct spend to reducing negative impact or tourism on the local environment and wildlife.
- Consider how it is packaged up, as some suggested that they didn't want to know about it while others suggested it needs to happen at a particular point, ahead of going on holiday (so as not to be burdened with a payment they'd forgotten about right at the end of their stay).
- Consider synchronising launch of the levy to be at the same time as other regional bodies in the UK, so as to minimise negative PR for one specific region alone.
- Time the levy to launch only once the UK economy has recovered from the cost of living crisis.

"As long as it's only in the busier tourist areas then that would be okay, but don't think it would be reasonable to be introduced somewhere quieter" (non-Wales UK resident)

"Don't make a big thing of it! I have a budget for a room – if I don't know I'm paying it and it works within my budget, then that's fine. Put it within the room price and put in T&C's" (non-Wales UK resident)

"Do it at the same time as the rest of the country. Don't stand out because it might put people off coming to Wales and that could be damaging to businesses." (Wales resident)

"I paid tourism tax in Mallorca (about 6 euro a day) and they called it an environmental tax – I had a great holiday so I didn't bother me at all" (Wales resident)

"It's a bit frustrating when they spring it on you. It's not a great start on a holiday when you're tired and travelling … it would go down like a lead balloon" (non-Wales UK resident)

"People's finances are going to be changing – it's common sense the country is in quite a bad state already. At my age I can see it. It is quite serious. It's going to become expensive in Wales anyway." (Wales resident)

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Appendix
Statistical significance

Statistical significance

The table below outlines the statistical reliability of survey responses. The examples used are not exhaustive but have been selected to illustrate varying confidence at a range of different sample sizes.

	Survey finding of…		
Base	**5 / 95%**	**20 / 80%**	**50 / 50%**
All UK residents (2,558)	+/- 0.8%	+/- 1.6%	+/- 1.9%
Wales residents (1,005)	+/- 1.3%	+/- 2.5%	+/- 3.1%
Lots of tourism in area (743)	+/- 1.6%	+/- 2.9%	+/- 3.6%
Lots of tourism in area and live in Wales (311)	+/- 2.4%	+/- 4.4%	+/- 5.6%

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