



Ein cyf/Our ref MDFWL/00229/25

Carolyn Thomas MS
Chair - Petitions committee

17 April 2025

Dear Carolyn,

Thank you for your letter of 28 March regarding the visitor levy highlighted in petition P-06-1502 'Scrap Proposals for a Tourism Tax'. Thank you for providing me with the opportunity to provide my views before the Committee's consideration.

As you will be aware, the Bill is currently before the Senedd for its consideration and scrutiny. On 1 April, the general principles of the Bill were debated by the Senedd, which voted to agree those general principles.

The Visitor Accommodation (Register and Levy) Etc. (Wales) Bill empowers local authorities to decide whether or not to introduce a visitor levy in their area, reflecting on local needs and circumstances. It delivers a commitment made in Welsh Labour's manifesto, reaffirmed in our Programme for Government.

The Bill is designed to strengthen the sector and to make sure that the things that make Wales attractive to visitors continue being attractive to those visitors in the future. The Bill aims to:

- Ensure a more even share of costs to fund local services and infrastructure that benefit visitors between resident populations and visitors.
- Provide local authorities with the ability to generate additional revenue that can be invested back into local services and infrastructure that can support tourism.
- Support our ambitions for more sustainable tourism.

The levy is generally set at a lower rate than levies applied elsewhere. It represents a modest contribution from people to take account of the impact that their visit makes on the place that they are visiting.

If all local authorities used a visitor levy it would generate up to an estimated £33 million per annum across Wales. Any revenues raised from the levy will benefit Welsh tourism longer-term, through supporting a more resilient, sustainable, and higher value set of visitor activities.

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

In destinations that use visitor levies, tourism continues to thrive. I anticipate that this will be the case in Wales, with areas seeing a net benefit from using a levy.

There is no evidence to suggest that visitors would stay over the border in England to avoid paying the levy, as people visit Wales for more than just the price. We have a significant amount to showcase and offer visitors.

The Welsh Affairs Committee published their report 'Wales as a global destination' in July 2023. While the report raised concerns about the levy, they also acknowledged that there may be benefits that might accrue from the proposal and that decisions would be taken locally and based on local needs and circumstances. In addition, much has moved on since then. The Visitor Levy (Scotland) Bill was passed on 28 May 2024 and became an Act on 05 July 2024. Manchester has introduced a city charge and a number of destinations across the UK are looking to introduce similar charges.

I recognise that the visitor economy is a major source of jobs and economic growth across Wales. We have designed the visitor levy to be simple, straightforward, and easy to comply with for businesses and to make sure that the burden on the smallest businesses is the least it can be.

In summary, the Welsh Government's ambition is to grow tourism for the benefit of Wales by supporting local communities in a way that is sustainable for the land and environment of Wales, developing a framework which is mutually beneficial to both visitors and citizens.

I hope that you and the Petitions Committee find this response helpful.

Yours sincerely,

A handwritten signature in black ink that reads "Mark Drakeford". The signature is written in a cursive, slightly slanted style.

Mark Drakeford AS/MS

Ysgrifennydd y Cabinet dros Gyllid a'r Gymraeg
Cabinet Secretary for Finance and Welsh Language