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VAB135 Mid Wales Tourism / MWT Cymru

Senedd Cymru | Welsh Parliament

Y Pwyllgor Cyllid | Finance Committee

Bil Llety Ymwelwyr (Cofrestr ac Ardoll) Etc. (Cymru) | Visitor Accommodation (Register and Levy) Etc. (Wales) Bill

Ymateb gan Mid Wales Tourism / MWT Cymru | Evidence from Mid Wales Tourism / MWT Cymru

General principles

1. What are your views on the general principles of the Bill and the need for legislation to deliver the Welsh Government's stated policy objective, which is 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 to support tourism;**
- **support the Welsh Government's ambitions for sustainable tourism?**

(We would be grateful if you could keep your answer to around 500 words).

The Visitor Levy Bill, as proposed, lacks strategic vision and risks disproportionate harm to rural economies, Welsh-speaking communities, and the tourism sector. It fails to address critical issues such as depopulation, infrastructure investment, and the cumulative impact of recent policies, making it an unsuitable solution for Wales.

Tourism is a cornerstone of Wales' economy, particularly in rural areas where it is the second-largest employer, supporting supply chains, town centres, and cultural heritage. Policies must reflect these regional differences rather than apply urban-centric solutions.

Economic Impact

The Welsh Government estimates the levy could raise £33 million annually if all 22 local authorities adopt it. However, up to 40% (£13.2 million) could be consumed by

administrative and operational costs, leaving little for communities. Additionally, the levy could reduce visitor numbers by 2–10%, leading to significant economic losses. For instance, a 10% drop in overnight stays in Powys, where overnight tourism generates £1.2 billion annually, could equate to a £120 million loss—far exceeding the levy’s projected revenue.

Jobs and Investment

The levy could result in 730 private-sector job losses, costing the economy £47.5 million annually. While it may create 360 public-sector jobs costing £13 million, this shift from private to public roles imposes a long-term burden on taxpayers without generating net economic growth. Investment in the sector is already stalling due to uncertainty. For example:

- A rural hotel withdrew £300,000 of planned investment.
- A caravan park operator cancelled £450,000 of development.
- A major attraction scaled back staffing and paused projects.

These disruptions undermine confidence and growth even before the levy’s implementation.

Timing and Broader Context

The Bill comes at a fragile time for the tourism sector, which is still recovering from the pandemic while facing rising energy costs, labour shortages, and inflation. Introducing further administrative burdens could push vulnerable businesses to collapse, threatening the stability of entire communities, particularly in rural Wales. Tourism contributes £4.95 billion annually to Wales’ economy and supports 159,000 jobs (11.8% of the workforce). Policies that risk reducing visitor numbers or deterring investment should be approached cautiously, yet the levy introduces further economic fragility.

Reputational Risks

Wales relies on its reputation as a welcoming, affordable destination. The levy risks creating a perception of Wales as overtaxed and unwelcoming, particularly to English visitors, who form the largest share of overnight stays. Comparisons to urban destinations like Amsterdam or Catalonia are inappropriate for Wales’ rural, price-sensitive tourism market.

Lack of Strategic Alignment

The Bill is being introduced without an updated tourism strategy that reflects post-pandemic realities or current economic pressures. A robust strategy should have been developed first to ensure the levy aligns with Wales' long-term tourism goals.

Conclusion

The Visitor Levy Bill introduces significant economic and administrative burdens while offering minimal benefits. The risks to jobs, investment, and Wales' reputation far outweigh potential gains. We urge the Welsh Government to prioritise stability and sustainability for the tourism sector over measures that risk long-term harm.

The Bill's implementation

The Regulatory Impact Assessment is set out in Part 2 of the Explanatory Memorandum (<https://senedd.wales/media/g5ipwywh/pri-ld16812-em-e.pdf>). This includes the Welsh Government's assessments of the financial and other impacts of the Bill and its implementation.

2. Are there any potential barriers to the implementation of the Bill's provisions? If so, what are they, and are they adequately taken into account in the Bill and accompanying Explanatory Memorandum and Regulatory Impact Assessment?

(We would be grateful if you could keep your answer to around 500 words).

The proposed Visitor Levy Bill faces several substantial barriers to implementation, ranging from administrative challenges to economic and legal risks. These issues significantly undermine its feasibility.

Key Challenges

1. Administrative Complexity

The Bill places the responsibility for levy collection on accommodation providers, over 90% of whom in Wales are small micro businesses. These businesses often operate with minimal resources and manual systems, making compliance with the levy unmanageable.

Local authorities tasked with administering the levy also face significant challenges. The Bill lacks clarity on the additional funding or staffing needed for effective administration. Administrative costs, estimated to consume around 20% of revenue, will reduce the funds available for reinvestment into local services. Rural areas, where businesses are more dispersed, will face even greater enforcement challenges, risking inconsistent and unfair application.

2. Statutory Licensing

The absence of a statutory licensing system for accommodation providers is a critical oversight. Without a comprehensive register, local authorities will struggle to identify businesses liable for the levy, creating opportunities for avoidance and non-compliance. Although a visitor accommodation register is proposed, there is little detail on its timeline or implementation. Statutory licensing should have been introduced first to ensure accurate data collection and compliance.

3. Economic and Legal Risks

- **Double Funding Concerns:** Local authorities already receive funding for tourism-related services through mechanisms like the Revenue Support Grant (RSG) and Non-Domestic Rates (NDR). The Bill does not address how the levy will avoid duplicating these funds, raising potential legal and ethical questions around double taxation.
- **Economic Fragility:** The levy risks deterring overnight stays, with Welsh Government research predicting declines of 2–10% in visitor numbers. For example, a 10% decline in Powys, where tourism generates £1.2 billion annually, could result in a £120 million loss—far exceeding potential levy revenue. These losses would be especially devastating in rural areas where tourism is a primary economic driver.

4. Enforcement Challenges

Local authorities and the Welsh Revenue Authority (WRA) face resource pressures that will hinder effective enforcement. Many councils already struggle to enforce existing regulations, and adding levy administration will worsen the situation. Rural authorities, in particular, will find it difficult to monitor dispersed providers, leaving gaps in enforcement.

5. Premium Levy Rates

Allowing local authorities to set premium rates risks creating a fragmented system that confuses visitors and burdens businesses operating across jurisdictions. Visitors facing inconsistent rates may be deterred from visiting Wales. A centralised framework for rates and exemptions would ensure clarity and fairness, reducing reputational risks for Wales.

Conclusion

The Bill's barriers—administrative complexity, lack of statutory licensing, economic risks, enforcement challenges, and inconsistent application—make it impractical in its current form. To address these issues, we recommend:

- Introducing statutory licensing for accommodation providers.
- Establishing a centralised framework for levy rates and exemptions.
- Conducting a detailed economic impact assessment.

Without these measures, the levy risks harming Wales' tourism industry, discouraging investment, and creating long-term economic instability, particularly in rural areas.

3. Are any unintended consequences likely to arise from the Bill?

(We would be grateful if you could keep your answer to around 500 words).

The Bill is being introduced amid rising costs, labour shortages, and post-pandemic recovery challenges. Policies like the “182-day” rule for second homes have already created difficulties for small tourism businesses and farm diversification, which are vital to rural economies. The cumulative effect of these pressures is destabilising the tourism sector, where microbusinesses account for 90% of operations in Mid Wales, undermining confidence and threatening viability.

Tourism has long stabilised rural Wales, supporting jobs, preserving Welsh-speaking communities, and attracting investment. However, with just 250,000 residents across Powys, Ceredigion, and Meirionnydd—despite covering 40% of Wales' landmass—these areas are particularly vulnerable. Depopulation is a major issue, with Gwynedd's population falling by 4.1% and Ceredigion's by 5.8% between 2011 and 2021. Further job losses and reduced investment risk worsening instability and accelerating the exodus of young people and families. The unintended consequences of this Bill could deepen inequalities and have generational impacts, making it essential to reconsider its timing and broader implications.

1. Economic Decline in Rural Areas

The levy is expected to raise £33 million annually if all 22 local authorities implement it. However, the Bill predicts a 2–10% decline in overnight stays, which will disproportionately harm rural areas like Powys, Ceredigion, and Gwynedd, where tourism is a cornerstone of the economy.

In Powys, overnight visitors contribute £1.2 billion annually. A 10% decline equates to a £120 million loss, dwarfing any potential revenue.

Rural economies, heavily dependent on tourism, face severe consequences from even minor declines, including job losses, business closures, and weakened infrastructure.

2. Job Losses and Economic Imbalance

The Bill predicts a net loss of 730 private-sector tourism jobs, costing £47.5 million annually. While 360 public-sector roles may be created, these cost £13 million annually and lack the same economic value as private-sector jobs, which drive spending and investment.

Without safeguards, levy funds are likely to disproportionately benefit wealthier areas like Cardiff and Swansea, where visitor numbers and resources are higher. This creates inequality, leaving poorer rural regions—already reliant on tourism—at further disadvantage. Reduced visitor numbers, job losses, and diminished investment could destabilise these areas further.

3. Reputational Damage

Wales' reputation as a welcoming, affordable destination is at risk. A levy could create perceptions of over-taxation, deterring visitors. Comparisons to Amsterdam and Catalonia are misplaced; Wales relies on small operators and rural tourism, where visitors are price-sensitive. Even small cost increases could make Wales less competitive.

4. Fragmentation of Tourism Market

Allowing local authorities to set their own levy rates creates inconsistencies across Wales. Visitors may face varying costs depending on their destination, leading to confusion and dissatisfaction. This fragmented approach undermines Wales' tourism appeal.

5. Business Confidence and Investment Delays

Rising costs and global economic pressures have already delayed or cancelled tourism investments:

A rural hotel postponed £300,000 in upgrades due to pricing uncertainties.

A caravan park cancelled £450,000 of development, citing costs and market instability.

A major attraction paused infrastructure projects, pointing to unclear future conditions.

Such disruptions weaken confidence and competitiveness, destabilising the sector.

Conclusion

The unintended consequences are far-reaching. It risks economic decline, job losses, reduced investment, and reputational damage. With rural Wales already fragile, the WG must reconsider the levy's timing, design, and implementation. Statutory licensing and protections for rural economies are essential to ensure future policies support, rather than harm, Wales.

4. What are your views on the Welsh Government's assessment of the financial and other impacts of the Bill?

(We would be grateful if you could keep your answer to around 500 words).

The financial implications of the Visitor Levy Bill, as outlined in the Explanatory Memorandum, raise significant concerns about its feasibility and economic justification. While the estimated £33 million annual revenue is presented as a benefit, this figure overlooks administrative costs, realistic collection outcomes, and broader financial risks.

1. Administrative Costs Will Reduce Net Revenue

The Explanatory Memorandum lacks a detailed breakdown of administrative costs for implementing and enforcing the levy. Typical schemes suggest these could consume 20–40% of revenue, leaving as little as £19.8 million for reinvestment.

Key concerns include:

Staffing and Training Needs: Additional staff and training for the Welsh Revenue Authority (WRA) and local authorities.

Systems Development and Operational Costs: Particularly for enforcement in rural areas with dispersed providers.

Business Compliance Costs: Accommodation providers must manage complex administrative burdens.

These reduced revenues raise questions about whether the levy justifies its administrative and economic disruption.

2. Lack of Ring-Fenced Funding

The Bill does not guarantee levy proceeds will be ring-fenced for tourism-related projects, undermining stakeholder confidence. Without hypothecation:

Funds Could Be Diverted: Revenue may flow into general budgets, reducing benefits for tourism.

Reduced Compliance: Businesses may be less willing to support the levy if they see no direct return for communities or customers.

Explicit guarantees are needed to ensure funds are used for destination management, infrastructure, or sustainability projects.

3. Revenue Projections

The £33 million annual revenue estimate assumes full compliance, which is unlikely:

Not All Authorities Will Participate: Some may opt out, particularly where tourism is less economically significant.

Non-Compliance Risks: Unregistered operators, especially in the 'casual let' market, could evade the levy.

Reduced Overnight Stays: A 2–10% decline in stays, as predicted by Welsh Government research, would significantly erode the revenue base, particularly in price-sensitive rural areas.

These factors make the revenue projections overly optimistic and unrealistic.

4. Disproportionate Impact on Rural Economies

The levy disproportionately affects rural areas like Powys, Ceredigion, and Gwynedd, where tourism is crucial:

Economic Decline: Reduced overnight stays harm local businesses, cutting economic activity and tax contributions.

Secondary Industry Losses: Hospitality, retail, and supply chains reliant on tourism will also suffer.

The Memorandum fails to address how these ripple effects will compound the economic harm in rural Wales.

5. Insufficient Consideration of Long-Term Stability

The Memorandum does not fully consider long-term risks to economic stability:

Job Imbalance: A predicted loss of 730 private-sector jobs, costing £47.5 million annually, offsets the creation of 360 public-sector roles, which depend on taxpayer funding.

Investment Losses: Businesses are delaying or withdrawing tourism investments due to uncertainty. This lack of confidence will have long-term financial implications.

The Bill risks destabilising the tourism sector, discouraging future investment, and undermining economic growth.

Conclusion

The financial implications of the Visitor Levy Bill are poorly assessed and overly optimistic. Key issues include high administrative costs reducing net revenue, no guarantee of ring-fenced funding, overestimated revenue projections, and disproportionate impacts on rural areas. Long-term risks to the tourism sector are understated.

Subordinate legislation

The powers to make subordinate legislation are set out in Part 1: Chapter 5 of the Explanatory Memorandum (<https://senedd.wales/media/g5ipwvwh/pri-ld16812-em-e.pdf>).

The Welsh Government has also set out its statement of policy intent for subordinate legislation (<https://business.senedd.wales/documents/s155951/Statement%20of%20Policy%20Intent.pdf>).

5. What are your views on the balance between the information contained on the face of the Bill and what is left to subordinate legislation? Are the powers for Welsh Ministers to make subordinate legislation appropriate?

(We would be grateful if you could keep your answer to around 500 words).

The balance between the information in the Visitor Levy Bill and what is left to subordinate legislation raises significant concerns. While some flexibility is necessary, the Bill over-relies on subordinate legislation, creating uncertainty for stakeholders.

Key Concerns

1. Overreliance on Subordinate Legislation

The Bill leaves critical elements undefined, delegating key aspects like levy rates, exemptions, and enforcement to subordinate legislation. This creates uncertainty for stakeholders, including local authorities, businesses, and visitors. Key issues include:

- **Inconsistent Rates:** Allowing local authorities to set their own rates risks fragmentation, confusing visitors, and deterring businesses from certain areas.

- **Enforcement Ambiguity:** No clear guidance exists for enforcing compliance, particularly for unregistered providers in rural areas.

This overreliance risks creating an uneven playing field, particularly in areas with limited resources for compliance and enforcement.

2. Lack of Clarity and Transparency

The Bill grants broad powers to Welsh Ministers, allowing them to amend key elements without sufficient consultation or oversight. Concerns include:

- Ministers can prescribe exemptions and adjust levy mechanisms without clear frameworks or accountability.
- The lack of safeguards for assessing economic or social impacts, particularly in rural areas, could lead to arbitrary decisions.

Clearer parameters for ministerial powers are essential to ensure transparency and accountability.

3. Insufficient Stakeholder Engagement

While the policy intends for stakeholder consultation, leaving too much to subordinate legislation limits opportunities for public and Senedd scrutiny. Concerns include:

- Inadequate mechanisms to ensure robust consultation with local authorities, tourism businesses, and communities.
- Potential for significant changes via subordinate legislation without adequate oversight or stakeholder input.

4. Potential for Inconsistent Application

Allowing local authorities to determine levy rates could lead to disparities across Wales, confusing visitors and complicating compliance for businesses operating in multiple jurisdictions. A centralised framework for rates, exemptions, and enforcement would ensure consistency and fairness while preventing market fragmentation.

5. Ministerial Powers

While Ministers need flexibility for administrative issues, the powers granted in the Bill are broad. Ministers can implement significant changes without Senedd approval or consultation, risking disproportionate impacts on rural regions. The absence of

mechanisms to assess long-term economic or cultural impacts exacerbates this issue.

Recommendations

To address these concerns, the following steps should be taken:

1. **Define Core Provisions on the Face of the Bill:** Include key elements like levy rates, exemptions, and enforcement mechanisms in the Bill itself.
2. **Ministerial Powers:** Restrict subordinate legislation to technical details, requiring Senedd approval and consultation for substantive changes.
3. **Centralise Key Elements:** Establish a centralised framework for rates and exemptions to ensure fairness and consistency across Wales.
4. **Strengthen Oversight:** Introduce mechanisms to assess the economic, social, and cultural impacts of subordinate legislation, with mandatory consultation for significant changes.

Conclusion

The Bill relies heavily on subordinate legislation, creating uncertainty and concerns for stakeholders. Ministerial powers seem broad, lacking safeguards for transparency, and consistency. To protect Wales' tourism sector and rural economies, the Bill must define core provisions, limit the scope of subordinate legislation, and prioritise stakeholder engagement and oversight.

Other considerations

6. Do you have any views on matters related to the quality of the legislation?

(We would be grateful if you could keep your answer to around 500 words).

The Visitor Levy Bill suffers from significant gaps in clarity, consistency, and foresight. The Visitor Levy Bill suffers from gaps in clarity, consistency, and foresight. While its aim to create a revenue stream for local authorities is clear, its structure leaves critical elements undefined, risking implementation issues, economic harm, and a loss of public trust. The absence of a current tourism strategy adds to these concerns, as the levy lacks alignment with broader goals for Wales' tourism sector. Key concerns are outlined below.

Key Concerns

1. Lack of Defined Frameworks

Key operational elements, such as the registration scheme, levy rates, exemptions, and enforcement mechanisms, are delegated to subordinate legislation. This creates uncertainty for stakeholders and weakens legislative scrutiny. A more defined framework, including maximum rates, mandatory exemptions, and enforcement processes, would enhance transparency and consistency while allowing for local flexibility.

2. Insufficient Clarity on Revenue Use

The lack of hypothecation for levy funds raises concerns about trust and priorities:

Erosion of Trust: Businesses and communities may lose confidence if funds are not visibly reinvested in tourism infrastructure or services.

Misaligned Priorities: Revenue risks being absorbed into general budgets, undermining the stated aim of supporting tourism.

Explicit guarantees are needed to ensure funds are used for tourism-related purposes, such as destination management, infrastructure, and sustainability initiatives.

3. Fragmentation Risks

Allowing local authorities to determine levy rates, exemptions, and enforcement practices risks creating a fragmented system:

Inconsistent Rules: Visitors may face varying costs depending on location, reducing Wales' appeal.

Regional Disadvantage: Areas with higher levies may lose cost-sensitive visitors.

Administrative Challenges: Businesses operating across multiple jurisdictions may face additional complexity.

A centralised framework for maximum rates, exemptions, and enforcement would reduce fragmentation and improve fairness.

4. Insufficient Impact Mitigation

The Bill fails to address broader economic impacts:

Visitor Declines: Predicted declines of 2–10% in visitor numbers and the loss of 730 private-sector jobs are not mitigated.

Ripple Effects: Supply chains, community services, and industries reliant on tourism are overlooked.

Robust impact assessments and safeguards are essential to protect vulnerable regions and sectors.

5. Absence of Statutory Licensing

The lack of statutory licensing makes enforcement inconsistent, allowing unregistered operators to evade the levy. Licensing would improve compliance, create a level playing field, and provide data to evaluate the policy's effectiveness.

6. Timing and Context

The Bill's timing does not reflect challenges facing the tourism sector, such as post-pandemic recovery, labour shortages, and rising costs. Introducing the levy now risks destabilising an already fragile industry. A phased or delayed implementation would allow time for economic recovery and better preparation.

Recommendations

Add key frameworks, including maximum rates, exemptions, and enforcement mechanisms.

Guarantee hypothecation of funds for tourism-related projects with reporting requirements.

Introduce statutory licensing for better enforcement and compliance.

Mitigate economic impacts by addressing visitor declines and job losses.

Phase implementation to allow recovery and preparation.

Conclusion

The Visitor Levy Bill lacks the clarity and foresight needed for success. Without a tourism strategy to guide its integration, the levy risks disproportionate harm to rural areas, businesses, and Wales' reputation. Addressing these issues with better frameworks, hypothecation, and careful planning is essential for a fairer, sustainable approach.

7. On 26 November, the Cabinet Secretary wrote to the Finance Committee with some indicative additional registration and enforcement provisions (<https://business.senedd.wales/documents/s155952/Letter%20from%20the%20Cabinet%20Secretary%20for%20Finance%20and%20Welsh%20Language%20Indicative%20Stage%202%20amendments%20that%20.pdf>) he intends to bring forward at Stage 2 of the legislative process (<https://senedd.wales/NAfW%20Documents/Assembly%20Business%20section>

[%20documents/Guide%20to%20the%20Legislative%20Process/Guide_to_the_Legislative_Process-eng.pdf](#)).

Do you have any views on the indicative additional registration and enforcement provisions the Welsh Government intends to bring forward at Stage 2?

(We would be grateful if you could keep your answer to around 500 words).

The statutory registration should come first. The enforcement provisions proposed by the Welsh Government aims to improve compliance with the Visitor Levy scheme but risk creating significant administrative, economic, and fairness challenges.

Key Concerns

1. Administrative Burden and Enforcement Costs

The measures impose significant administrative responsibilities on accommodation providers, local authorities, and the Welsh Revenue Authority (WRA). Concerns include:

- **Resource Demands:** Enforcement actions (e.g., fines for non-registration or late payments) require extensive staffing and system capacity, consuming a substantial portion of levy revenue.
- **System Capacity:** Uncertainty over submission methods (paper, online, or hybrid) risks inefficiencies, with peak submission periods potentially overwhelming systems.
- **Cost Implications:** High system development and operational costs could significantly reduce net revenue for reinvestment in tourism.

2. Impact on Businesses

Penalties for non-registration, late submissions, or inaccuracies could disproportionately affect small businesses:

- **Penalisation of Genuine Operators:** Small rural providers may face penalties due to errors or technical delays despite acting in good faith.
- **Support and Grace Periods:** The absence of a grace period during implementation leaves businesses vulnerable to immediate penalties.
- **Disproportionate Impact:** Fines of £300 per unregistered premises and daily penalties of £60 for non-compliance could heavily burden small businesses with thin margins.

3. Questions Around Implementation

Practical questions about enforcement remain:

- **Submission Methods:** Will rural providers with limited internet access have alternatives to online submissions? How will paper submissions be reconciled with online systems?
- **Timeliness of Enforcement:** Will penalties be suspended during disputes or clarification requests to avoid harming businesses unfairly?
- **Appeals Process:** A lack of clear complaints or appeals mechanisms risks eroding trust in the enforcement system. An independent ombudsman or appeals body is needed.

4. System and Resource Resilience

The provisions depend on resilient systems and well-trained staff:

- **Scalability:** Systems must handle peak submission periods without delays or errors.
- **Training:** Adequate staff training is essential to manage enforcement and disputes effectively, avoiding capacity gaps that could lead to errors or mistrust.

5. Transparency and Accountability

Operational details are unclear, raising concerns about:

- **Revenue Allocation:** Uncertainty over how much revenue will cover enforcement costs could erode stakeholder trust.
- **Success Metrics:** Clear metrics, such as compliance rates and administrative efficiency, are needed to assess effectiveness and build accountability.

Recommendations

1. **Provide Guidance and Support:** Develop user-friendly resources and introduce a grace period during implementation.
2. **Streamline Processes:** Ensure submission systems are robust, accessible, and equipped to handle peak loads.
3. **Establish Transparent Dispute Mechanisms:** Create an independent ombudsman and define clear appeals processes.

4. Clarify Costs and Sustainability: Provide a detailed cost breakdown for enforcement to ensure it doesn't disproportionately reduce net revenue.
5. Monitor and Review: Implement a formal review process to refine the system based on feedback after the first year.

Conclusion

While these provisions aim to enhance the Visitor Levy scheme, they risk significant burdens on businesses and enforcement bodies. Without careful planning and robust support mechanisms, they could undermine compliance and reduce net benefits. Addressing these challenges is essential to ensure the provisions achieve their objectives effectively and fairly.

8. Are there any other issues that you would like to raise about the Bill, the accompanying Explanatory Memorandum and Regulatory Impact Assessment, or any related matters?

(We would be grateful if you could keep your answer to around 500 words).

The Visitor Levy Bill raises concerns about its design, timing, and unintended consequences. These issues are compounded by the lack of a comprehensive tourism strategy, insufficient data-driven decision-making, and limited attention to the economic, cultural, and generational impacts on rural and Welsh-speaking communities. Without addressing these flaws, the Bill risks harming the sectors and regions it aims to support.

1. Lack of a Current Tourism Strategy

Wales lacks a tourism strategy extending to 2027, leaving the levy disconnected from broader goals:

Strategic Alignment: The levy is introduced in isolation, without a framework for its role in tourism objectives. This undermines recovery and sustainable growth.

Prioritisation: A strategy would identify investment needs, measurable goals, and align policies with sector demands.

Policy Consistency: Recent policies like the 182-day rule caused harm by misclassifying genuine businesses as second homes. Without a guiding strategy, the levy risks compounding such issues.

Recommendation: The Welsh Government must develop a tourism strategy outlining clear goals and actions to support rural and Welsh-speaking communities.

2. Depopulation in Gwynedd and Ceredigion

Depopulation in rural areas remains a significant challenge, with tourism playing a key role:

Population Decline: Gwynedd's population fell by 4.1% and Ceredigion's by 5.8% between 2011–2021, threatening Welsh-speaking communities and worsening economic decline.

Tourism's Role: Tourism sustains local economies. Levy-related visitor reductions and increased financial pressures will accelerate depopulation as families leave for economic opportunities.

Recommendation: The Government must assess the levy's impact on depopulation and rural communities, especially Welsh-speaking areas.

3. Learning from Past Policy Mistakes

The 182-day rule has shown the risks of poorly designed policies:

Misclassification: Genuine tourism businesses were treated as second homes, facing financial penalties and operational challenges.

Sector-Specific Needs: Seasonal businesses in rural areas were unable to meet arbitrary thresholds, revealing a lack of understanding of sector realities.

Learning from these mistakes is crucial to avoid repeating them with the Visitor Levy.

Recommendation: Introduce statutory licensing to ensure fair treatment of businesses and improve data collection before additional policies are introduced.

4. Economic and Cultural Risks to Rural Wales

Tourism, the second-largest employer in Mid Wales, supports jobs, supply chains, and local economies. The levy could destabilise this vital sector:

Rural Economies: Job losses and reduced visitor spending will harm businesses, town centres, and supply chains, further weakening fragile economies.

Generational Impacts: If businesses close and depopulation accelerates, rebuilding these communities will become increasingly difficult.

Recommendation: Focus on strategic investment and innovative policies to support rural economies instead of punitive measures.

5. Voluntary Levy as a Better Alternative

A voluntary contribution scheme is more inclusive, practical, and aligns with Wales' values:

Fairness: Contributions from day visitors and overnight guests address gaps in the current Bill.

Goodwill: Framing the scheme as “supporting the communities you love” fosters cooperation and avoids divisive narratives.

Cost-Effectiveness: Voluntary schemes eliminate costly enforcement systems.

Conclusion

The Visitor Levy Bill lacks the clarity and foresight needed for success. Without addressing past mistakes and creating a strategy, it risks harm to rural areas, Welsh-speaking communities, and the tourism sector. A voluntary scheme, paired with a comprehensive tourism strategy and statutory licensing, would support communities while maintaining Wales as a vibrant destination.