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Evidence from: [British Marine Wales](#) which is part of British Marine, the UK-wide trade association representing the UK's leisure, superyacht and small commercial marine industry. The industry directly provides 38,000 FTE jobs and supports an additional 360,000 plus jobs through its contribution to wider tourism across the UK. Primarily made up of small and micro businesses it is distinct from other maritime sectors, such as commercial shipping and the cruise industry. British Marine's 1,300 plus members reflect the diversity of the marine industry which enables offshore, coastal, and inland boating, as well as the growing array of watersports. British Marine Wales' members include boatbuilders, marina operators, charter and hire boat companies, sea schools, chandlers and other marine service providers. Other British Marine members include those who regularly extend their operations into Wales - all enabling more sustainable tourism. This is because boating encourages people to get away from their cars and enjoy time on Welsh waters and beyond. In doing so boaters have little, if any, impact on local public services and infrastructure that are primarily utilised by local residents and land-based tourists.

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

You do not need to answer every question, only those on which you wish to share information or have a view.

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

British Marine Wales shares concerns expressed by other Welsh Tourism Alliance (WTA) partners that the Bill will add costs to hospitality businesses without necessarily providing any real or perceived 'added value' for their customers. It provides no assurance or transparency as to how the levies will be reinvested in the tourism offer as opposed to helping plug the general shortfall across local authority budgets. Moreover, the Government's own economic impact assessment suggests the levy will lead to a reduction in visitors and jobs, with little or no net benefit to Wales as a whole. It predicts losses will range between £17.7m and £26.8m in GVA or, if the costs are borne by accommodation providers alone, a loss of £40m.

Welsh tourism businesses are already struggling, with the nation having suffered the biggest closure rate of hospitality businesses in Great Britain since the pandemic. Since then, hospitality businesses have had to cope with the reduction in business rates relief and now face higher national insurance bills. To introduce this legislation at this time, with the aim of making tourism in Wales a success, seems perverse and will most likely be counterproductive.

Given the Government's objective to support 'sustainable tourism', we urge the Committee to consider the adverse, albeit perhaps unintended consequences, this legislation will have on recreational boating. Unless the meaning of 'Visitor Accommodation' is tightened (Part 1, 2) and the Bill makes clear that berths and moorings used by recreational craft will be exempt from any future extension of the Act (Section 40) the legislation will unfairly damage the leisure marine industry which is distinct from the visitor accommodation sector.

Unlike land-based visitors travelling and staying overnight in Wales, people participating in recreational boating – which is a sport and leisure activity - have little impact on the services and infrastructure that the Visitor Levy is designed to help fund, i.e. local authority roads, car parks, public conveniences etc. Boaters are largely self-contained, with their boats providing a more sustainable form of

transport. When moored boaters do not add pressure to local authority services, such as waste facilities etc, but remain self-contained or use non local authorities facilities e.g. provided by a marina, club or the Canal & River Trust (CRT).

More generally visitors, especially boaters, already pay their own way. As [research](#) by the Tourism Alliance (September 2023) shows taxes on tourists in the UK are already higher than in many other competitor destinations. When taking account of the total tax (sales tax and tourism tax) paid by visitors to 12 overseas destinations it found the average tax rate paid by visitors to those destinations was 14%, compared to a 20% rate paid by visitors to the UK. Crucially, the overseas destinations that had a tourism tax also had a significantly lower rate of sales tax on tourism accommodation, so even with their tourism tax, visitors still paid less on accommodation tax than in the UK.

The Bill's implementation

The Regulatory Impact Assessment is set out in Part 2 of the Explanatory Memorandum (<https://senedd.wales/media/g5ipwvwh/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).

Our primary objection to the Bill is its provision in Part 4, Section 40 – “Power to extend Act to berths and moorings”. Leisure berth and mooring providers do NOT provide visitor accommodation and for the Bill to suggest otherwise is incorrect.

Section 40 threatens to extend the Act to all berths and moorings. To do so would place an unreasonable burden on leisure mooring providers and damage our industry and government as it would be impossible to manage in a fair and reasonable way. This was the conclusion reached by the Scottish Parliament last year following a [recommendation by its lead committee](#), to remove “berths and moorings” from the Visitor Levy (Scotland) Bill. Although the Visitor Levy (Scotland) Act differs from this Bill, the same arguments regarding recreational boating and their moorings apply in Wales. Indeed, given the strong arguments made by the Scottish leisure marine sector which were backed by the wider

tourism sector and later accepted by the Scottish Government, we were not surprised to hear that Welsh Officials had indicated recreational berths and moorings would not be in this legislation.

The references to “vessels” and “berths and moorings” in the Bill are oversimplistic and undermine the fairness of the legislation. The accompanying assessments make no mention of boating nor leisure marine and give no indication as to what possible justification there could extend the Act in respect of recreational berths and moorings. Leisure marinas are not Visitor Accommodation Providers (VAPs) nor, to our knowledge, have ever been recognised as such. They provide marine services, which includes providing safe spaces for boats, be that an on the water berth or storage ashore.

Any future regulations provided by Section 40, are likely to prove unworkable. They would be unfair to boaters who may not use, or even have, accommodation onboard. They would be unfair to Welsh mooring providers as they are not VAPs so could not comply with the Register nor be expected to pay the levy. To apply Parts 2 and 3 to Welsh leisure mooring providers would require significant changes to the primary legislation. This is because they do not enter into visitor accommodation contracts but rather contracts for moorings or berths and other marine services.

The vast majority of leisure berthing contracts do not specify a specific berth. Boats are frequently moved around. Part 1, Section 2 states that accommodation is not “visitor accommodation” if it is in a vessel that is not “permanently or semi-permanently situated in one place”. By that logic alone, it would be entirely wrong to apply the levy to leisure marinas who frequently move boats from one place to another.

We urge the Committee to recommend Section 40 is deleted as also recommended by the WTA and the RYA or, at very least, be amended given there is no conceivable justification to bring recreational berths and moorings into scope.

Section 40 is not only unjustified but unnecessary as Part 1 Section 2 makes provision for Ministers to vary the types of visitor accommodation where the levy becomes applicable. (507 words)

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, specifically Part I, Section 2 (e) and Section 40, is a cause of concern to the leisure marine industry, particularly hire & charter boat businesses and marinas for the reasons previously explained to the Scottish Parliament in regard to the Visitor Levy (Scotland) Bill. Without amendments, this legislation will unfairly add costs to marine businesses who do not provide visitor accommodation.

The Bill fails to draw a distinction between recreational boats used for navigation and floating lodges or Airbnb type boats that are permanently situated in one place with the primary purpose of providing overnight accommodation. It also fails to distinguish between a cruise liner berth and a leisure mooring. It shows little understanding of the leisure marine industry and the challenges and absurdities that will arise if the levy is applied to recreational boating.

Re Section 40 - It would be reasonable if the intention was to reserve the right of Welsh Ministers to extend the Act to berths and moorings for cruise ships given their volume of passengers and the impact they may have on shore-based tourism. However, if this is the case, Section 40 should make clear the provision excludes berths and moorings for small recreational craft. Failing that, Section 40 should be deleted for the reasons set out under Q2 i.e. as it is neither justified nor necessary.

Recreational boating is both a sport and, by being on-the-water where boaters have little, if any, impact on local public services, is a type of sustainable tourism that should be strongly encouraged in Wales. Yet due to Bill's own confused definition of a "vessel" and the poor wording in Part I, Section 2 (e) boaters, together with the marine industry, are at risk of being unfairly hit by this legislation.

Re Part I Section 2 - 'Visitor Accommodation', for the purposes of the levy and in relation to recreational vessels, as defined by Recreational Craft Regulations, should only apply to those that are moored or berthed in a "permanent place" and with the primary purpose of providing overnight visitor accommodation on a commercial basis. For example, Airbnb type boats or floating lodges. Critically, all other recreational vessels should be exempt from the levy because their primary purpose is navigation (waterborne transport) and it is what distinguishes them from hotels, tents, mobile homes etc.

To be clear that only recreational vessels which are permanently situated in one place with the primary purpose of providing overnight accommodation come in scope would align with understanding elsewhere in the UK where visitor

accommodation levies can already apply. By tightening the Bill in this way, the Senedd would provide much needed clarity for boaters and ensure the legislation does not unfairly impact marine businesses, such as charter companies and sea schools based in Wales as well as those that operate across the UK and beyond. (475 words)

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).

We share the concerns expressed in the WTA detailed response about the lack of robust data to warrant this Bill.

As indicated above, British Marine Wales is disappointed by the Government's apparent lack of understanding about recreational boating and the industry which supports it. It is especially disappointing as prior to the introduction of the Bill, Government Officials involved in its drafting were invited to visit leisure marinas and to talk to the RYA but, to the best of our knowledge, did not take up those offers.

There is no evidence to show the Government has attempted to assess the financial and administrative impact this legislation will have on leisure marinas or on hire or charter boat companies. There is only a brief reference to berths and moorings in the Bill's Explanatory Memorandum and Regulatory Impact Assessment which but, in regard to the "appropriateness of the delegated power", incorrectly describe berths as "a specific accommodation type". As explained above, recreational berths and moorings are simply safe spaces for boats. They are more akin to a car park space, than a camping pitch or a hotel room. It is why The Yacht Harbour Association's Code of Practice, which is used by leisure marinas worldwide, defines a berth as "an area of water that has been allocated to the customer to moor his/her boat". (222 words)

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).

As explained above we do not think it appropriate to make provision under Section 40 for subordinate legislation to extend the Act to recreational berths and moorings. This is because it risks undermining sustainable tourism given such an extension would unfairly increase the costs of recreational boating in Wales. Even simply retaining Section 40 without any amendment will leave a lingering threat over our industry and without justification. .

Subordinate legislation in regard to Section 40 would most likely require substantial changes to the primary legislation. Even if that were possible, it is highly improbable that the regulations could be enforced in fair and efficient way. It is more likely it would lead to multiple costly challenges and could bring into question the merits of the original legislation. (128 words)

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).

We have already commented on the incorrect assertion berths are a type of accommodation.

We also have concerns about the use of the word “semipermanently” in Part 1, 2. The word is open to so many different interpretations it is meaningless and causes confusion as the intention of this section, and so undermines the quality of the legislation. We therefore urge the Committee to recommend that the word “semipermanently” is deleted from the text of the Bill, or at least replaced by the word ‘predominantly’ which is defined and widely understood to mean ‘mainly’ or ‘mostly’.

We think the Bill's definition of 'vessel' is of little help and could be open to multiple interpretations. The Recreational Craft Regulations (RCR) define a recreational vessel as "any watercraft of any type, excluding personal watercraft, intended for sports and leisure purposes of hull length from 2.5 metres to 24 metres, regardless of the means of propulsion". That definition makes no reference to recreational craft as being "designed or adapted for habitation". The Bill's definition of a vessel is questionable and could be interpreted as applying to many different types of craft, from boats with the most basic amenities that may make habitation possible, to floating lodges that have luxury house-like accommodation and are connected to onshore utilities.

We therefore suggest that the Committee recommends that the definition of a vessel be amended to make it clear that only vessels which are permanently or predominantly situated one place for the primary purpose of providing visitor overnight accommodation be in scope and that other recreational vessels whose primary purpose is navigation are exempt. (268 words)

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).

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).

We are disappointed the Welsh Government appears not to have heeded the lessons learnt in Scotland last year when, after careful consideration of facts about berths and boating, the Scottish Parliament rejected plans to include berths and moorings in its visitor levy legislation, acknowledging it would be inappropriate to apply a visitor levy to the recreational boating sector.

Much of the arguments contained in the evidence submitted by British Marine Scotland to the Scottish Parliamentary Committee in 2023 is relevant this specific Bill, especially as it brings recreational boats into scope and includes a provision for that to be extended in respect to berths and moorings. Therefore, we ask that the Committee considers that evidence in conjunction with this response.

British Marine Wales would be happy to expand on the points raised above and provide any further clarification the Committee may require. We would also be delighted to facilitate a visit for the Committee to a British Marine Wales' business, such as a leisure marina, if that would be helpful. (170 words)

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