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# National Survey for Wales

## Report on the testing of tax awareness questions: Executive Summary

Mae'r ddogfen yma hefyd ar gael yn Gymraeg.

This document is also available in Welsh.

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Available at: <http://gov.wales/statistics-and-research/national-survey/?tab=current&lang=en>

The full report is available on request.

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

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## **1. Executive summary**

### **Background**

- 1.1 The Welsh Government (WG) is gaining control of certain taxes in April 2018 and already has the power to introduce new taxes with the approval of the National Assembly for Wales (NAfW) and both Houses of Parliament. Given these changes, WG requires data on levels of awareness of tax devolution. Therefore, a set of new questions are to be added to the National Survey to provide a baseline of awareness regarding taxes in Wales. To ensure these are fit for purpose, the Data Collection and Methodology (DCM) branch of the Office for National Statistics were commissioned to test these questions.

### **Methodology**

- 1.2 In February and March 2016, 20 interviews were conducted with adults over 16 years old. The interviews took place in two waves to allow changes to be made to the questions after the first 10 interviews were analysed. These changes were then tested in the remaining 10 interviews. The final set of questions is at Appendix B.

### **Understanding of the levels of government**

- 1.3 The levels of government asked about were: local councils, the Welsh Government, the UK government and the European Union (EU). All of these were understood reasonably well, although respondents struggled somewhat to offer examples of what the Welsh Government and EU do.

### **Order of the levels of government**

- 1.4 The levels of government shown on showcard 1 (Appendix A) were largely understood but when the EU was placed first, there was some negative reaction as it was perceived to convey the idea of the EU being more important than the other governmental bodies. The order was reversed for wave 2, placing the EU last in the list for testing. Respondents found this logical and acceptable as the reversed list placed the levels of government from the smallest (Local councils) to the largest (the EU).

## **Understanding of 'control'**

- 1.5 The concept of control is used throughout the questions. Although respondents might not have known who had control, they had a good understanding of what it meant. Respondents described it as being able to decide which taxes could be exposed, to set the level of the taxes and be able to say what the revenue is spent on.
- 1.6 As an alternative, the word 'influence' was tested alongside 'control'. Respondents preferred 'control' as they had negative reactions to 'influence'. They said that 'influence' sounded more like "persuasion" and "sneakier", which is clearly undesirable.

## **Lack of awareness of some of the taxes**

- 1.7 The strongest theme identified by this research was a lack of awareness of various types of tax. Only taxes that are high profile were familiar to respondents, such as VAT and income tax. Tax on air travel and tax on waste that is sent to landfill were the least known in the list. This led to respondents often relying on guesswork to arrive at an answer.
- 1.8 When respondents were then asked to say who they thought had the most control over the level of each of these taxes, it was understandably difficult to give a response if the existence of the tax itself was not known. This again led to respondents guessing what the answers might be.
- 1.9 If these issues with the questions were not addressed, it could lead to the survey running less smoothly and, crucially, lead to results that are not a robust basis for decision making.

## **The addition of a 'don't know' response category throughout**

- 1.10 In certain circumstances, 'don't know' response options are not ideal because respondents can over-use them instead of spending some time considering their response. In this case however, such was the lack of awareness of some of the taxes that DCM strongly recommended the addition of a 'don't know' option throughout. This was tested in wave 2 and was found to work well.

## **A new question to find awareness of taxes**

- 1.11 To further deal with the issue of respondents' lack of knowledge of certain taxes, a routing question was added. This asked respondents to say which, if any, of the taxes they had heard of. They were then only asked follow-up questions about these taxes. This worked well in testing in wave 2.

## **Response categories conflated**

- 1.12 The categories 'tax on alcohol' and 'VAT' were thought by respondents to be the same; as were 'waste sent to landfill' and 'Council Tax' as the former was said to be an element of the latter. In these cases, both categories were chosen in each case. It is recommended that the implications of this are considered by the client.

## **Respondents said what they wanted to be the case**

- 1.13 Respondents often focused on what they wanted to be the case rather than what actually was the case. For example, who they wanted to have control over a tax rather than who did have control at the time of asking. This particularly happened when respondents were unsure how to answer.

## **Interpretation of 'in Wales'**

- 1.14 The phrase 'in Wales' was found to be very problematic in wave 2, as respondents were confused when they interpreted it to mean that certain taxes were 'special' and 'specific' to Wales. For example, 'tax on alcohol bought in Wales' was thought to be a special tax that only applied in Wales.
- 1.15 Furthermore, respondents thought that the words had the potential to bias them towards more positive answers. The phrase has therefore been earmarked for deletion from response categories in all but one case (see 1.16), and has been repositioned within questions.

## **Airports in Wales**

- 1.16 The original wording of the air travel tax was, 'tax on air travel from airports in Wales'. Due to the issues outlined above, 'in Wales' was retained within the question because the air travel had to be from airports in Wales. The wording was therefore changed to, 'tax on air travel from Wales'.

## **Likert scale questions**

- 1.17 In wave 1, two statements were tested to which respondents were asked to choose, from a Likert scale, how much they agreed or disagreed. Several negative issues were discovered when the statements were tested in wave 1. Respondents had different interpretations of the concepts used, such as the meanings of 'wealthier' and 'public spending'. Concepts should actually be understood consistently to help ensure robust data is generated. They also struggled with the second statement because they were not sure whether it referred to the specific taxes mentioned in previous questions or all taxes. Consequently, WG asked for these to be deleted. Thus, they were not tested in wave 2.

## **Devolution of taxes**

- 1.18 This question was often difficult for respondents to answer. This was not due to understanding the question but instead, it was due to a lack of awareness of which taxes would be transferred to WG. A further issue with this question was the length of the response category list, which respondents thought was too long. It is unlikely that this question could be deleted, therefore monitoring of the data it generates is recommended, as there could be a particularly high level of 'don't know' responses.

The full report is available on request

## Appendix A: Recommended final version of showcards

### SHOWCARD 1

- a. Local councils
- b. The Welsh Government
- c. The UK government
- d. The European Union
- e. I do not know

### SHOWCARD 2

- a. Income tax
- b. VAT (Value Added Tax)
- c. Council Tax
- d. Stamp Duty, that's the tax you pay when you buy a house
- e. Tax on alcohol
- f. Tax on air travel from in Wales (that is included in the plane ticket price)
- g. Tax on the waste that is sent to landfill
- h. I haven't heard of any of these

### SHOWCARD 3

- a. Income tax
- b. VAT (Value Added Tax)
- c. Council Tax
- d. Stamp Duty, that's the tax you pay when you buy a house
- e. Tax on alcohol
- f. Tax on air travel from Wales (that is included in the plane ticket price)
- g. Tax on waste that is sent to landfill
- h. None of the above
- i. I do not know

## **Appendix B: Recommended question wording for inclusion in the National Survey**

### Q1 Most control over taxes

ASK EVERYONE

**Looking at showcard 1, please tell me which one currently has the most control over the taxes you pay?**

- a. Local councils
- b. The Welsh Government
- c. The UK government
- d. The European Union
- e. Don't know

GO TO QUESTION 2.

### Q2 Which taxes respondents has heard of

ASK EVERYONE

**Looking at showcard 2, could you please tell me which taxes you have heard of?**

- a. Income tax
- b. VAT (Value Added Tax)
- c. Council Tax
- d. Stamp Duty, that's the tax you pay when you buy a house
- e. Tax on alcohol
- f. Tax on air travel from Wales (that is included in the plane ticket price)
- g. Tax on the waste that is sent to landfill
- h. I haven't heard of any of these

IF ANY RESPONSES CHOSEN BETWEEN a AND g AT QUESTION 2 READ THE FOLLOWING INSTRUCTION, IF h GO TO QUESTION 10

**I'm now going to ask you some questions about the taxes you have heard of.**

**The questions are about what the situation actually is now, rather than how you might like it to be.**

**Also, many people don't know a lot about taxes so if you don't know any of the answers just say, "Don't know" and I'll move on.**

### Q3 INCOME TAX

IF a AT QUESTION 2, OTHERWISE GO TO THE NEXT TAX CHOSEN AT QUESTION 2 OR IF NO OTHERS CHOSEN, GO TO QUESTION 10.

**Looking again at showcard 1. In Wales, who do you think has the most control over the levels of income tax?**

- a. Local councils
- b. The Welsh Government
- c. The UK government
- d. The European Union
- e. Don't know

IF e (DON'T KNOW) GO TO THE NEXT TAX CHOSEN AT QUESTION 2 OR IF NO OTHERS CHOSEN, GO TO QUESTION 10.

### Question 3a

IF b (Welsh Government) AT 3

**Would you say that's...**

READ OUT

- a. complete control**
- b. some control**
- c. or 'don't know'?**

IF a, b OR c GO TO THE NEXT TAX CHOSEN AT QUESTION 2, OR IF NO OTHERS GO QUESTION 10.

### Question 3b

IF a, c, d or e AT 3 (local councils, UK government, the European Union or 'don't know')

**And how much control do you think the Welsh Government currently has over the levels of income tax? Would you say...**

READ OUT

- a. some control**
- b. no control at all**
- c. or 'don't know'?**

IF a, b OR c GO TO THE NEXT TAX CHOSEN AT QUESTION 2, OR IF NO OTHERS CHOSEN GO QUESTION 10.

#### Question 4 VAT

IF b AT QUESTION 2, OTHERWISE GO TO THE NEXT TAX CHOSEN AT QUESTION 2 OR IF NO OTHERS CHOSEN, GO TO QUESTION 10.

**Looking again at showcard 1. In Wales, who do you think has the most control over the levels of VAT?**

- a. Local councils
- b. The Welsh Government
- c. The UK government
- d. The European Union
- e. Don't know

IF e (DON'T KNOW) GO TO THE NEXT TAX CHOSEN AT QUESTION 2 OR IF NO OTHERS CHOSEN, GO TO QUESTION 10.

#### Question 4a

IF b (Welsh Government) AT 4

**Would you say that's...**

READ OUT

- a. complete control**
- b. some control**
- c. or 'don't know'?**

IF a, b OR c GO TO THE NEXT TAX CHOSEN AT QUESTION 2, OR IF NO OTHERS GO QUESTION 10.

#### Question 4b

IF a, c, d or e AT 4 (local councils, UK government, the European Union or 'don't know')

**And how much control do you think the Welsh Government currently has over the levels of VAT? Would you say...**

READ OUT

- a. some control**
- b. no control at all?**
- c. or 'don't know'?**

IF a, b OR c GO TO THE NEXT TAX CHOSEN AT QUESTION 2, OR IF NO OTHERS CHOSEN GO QUESTION 10.

### Question 5 Council Tax

IF c AT QUESTION 2, OTHERWISE GO TO THE NEXT TAX CHOSEN AT QUESTION 2 OR IF NO OTHERS CHOSEN, GO TO QUESTION 10.

**Looking again at showcard 1. In Wales, who do you think has the most control over the levels of Council Tax?**

- a. Local Councils
- b. Welsh Government
- c. UK Government
- d. European Union
- e. Don't know

IF e (DON'T KNOW) GO TO THE NEXT TAX CHOSEN AT QUESTION 2 OR IF NO OTHERS CHOSEN, GO TO QUESTION 10.

### Question 5a

IF b (Welsh Government) AT 5

**Would you say that's...**

READ OUT

- a. complete control
- b. some control
- c. or 'don't know'?

IF a, b OR c GO TO THE NEXT TAX CHOSEN AT QUESTION 2, OR IF NO OTHERS GO QUESTION 10.

### Question 5b

IF a, c, d or e AT 5 (local councils, UK government, the European Union or 'don't know')

**And how much control do you think the Welsh Government currently has over the levels of Council Tax? Would you say...**

READ OUT

- a. some control
- b. no control at all?
- c. or 'don't know'?

IF a, b OR c GO TO THE NEXT TAX CHOSEN AT QUESTION 2, OR IF NO OTHERS CHOSEN GO QUESTION 10.

### Question 6 Stamp Duty

IF d AT QUESTION 2, OTHERWISE GO TO THE NEXT TAX CHOSEN AT QUESTION 2 OR IF NO OTHERS CHOSEN, GO TO QUESTION 10.

**Looking again at showcard 1. In Wales, who do you think has the most control over the levels of Stamp Duty?**

- a. Local Councils
- b. Welsh Government
- c. UK Government
- d. European Union
- e. Don't know

IF e (DON'T KNOW) GO TO THE NEXT TAX CHOSEN AT QUESTION 2 OR IF NO OTHERS CHOSEN, GO TO QUESTION 10.

### Question 6a

IF b (Welsh Government) AT 6

**Would you say that's...**

READ OUT

- a. complete control**
- b. some control**
- c. or 'don't know'?**

IF a, b OR c GO TO THE NEXT TAX CHOSEN AT QUESTION 2, OR IF NO OTHERS GO QUESTION 10.

### Question 6b

IF a, c, d or e AT 6 (local councils, UK government, the European Union or 'don't know')

**And how much control do you think the Welsh Government currently has over the levels of Stamp Duty? Would you say...**

READ OUT

- a. some control**
- b. no control at all**
- c. or 'don't know'?**

IF a, b OR c GO TO THE NEXT TAX CHOSEN AT QUESTION 2, OR IF NO OTHERS CHOSEN GO QUESTION 10.

### Question 7 Tax on alcohol

IF e AT QUESTION 2, OTHERWISE GO TO THE NEXT TAX CHOSEN AT QUESTION 2 OR IF NO OTHERS CHOSEN, GO TO QUESTION 10.

**Looking again at showcard 1. In Wales, who do you think has the most control over the levels of tax on alcohol?**

- a. Local Councils
- b. Welsh Government
- c. UK Government
- d. European Union
- e. Don't know

IF e (DON'T KNOW) GO TO THE NEXT TAX CHOSEN AT QUESTION 2 OR IF NO OTHERS CHOSEN, GO TO QUESTION 10.

### Question 7a

IF b (Welsh Government) AT 7

**Would you say that's...**

READ OUT

- a. complete control**
- b. some control**
- c. or 'don't know'?**

IF a, b OR c GO TO THE NEXT TAX CHOSEN AT QUESTION 2, OR IF NO OTHERS GO QUESTION 10.

### Question 7b

IF a, c, d or e AT 7 (local councils, UK government, the European Union or 'don't know')

**And how much control do you think the Welsh Government currently has over the level of tax on alcohol bought? Would you say...**

READ OUT

- a. some control**
- b. no control at all**
- c. or 'don't know'?**

IF a, b OR c GO TO THE NEXT TAX CHOSEN AT QUESTION 2, OR IF NO OTHERS CHOSEN GO QUESTION 10.

### Q8 Air Travel

IF f AT QUESTION 2, OTHERWISE GO TO THE NEXT TAX CHOSEN AT QUESTION 2 OR IF NO OTHERS CHOSEN, GO TO QUESTION 10.

**Looking again at showcard 1. Who do you think has the most control over the levels of tax on air travel from Wales?**

- a. Local councils
- b. Welsh Government
- c. UK government
- d. European Union
- e. Don't know

IF e (DON'T KNOW) GO TO THE NEXT TAX CHOSEN AT QUESTION 2 OR IF NO OTHERS CHOSEN, GO TO QUESTION 10.

### Question 8a

IF b (Welsh Government) AT 8

**Would you say that's...**

READ OUT

- a. complete control**
- b. some control**
- c. or 'don't know'?**

IF a, b OR c GO TO THE NEXT TAX CHOSEN AT QUESTION 2, OR IF NO OTHERS GO QUESTION 10.

### Question 8b

IF a, c, d or e AT 8 (local councils, UK government, the European Union or 'don't know')

**And how much control do you think the Welsh Government currently has over the level of this tax? Would you say...**

READ OUT

- a. some control**
- b. no control at all**
- c. or 'don't know'?**

IF a, b OR c GO TO THE NEXT TAX CHOSEN AT QUESTION 2, OR IF NO OTHERS CHOSEN GO QUESTION 10.

### Q9 Landfill

IF g AT QUESTION 2, OTHERWISE GO TO THE NEXT TAX CHOSEN AT QUESTION 2 OR IF NO OTHERS CHOSEN, GO TO QUESTION 10.

**Looking again at showcard 1. In Wales, who do you think has the most control over the levels of tax on waste sent to landfill?**

- a. Local Councils
- b. Welsh Government
- c. UK Government
- d. European Union
- e. Don't know

IF e (DON'T KNOW) GO TO THE NEXT TAX CHOSEN AT QUESTION 2 OR IF NO OTHERS CHOSEN, GO TO QUESTION 10.

### Question 9a

IF b (Welsh Government) AT 9

**Would you say that's...**

READ OUT

- a. complete control**
- b. some control**
- c. or 'don't know'?**

IF a, b OR c GO TO THE NEXT TAX CHOSEN AT QUESTION 2, OR IF NO OTHERS GO QUESTION 10.

### Question 9b

IF a, c, d or e AT 3 (local councils, UK government, the European Union or 'don't know')

**And how much control do you think the Welsh Government currently has over the level of tax on waste that is sent to landfill? Would you say...**

READ OUT

- a. complete control**
- b. some control**
- c. or 'don't know'?**

IF a, b OR c GO TO THE NEXT TAX CHOSEN AT QUESTION 2, OR IF NO OTHERS CHOSEN GO QUESTION 10.

Question 10 Devolution

ASK EVERYONE

**In 2018, the Welsh Government will be able to set the levels of some taxes in Wales that are currently set by the UK government. Looking at showcard 3, which of these taxes do you think will come under the control of the Welsh Government?**

- a. Income tax
- b. VAT (Value Added Tax)
- c. Council Tax
- d. Stamp Duty, that's the tax you pay when you buy a house
- e. Tax on alcohol
- f. Tax on air travel from Wales (that is included in the plane ticket price)
- g. Tax on waste that is sent to landfill
- h. None of the above
- i. I do not know