

**OPTIMIZING TOURISM SECTOR MANAGEMENT THROUGH
PUBLIC PRIVATE PARTNERSHIPS
CASE STUDY: SOLOK REGENCY, WEST SUMATRA
PROVINCE, INDONESIA**

MASTER THESIS

A thesis submitted in partial fulfillment of the requirements for
the Master Degree from University of Groningen and
the Master Degree from Institut Teknologi Bandung

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DOUBLE MASTER DEGREE PROGRAMME

**ENVIRONMENTAL AND INFRASTRUCTURE PLANNING
FACULTY OF SPATIAL SCIENCE
UNIVERSITY OF GRONINGEN
AND**

**DEVELOPMENT PLANNING AND
INFRASTRUCTURE MANAGEMENT
SCHOOL OF ARCHITECTURE, PLANNING AND
POLICY DEVELOPMENT
INSTITUT TEKNOLOGI BANDUNG**



2011

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And

Development Planning and Infrastructure Management
School of Architecture, Planning and Policy Development
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ABSTRACT

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Tourism can be seen as one of leading sectors contributing to the economic growth at local, regional, and national level. The level of this contribution mostly depends on the quality of management of the tourism attractions as well as its supporting facilities. Furthermore, tourism is also a dynamic business and has such tough competition between one attraction and another either within a country or between countries. The key element in tourism is how to provide the best service to consumers and to promote the attractions to tourists. In order to achieve this goal and to optimize tourism development, a lot of effort is strongly required, especially in terms of financial capital and adequate knowledge. For some developing countries like Indonesia, especially in local governments in the country, allocating sufficient fund as well as providing skilled government employees to deal with tourism business is such a big challenge.

Therefore, one of strategic solution that can be taken into consideration is by involving private parties to participate in tourism sector through public private partnerships. PPPs has been adopting by many countries in the world sin 18th century, not only in developing countries but also in developed countries. Public private partnerships can be considered as the solution to overcome the problem in delivering public infrastructure projects such as energy and power, communication, transport, water provision, solid waste management, health facilities, education, and tourism sectors. The basic idea of public private partnerships is to attract private sector investment to provide and manage public infrastructure, including in tourism sector. This thesis thus is aimed to evaluate the possibility of the implementation of public private partnerships in tourism development in one of local governments in Indonesia, which is Solok Regency. The focus of this study is implementation of public private partnerships idea in tourism sector in case study area, and in the end, a model of public private partnerships will be proposed.

Keywords: management, public private partnerships, Solok Regency, tourism development

GUIDELINE FOR USING THESIS

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PREFACE

Optimizing the role of tourism sector is not an easy task for some countries in the world, especially in developing countries. No exception with Indonesia, especially in local government level which usually struggles with two main obstacles: providing adequate financial support as well as skilled employees. One of the efforts to solve this problem is through public private partnerships which have been universally implemented around the world. Therefore, I chose this topic because this thesis is not only intended to fulfill the requirement to obtain my Master Degree, but also as one of employees in Solok Regency Local Government, hopefully I can give significant contribution to my country, especially to my regency development, and in the end, I really hope that the local government of Solok Regency will implement the idea of public private partnerships to boost tourism development.

Furthermore, I would like to express my gratitude to people who significantly help me finish my thesis. First of all, I would like to say thousands of gratitude to Allah SWT Almighty. Secondly, to my supervisors from RUG and ITB, Prof. dr. G.J. Ashworth and Dr. Arief Rosyidie, M.S.P., M.Arch, for their guidance, advices, and assistances. Secondly, to the coordinator of Double Degree Program at ITB and at RUG, Ir. Tubagus Furgon Sofhani, MA, Ph.D and Prof. Johan Woltjer, and to all lectures and staff of Environmental and Infrastructure Planning of RUG and Development Planning and Infrastructure Management of SAPPK-ITB. Moreover, my big gratitude to Netherlands Education Support Office (NESO) and Bappenas for giving me such precious opportunity to continue my study at higher level, and also to the local government of Solok Regency for the job opportunity. Finally, to all my friends in Bandung, Padang, and Solok, and last but not least, I would like to dedicate my thesis to my families, especially my older sister for her support and for believing in me.

Groningen, August 2011

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CHAPTER I INTRODUCTION

1.1. Background

Over the years, tourism has been playing predominant role in world's industry and keeps experiencing significant development throughout the world, and also positively contributes to economic and employment revenue.

"The term of "tourism" itself is used to describe the temporary, short-term movement of people to destinations outside the places where they normally live and work. For the collection of statistics, it is usually necessary to determine a boundary which must be crossed by travelers if they are to be enumerated as tourists"(Hyma & Wall, 1979, p.339).

People have their own different reasons to visit a certain place: exploring a new thing, visiting family, relatives, and friends, reducing stress, adventuring, and so on. The numbers of people who travel keep increasing every year. This condition makes tourism as one of the most competitive sector in the world supported by technological innovation, communication development, economic growth, the increase of pressure at workplace, and of course the spirit to experience the new things such as the beauty of nature and culture. Consequently, every region tries to response to this issue by providing tourism facilities to attract tourists to come to their place.

Unfortunately, building tourism sector sometimes faces some difficulties because of some reasons especially in developing countries including Indonesia. One of them is that local government who are responsible more about tourism cannot maximize the function of the tourism facilities as the main attraction for tourists. Besides that, it strongly connects with local culture of people living in developing countries; spending holiday by visiting tourism attraction does not become our tradition yet. On the other words, it seems still like an expensive hobby where they still have to struggle to fulfill their basic need and expense. For example, many parks and tourism attractions in several cities in Indonesia are abundant because people rarely use it even in holiday, especially if there are no interesting facilities embedded within. In many cases, many tourism facilities also become place for informal trader to sell their product there. Consequently, it will ruin the aesthetical view of the tourism attraction. In addition, due to informal trader, the number of crime in tourism areas also becomes another problem which needs to be solved soon in order to obtain tourism development.

So, how to optimize the development of tourism industry through maintenance and management of the tourism attractions is such a crucial point to be discussed. Bad maintenance and management of these facilities will give disadvantages for both the city and the society. It can be caused by some actors who try to get their own benefit through these tourism facilities. The degradation of tourism sector can be identified through limited number of visitors or even in worse situation where there are no visitors at all who still want to visit that facility, not safety anymore to be visited, the change of some of the facilities' function, poor accessibility to the tourism attraction.

This condition also becomes a big issue in Solok Regency because tourism hopefully can be the second promising sector to promote the local economic growth after agriculture. Basically, this regency offers many beautiful tourism attractions: four lakes (Diatas Lake, Dibawah Lake, Talang Lake, and Singkarak Lake), tea plantation, historical heritage, caves, mountain, waterfall, and so on. The problem that always occurs is that there is no appropriate maintenance and advertisement. Actually, public works agency and regional secretary of Solok Regency have a thought to involve private sector to manage this tourism sector. But it never becomes reality because there is no clear framework to implement public private partnership concept. In order to attract more tourist, In 2008, our Regent had plan to build recreational city park that not only consist of park but also many public facilities such as swimming pool for adult and kids, out bond arena, exhibition building, guest house or hotel, etc. so, the need for good maintenance and operation of these facilities are strongly required because Local government often fails to deliver such services to people due to the lack of fund and skillful official in this field.

Those problems need the immediate change of management and service system in order to provide maximum benefit and advantages for people in the city. In some cases, many public facilities cannot operate well if they are merely managed by government due to some reasons. For example, in Solok case, lack of fund and skilled labour are the main problem. As the result, a public private partnership is one of the solutions to overcome these problems. This form of partnership can give benefit for government, private sector and society. PPPs generally operate on the field of public infrastructure. Public private partnerships can be defined as

A Public Private Partnerships is an institutionalized form of cooperation of public and private actors who, on the basis of their own indigenous objectives, work together towards a joint target, in which both parties accept investment risks on the basis of a

predefined distribution of revenues and costs. (Nijkamp et al, 2002, Geert & Mirjam, 2002, p.17).

Actually, PPP's concept is not a new thing, people has been implementing hundreds years ago (Link, 2006). Nowadays, in seeking the answer to deal with the idea to provide infrastructure services in public infrastructures such energy and power, communication, transport and water sectors, etc, many countries in the world has taken PPPs into consideration, that were once merely managed by government. There are some benefits s why PPPs concepts become an interesting choice for government

- a. It can increase the capability of government to provide public infrastructure
- b. Providing wide opportunity for new ideas, knowledge, skill, technology
- c. Reducing the cost and time consuming of project delivery and operation
- d. Risk allocation to other parties
- e. Attracting more investors to participate

(Hardcastel, et. al, 2003)

Public private partnerships can bridge the distinction between private and public and reduce the tension between them. Furthermore, public private partnerships can be seen as relevant and popular public policy both in developed countries and developing countries and can represent the new relationship between citizen and government. PPPs offer several promises in providing public infrastructure projects more cheaply and quickly and in helping save the government budget (Greve & Hodge, 2005).

Furthermore, many public infrastructure projects around the world such as water provision and solid waste management have involved the contribution of private sectors, but now the public sectors like health facilities, educational facilities, and of course tourism facilities also start considering the involvement of private parties. It is important to involve private sector in these public sectors because the main problem for government to provide and deliver service for people is the limitation of fund. In addition, the lack of skillful officials to handle this job is also another reason to invite private sector to join in this field. The impact of these problems is that people cannot get the appropriate services from the government and also the low quality of service itself.

However, PPPs in developing countries usually have different reality in the process to developed ones, Robinson and White (1997) emphasize that the "complementarity" has become the major concentration of any argument on PPPs, and not on cooperation,

essentially reducing PPPs to the fact that the state provides an enabling environment for the other social actors. Evans' (1996, p. 1119) definition of synergy goes beyond mere complementarity and includes "embeddedness". He describes the basis of the partnership as *"(an) intimate interconnection and intermingling among public and private actors [...] with a well-defined complementarity by both division of labor between the bureaucracy and local citizens, mutually recognized and accepted sides"*.

Consequently, a research about how to explore the further contribution of private sector in developing and managing public infrastructure facilities is much needed. So, the study of this research will be focused on the contribution of public sector in developing and management of tourism sector in Solok Regency.

1.2. Problem Statement

From the issues and problems that are introduced above, there are several questions that need to be answered in this study. First, what are the general problems that occur in public private partnership in tourism management? Second, can public private partnerships concept can be implemented in tourism provision and management. Third, what is the ideal partnership model in tourism provision and management that already has been applied in particular tourism sector? And the last one, can public private partnerships can be implemented Solok Regency? If the answer is yes, then what is the best model for PPP in regional tourism management in Solok regency?

In addition, because this study focuses on public private partnerships concept in provision of public services, therefore problems in public private partnerships should be main concern in this study in order to get the best model of PPPs and can eliminate the challenge in delivering PPPs concept. Several common problems that mostly arise in implementing PPPs concept are

- Not all projects are possible (for various reasons: political, legal, financial etc).
- The private sector may not take interest or may lack the capacity to undertake a project.
- A PPP project may be more costly unless additional costs (due to higher transaction and financing costs) are off-set by efficiency gains.
- Change of ownership to the private sector may not be sufficient to improve economic performance unless other necessary conditions are met, which include appropriate sector and market reform, and change in operational and management practices of infrastructure operation.

- Often, the success of PPPs depends on regulatory efficiency.

(source: UNESCAP and the Ministry of Planning and Budget, Republic of Korea, 2007)

1.3. Research Objective

The objective of this study is to answer all problems that already mentioned before that relate to public private partnership in tourism sector. Finally, after the study, I can formulate the public private partnerships model that can be applied in regional tourism management and the possibility of its implementation.

1.4. Research Significant

The research significances of this study are to enrich knowledge and understanding in tourism concept especially how to manage and maintain tourism facilities. This research also can increase both knowledge and understanding about public private partnership concept in public facilities provision especially in tourism sector. From this study, we can also identify any kind of activities in tourism sector that can be potentially managed through collaboration between government and private sector. Eventually, by doing this research, hopefully I can give useful contribution to my office and my regency as well in formulating the model of partnership between local government of Solok Regency and Private sector to achieve the best result in delivering service for the people.

1.5. Research Methodology

This research will be mostly conducted on literature study and secondary data and analysis of this study is exploratory analysis and descriptive analysis. The steps of research methodology in this study will be mentioned as follows (the steps were adopted from Samekto, 2003):

1. Reviewing and examining literature review of tourism

Since the case study of this research is dealing with tourism sector, so better and deeper understanding and knowledge about tourism are strongly required. The basic concepts about tourism will be the first focus on this evaluation. Next, the study will be about elements which are embedded within tourism facilities in order to see the kind of service delivered in particular tourism facility. The most important thing is the evaluation toward the management of tourism in general. Literature study will be conducted on several journals and books about tourism management and operation. Besides that, the data will be collected also from internet.

2. Evaluating Public Private Partnerships concept

The next step is evaluating the Public Private Partnership concepts. The study will be about the concept of partnership between public sector and private sector attempt to deliver public services. It is started by learning about the definition of PPP's concept, the type of PPPs, the implementation in public infrastructure, and its development. The objectives of public private partnership concept and the benefit of this concept for society as the main user of this tourism sector, government as the owner or provider and private sector as the manager of the tourism sector are the main focus on this research.

Evaluating of PPPs concept will be focused on public infrastructure services in tourism sector. For this case study, the tourism facilities are entirely owned and managed by government. Through this study, hopefully the function of tourism attraction will be optimized by involving private sector contribution in any possible stage of the projects such as construction, financing, maintenance and operation stages. Literature study of PPPs concept will mostly based on related books and also public private partnership papers which are published by many related institutions. The focus of literature study is the research about implementation of public infrastructure in tourism sector in developing countries. Other sources will be learnt from papers that collected from internet and also lecture materials from both ITB and RUG.

After getting sufficient knowledge about PPPs concept, the next study will be about evaluating the risk allocation of PPPs concept. The objectives of this step are to get clear information and knowledge about the division of all the risks in the PPPs that may arise in the process, and to measure the level of the responsibility of each stakeholder in the partnerships.

After getting sufficient understanding about both recreational facility and PPPs concept, the study will be continued with comparison study of PPPs in tourism sector in other areas in Indonesia.

3. Comparison study of the successful PPP implementation in tourism sector

PPPs in tourism sector is not a new concept, many countries both in central, regional, and local authority has been successfully implemented it. Therefore, studying and evaluating the success of PPPs implementation area is needed to provide broader knowledge and

perspective about tourism management and also to give deeper understanding by learning the success story in terms of history, institutional context, strategic mechanism, risk allocation and the model of PPPs itself. This comparison will be learnt from papers or related articles that can be collected from the internet and library and also by direct observation. The first focus is the comparison study about successful PPP implementation in tourism sector in other areas in Indonesia because the characteristic are relatively the same with the case study area. Next, perhaps, other success stories from other regencies in West Sumatera will be added.

4. Examining the existing condition

After collecting appropriate literature reviews and related information and data about the concept of tourism management and provision as well as the concept about public private partnerships, the second step is evaluating the existing condition of tourism in area of study. So, we can identify whether the existing tourism condition already run well or not. Next, the problem in tourism sector Solok Regency will be occurred after this evaluation. All existing tourism destinations, facilities, regulations, and tourism industrial entities will be identified. Furthermore, all tourism facilities will be the main focus on this evaluation to see the possibility of PPPs implementation and which elements that should be managed by government.

5. Formulating the model of public private partnerships

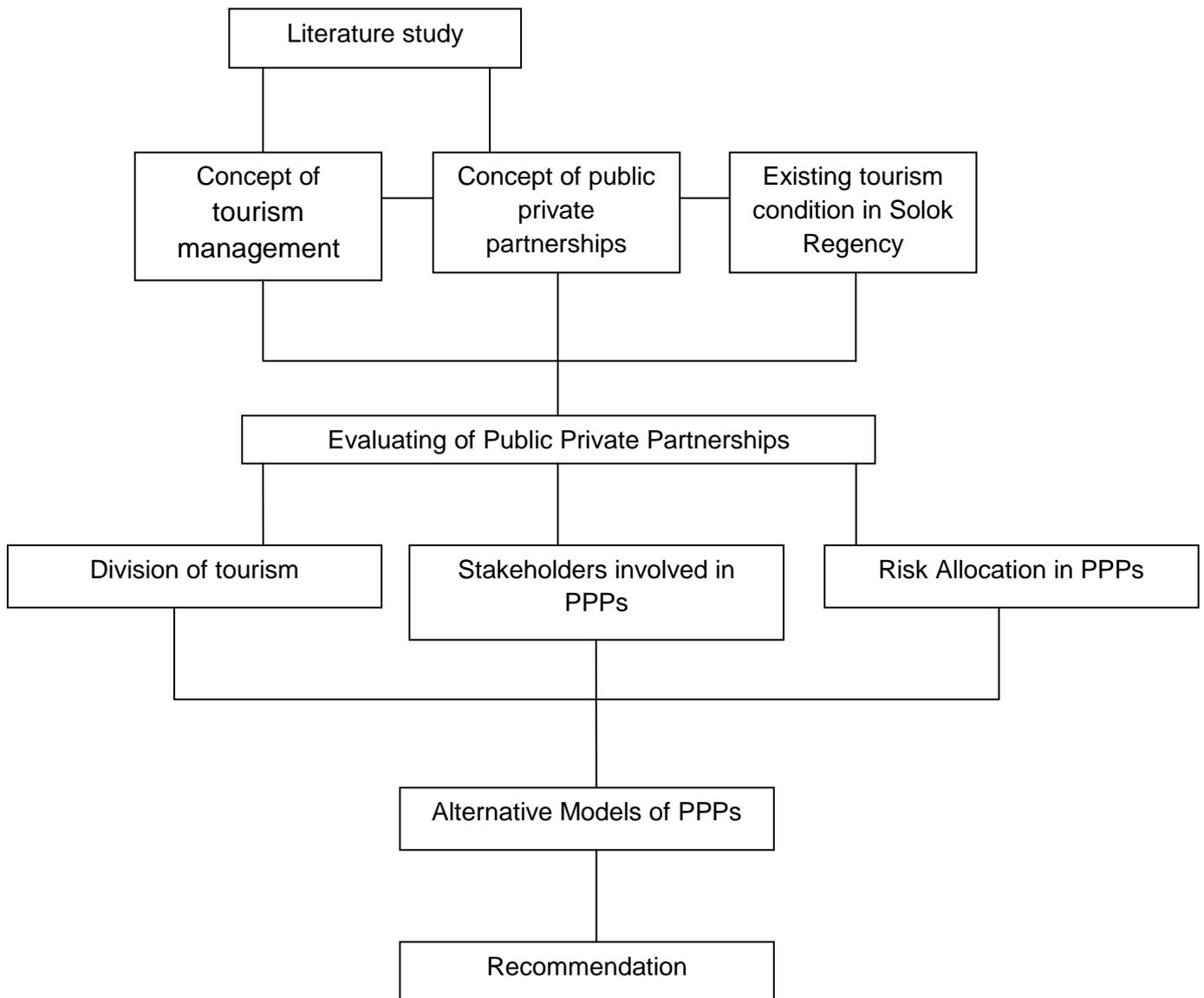
The next step is combining all data and information in previous steps about tourism sector, PPPs concept, and condition in case study area in order to generate a model of partnership by using descriptive analysis. Partnership model is forms of partnership which is obtained from evaluating several components and characteristic of partnership. Components of partnership in this research are the aim and objective of the partnerships, the objects of partnership, process, and involved stakeholder. Several models will be obtained based on the existing condition in case study area. Furthermore, risk allocation in PPPs in managing tourism sector will be identified which mostly depends on the model itself, regulation, and negotiation between local government and private partners.

6. Implementing Public Private Partnerships Model in tourism sector in Solok Regency

The final stage is how to applied PPPs Model which is resulted from previous stage in this study in case study area. Among several proposed model which are generated on previous

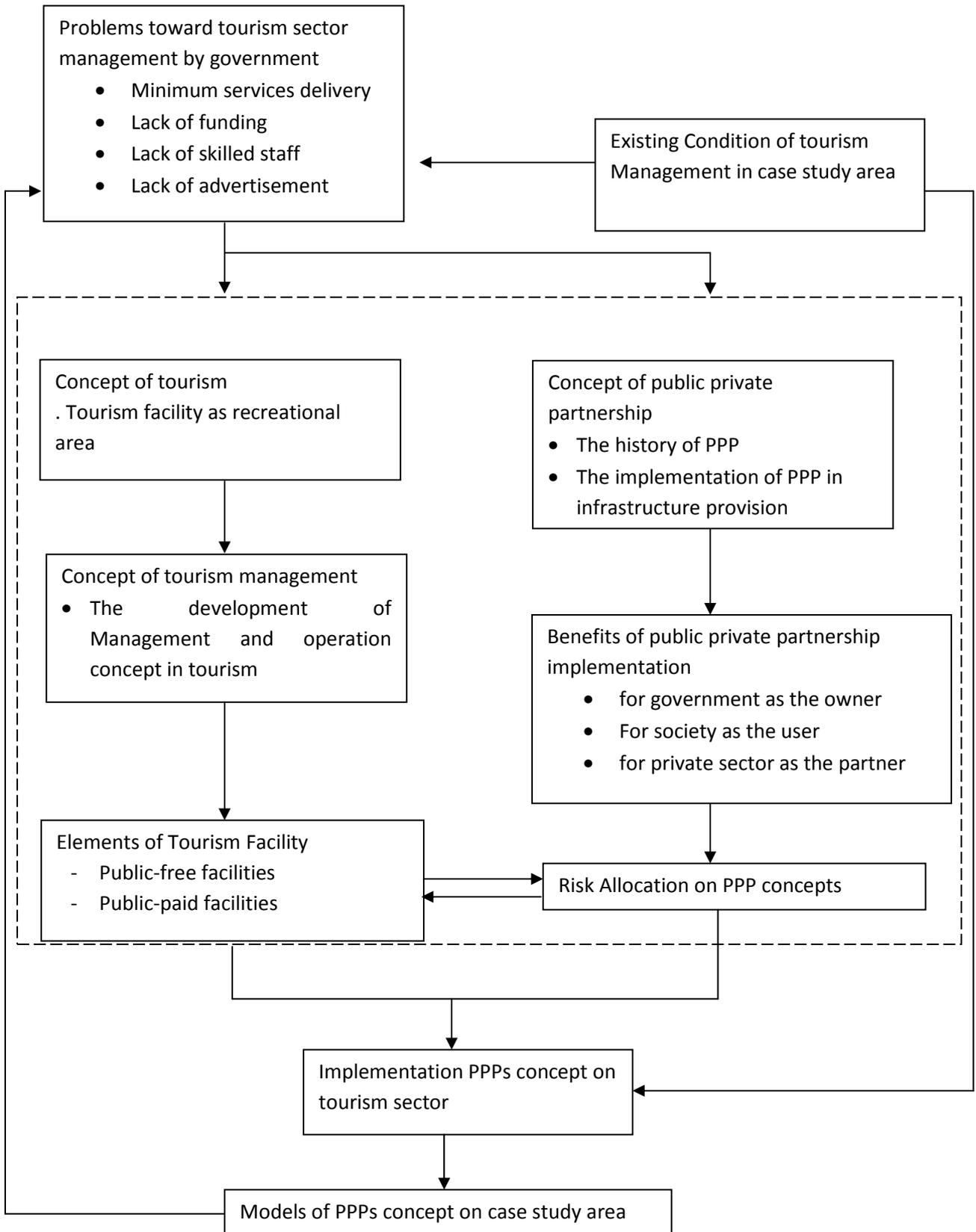
stage will be chosen the best one based on the evaluation. All basic components in this model will be identified base on situation and condition in case study area.

1.6. Logical Framework



(the model was adopted and modified from Samekto, 2003)

1.7. Conceptual Framework



From conceptual framework above, it can be concluded that the focus of this study will be about the concept of tourism management and PPPs concept in order to identify the problem in delivering service in state-owned tourism facility. Definition and concept of tourism will be evaluated in general. Then study will learn about the concept of tourism in terms of its development of management and operation concept. And the last one is evaluating facilities within the tourism sector in case study area.

Next, it will focus on PPPs concept; it will be started by reviewing definition, history, implementation in infrastructure projects especially in tourism sector, and development of Public Private Partnerships. Then the study will try to identify the benefits of PPPs implementation in public infrastructure projects for government as the owner, private sector itself, and the community as the user. The most important thing in PPPs is about risk allocation which is strongly affected by condition in case study area.

After this process, this study will evaluate the possibility of implementation PPPs in case study area and in the end; it will create models of PPPs. So after model of PPP are formed, the last step is evaluating whether these models can answer the problems toward tourism management and operation which often occur in many places if it is fully managed and operated by government.

1.8. Data

To conduct a research, several related data and information are required in the process. In this research, objectives of data, the kind of data and information, sources, how to get it and finally how to analyze it will be presented in table below:

Table 1.1. Table of Data Collection Methods

No.	Objectives	Data	Sources	How to get it	How to analyze it
1.	to see some regulations toward PPP implementation in Indonesia and in Solok Regency	- regulation of private partnership in infrastructure project for government project	- Internet - related office such as tourism office, Bappeda, Regional secretary	- searching on the internet -asking directly to related offices in Solok Regency	- by reading the material and find out the regulation which relates with PPPs implementation in infrastructure projects.

			through its Law Division		
2.	To identify the condition of case study area and elements within	-master plan of tourism planning -existing tourism facilities	-related offices such as Bappeda, Public Works, Setda, Agriculture and Forestry offices, and	-direct survey -asking directly to related offices	-by identifying elements within case study area to see which elements that can involve private contribution.
3.	To learn about PPP concept and implementation on infrastructure projects	-literature review from tourism management and public private partnership	-books, internet, library	- reading and borrowing from library - searching on internet - asking for lectures opinion and knowledge	-by learning the concept of PPPs -by analyzing how to implement this concept on infrastructure projects
4.	To see and learn the success of some tourism management and operation process To make comparison	-information, data, pictures	-internet, article, book	-searching and collecting data from the internet and library	-analyzing several tourism management and operation in the world: -how private sector can contribute -how they manage it

1.9. Time Planning

	April				May				June				July				August			
Week	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Literature review			■	■	■	■														
Defining method					■	■	■													
Data Collection							■	■	■	■										
Data analysis									■	■	■	■								
Write first draft	■	■	■	■	■	■	■	■	■	■	■	■								
Write final draft													■	■	■					
Thesis due																■				
Revision																	■	■	■	■

CHAPTER II THEORETICAL REVIEW

This chapter discusses about definition and principles of tourism in general, tourism management and in the end, it will explain about the principles of public private partnerships.

2.1. Tourism

There are so many definition of tourism formulated by many experts throughout the world. This condition relates to multidimensional aspect of tourism itself which makes the definition task more difficult. Tourism also experiences dynamic growth and rapid changes, and influenced by new technology, new market, new destination, etc (Goeldner&Ritchie, 2009).

The first definition was generated by Professors Hunziker and Krapf from Berne University, Switzerland. In their opinion, tourism can be defined as “sum of the phenomena and relationships arising from the travel and stay of non-residents, in so far as they do not lead to permanent residence and are not connected to any earning activity”. It can distinguish tourism form migration in term of taking up permanent residence (Cruz, 2006).

Tourism is a dynamic sector and has such special characteristic which can distinguish between this sector and others. Cruz (2006) then mentioned seven characteristics of tourism which make it considerably unique.

1. Tourism products are not directly delivered to the customer, on the other hand, the costumer has to travel and purchase the product. So, in tourism, the products are relatively static and will constantly wait for costumer to come.
2. The tourism products are not used up. Tourism will not make the natural resources exhaust especially physical natural resources and sometimes, tourism can directly and indirectly help preserve these resources.
3. More people get involved in this sector than others and make tourism as labour-incentive industry
4. Tourism is considered as people-oriented because the main objective of tourism destination is to attract people as many as possible and one of reasons for tourist is to meet other people with different life style and culture as well.
5. Tourism is multi-dimensional phenomenon which relates to many sectors and activities.

6. People travel in certain time and occasion which make tourism seasonal industry. Vacation season and holiday are the peak season for tourism industry where more people travel more intensively.
7. Tourism is dynamic which can change quickly over the times. It can be influenced by social changes, technological innovation, attitudes changes, and environmental changes.

Not only have such different characteristics, tourism also play a predominant role in world industry because it can offer significant contribution to economic growth both in developed countries and developing countries. These are several benefits than can be gained from tourism.

1. Economic benefits

- Contribution to foreign exchange earnings
- Enhance government revenues
- Provide more job vacancy
- Contribution to regional development
(Lickorish, 1994, in Mason, 2004)
- Dispersion of development between rich region and poor region

2. Socio-cultural benefits

- Cultural enrichment and preservation as well. It can enhance host community awareness toward their local culture and identity.
- Social interaction. As mentioned in tourist motivation earlier, people want to meet other people, strengthen family bonds, and learn other social life in positive manner.
(Cruz, 2006)

3. Environmental benefits

- Stimulate measures to preserve the environment, landscape, and wildlife
- Can help preserve National Parks or Wildlife Reserves
- Can help maintain and protect heritage buildings and museum
(Mason, 2004)
- Tourism can make environment and surrounding area near tourism destination more beautiful in order to attract more visitors (Haley et. al, 2005)

2.2. Tourism Management

According to Middleton (1994), tourism management can be defined as “*Strategies and action programs using and co-ordinating available techniques to control and influence tourism supply and visitor demand in order to achieve defined policy*” (Middleton and Hawkins, 1998 in Mason, 2004, p. 73). As refer to this definition, therefore, the focus of tourism management in this study is about the ways to manage tourism facilities in order to optimize its function to attract more visitors. Furthermore, Middleton and Hawkins explain that through good management of tourism, it can influence visitor’s behavior in terms of their choices of location, access, timing and product provision, and their understanding and knowledge (Manson, 2004).

The first important thing in tourism management is identifying the key players involving in tourism planning and management, and they are as follows:

1. The tourist/visitors

They can be seen as the main object in tourism management because the main objective of tourism management to attract more tourists to visit as well as to acknowledge them about their responsibilities as tourist.

2. Host community

Host community also plays predominant role in tourism sector in two different ways. On one hand, they can be as attractions for tourists to visit a certain destination because tourists want to see their local culture, religious ceremonies, dances and music. In addition, host community can offer craft and art work to visitor. On the other hand, how host community react to visitor can significantly affect tourism industry in their area. Unfriendly attitude of host community can reduce the number of visitors.

3. The tourism industry

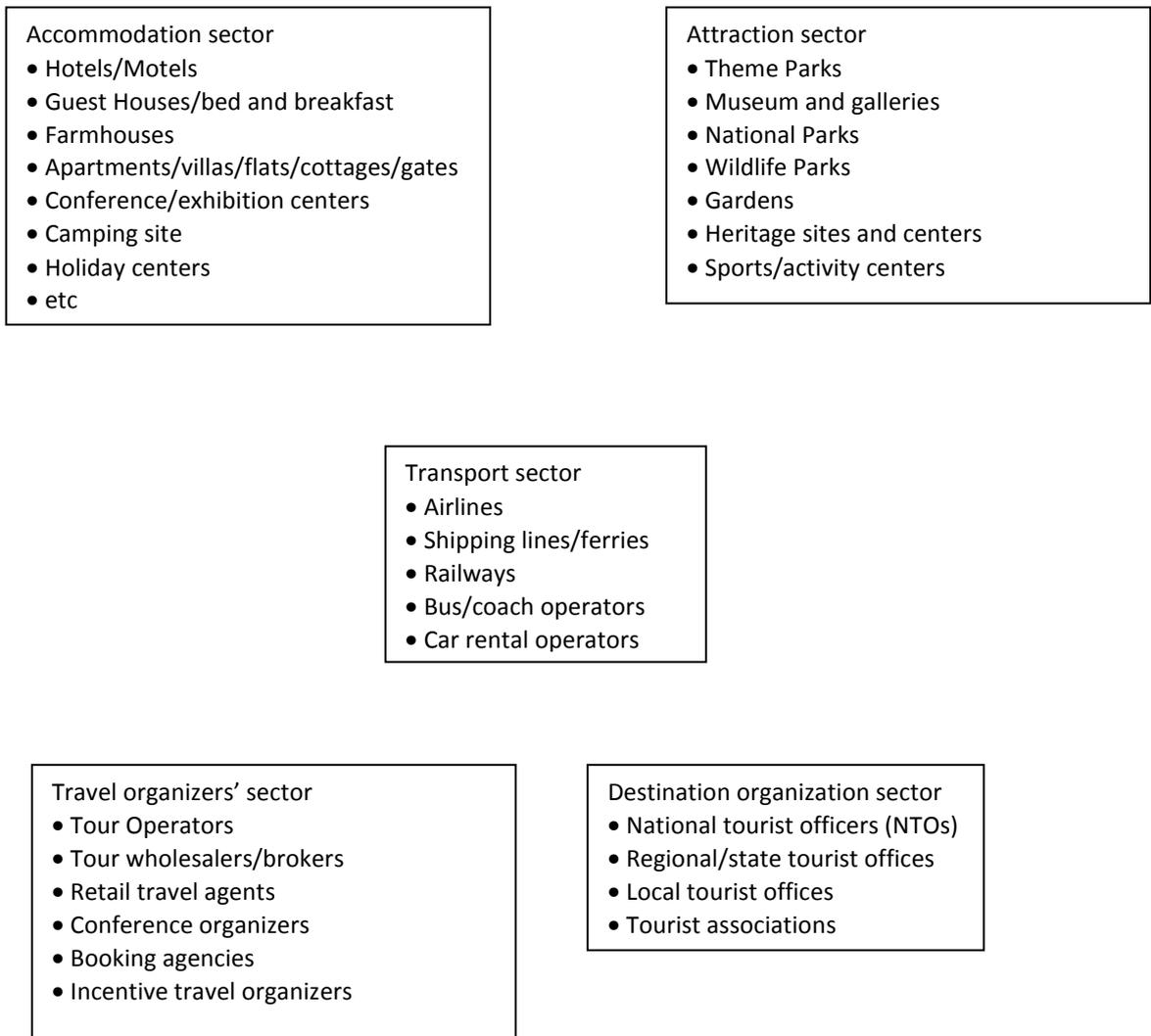
Tourism industry is very wide and diverse. It can be categorized into three main sectors: the generating zone, the transition zone and the destination zone in which each zone has different tourism industry (Manson, 2004). According to Middleton and Hawkins (1998), tourism industry deals with five marketing mix indicators (five P) which are product, place, price, promotion and people.

4. Government agencies

The main task of government or public sector is to regulate tourism sector through law and regulation including managing tourism resources and key player’s role in tourism. The role of government relatively varies between one country and another. According

to Swarbrooke (1999), government is likely to be less profit orientation than other stakeholders, for instance, private sectors. Furthermore, the involvement of public sector in tourism is because natural resources, tourist attractions, and many public events can be seen as public goods and everyone has the same right to access it (Andersson&Getz, 2009, p. 849) and thus, government task to guarantee that.

In tourism management, it is also important to understand about the main sector in tourism industry as portrayed by Manson (2004).



(source: Mason, 2004)

2.3. Public Private Partnerships

The traditional thinking of public service is that public services should always be funded by the public purse and delivered by public sector employees (Geddes, 2005), in other words, it is all government responsibility. The basic idea of public private partnerships emerged in American and British public policy during the late 1970s as a tool of economic development. It was stimulated by budget deficit, economic crisis, and stagnant economy of government. So, government needs to involve other organization to participate and contribute to deliver public service. In beginning, the objectives of PPPs are to save the government money and perhaps make the economy works more efficiently (Mitchell-Weaver&Manning, 1990).

So, What are public private partnerships?. Firstly, partnership itself, according to the Department for the Environment, Transport and Regions (DETR) of UK, can be defines as “ *Partnering involves two or more organizations working together to improve performance through mutual objectives, devising a way of resolving disputes and committing to continuous improvement, measuring progress and sharing gains*” (Geddes, 2005, p.1).

Public private partnerships can be defined as

A contract that a government makes with a private service provider to acquire a specified service of a defined quantity and quality at an agreed price for a specified period (Taylor, 2003 in Patrinos et.al, 2009)

Furthermore, according to U.S. DOT's (2004), PPPs can be defined as:

“ A contractual agreement formed between public and private sector partners, which allow more private sector participation than is traditional. The agreements usually involve a government agency contracting with a private company to renovate, construct, operate, maintain, and/or manage a facility or system. While the public sector usually retains ownership in the facility or system, the private party will be given additional decision rights in determining how the project or task will be completed” (Buxbaum et.al, 2009, p.7).

2.3.1. Characteristics of Public Private Partnerships

There are some characteristics of PPPs as mentioned by Heinz (2006) in his lecture in German Institute of Urban Affairs:

1. The participants

There are always variations in terms of number and composition of participants who get involved in PPPs. It depends on the type of the projects and cases. But then Heinz identified two main common types of participants of PPPs. Firstly, actors from public sector are mostly representatives of local government or enterprises with intermediary functions set up by local authorities. The role of central government is as initiators on in a supportive role. Secondly, the actors from private sector usually have more financial power such as property developers, real estate companies, large groups of companies, institutional investors such banks and insurance companies, and other companies operating in a particular field depends on the project itself.

2. Goal

The common goals of public private partnerships are mostly about *“the implementation, financing and/or management of large-scale projects with high prestige, the provision of specific urban services, or projects intended to strengthen or improve the economic viability and competitiveness of certain urban districts or entire cities”* (Heinz, 2006, p.4).

3. Expectation

Each actor who involve in a partnerships has different expectation. In public private partnerships, different expectations also come both from public sector and private sector. The common general expectation from them is obviously how to make a profit. For private sectors, their expectations are mainly about getting access to local authorities, more chances to get involved on planning procedures and decision making process, sharing risk in project implementation with other partners. Furthermore, public sector expects to get access to the professional competences and capacities of private sector, a financial support of private funds because government usually has limited resources in terms of budgets and skilled labors. In the end, through PPPs, project implementation and realization can be triggered and accelerated.

4. Scopes of activities, projects and spatial preferences

As explained before, public private partnerships are generally taken place on local government activities and services instead of central government. *“On the macro-level they are frequently limited to a few attractive large cities and centers of economic growth; on the micro-level, they tend to be city centers or areas which are attractive*

from an urban development point of view and/or already privileged areas” (Heinz, 2006, p. 5).

PPPs implementation has such wide fields such as on transportation sector, waste management and disposal, tourism, cultural operation and maintenance, and educational sector. The implementation chances to private sector to involve in any kind of field of project are strongly influenced by regulation of the particular area.

5. Types of cooperation

According to Heinz, basically, there are no such rigid rule of the form of public private partnerships, but then he distinguish three type of PPPs models based on its function and degree of institutionalization involved as follows

1. “handshake partnerships”. It is informal partnerships model between local business and public leaders and mostly does not deal with specific projects and services, but it is generally in the context of comprehensive planning and development strategies.
2. Legal cooperation based on mutual agreement and contracts. It is the most common type of PPPs which legally organize the roles, responsibilities, tasks, and duties of all partners. The contract also manages the risk distribution among partners. This type is mostly implemented in all projects and services of government. This type of PPPs model can be found in all countries throughout the world.
3. The merger of public and private interests into joint cooperation. This model perhaps only can be found in France.

Partnerships in tourism development are very important because it can ensure to deliver a high quality of tourism product, and also tourism depends on all aspects of the economy (Clement, Schultz and Lime, 1993 in Mason, 2004). One of partnership forms in tourism is public private partnerships.

So why are public private partnerships created? According to Porter (2008), PPP provides several benefits to all stakeholders as follows:

1. Greater efficiencies
2. Synergies
3. Cost sharing: intra-city and inter-city
4. Flexibility
5. Outside resources

- 6. Reduced liabilities
- 7. Improved contract management
- 8. Quality employees
- 9. Expedited decision processes

So, the benefits of PPPs is more than financing because private can contribute not only capital, but also technology and management, to deliver agreed outputs (not inputs) (Soedjito, 2009).

2.3.2. Models of Public Private Partnerships

There are several types of partnerships model between public and private sector. The following table shows the models of the partnerships based on the type of the contract:

Table 2.1. Models of Public Private Partnerships

Public		←—————→					Project
Public-Private Partnership							
Contract Type	Public Sector Procurement	Franchise (Affermage)	Design-Build-Finance-Operate (DBFO)*	Build-Transfer-Operate (BTO)**	Build-Operate-Transfer (BOT)***	Build-Own-Operate (BOO)	
Construction	Public Sector (2)	Public Sector (2)	Private Sector	Private Sector	Private Sector	Private Sector	
Operation	Public Sector (3)	Private Sector	Private Sector	Private Sector	Private Sector	Private Sector	
Ownership (1)	Public Sector (4)	Public Sector	Public Sector	Private Sector during construction, then public sector	Private Sector during Contract, then public sector	Private Sector	

Who pays?	Public Sector	Users	Public Sector or Users	Public Sector or Users	Public Sector or Users	Private Sector off-taker public sector (5), or users
Who is paid?	n/a	Private Sector	Private Sector	Private Sector	Private Sector	Private Sector

(source: Soedjito, 2009)

2.3.3. PPP Project-Life Cycle

Next, all projects in public private partnerships have the same stage from inception phase to completion phase named project-life cycle. The first step in public private partnerships is project's planning, selection and prioritization, and then continued with project preparation, project transaction, contract agreement, and contract execution and management. Private partner has responsibility to submit regular report on project performance to government and then followed by evaluation phase. The outcome of evaluation phase determines whether the goal of partnerships achieved or not.

The complete steps of public private partnerships as shown on table below:

Table 2.2. Project-Life Cycle of Public Private Partnerships

PPP Project Planning, Selection, and Prioritization	PPP Project Preparation	PPP Project Transaction	Preparation for the Implementation of Contract Agreement	Contract Execution and Management
<ul style="list-style-type: none"> • Project Planning • Project Selection and Prioritization 	<ul style="list-style-type: none"> • Due Diligence • Government Support • Tariff Setting and Adjustment 	<ul style="list-style-type: none"> • Final Business Case • Procurement Process: Bid Implementation 	<ul style="list-style-type: none"> • Establishment of SPV • Approval of DED and Project Implementation 	<ul style="list-style-type: none"> • Construction • Operation • Monitoring of the Contract Agreement

<ul style="list-style-type: none"> • Project Priority List • Public Consultation 	<ul style="list-style-type: none"> • Outline Business Case • Project Readiness • Drafting the Contract Agreement 	<ul style="list-style-type: none"> • REol/RfQ/RfP • Bid Evaluation & Bid Award • Negotiation w/ Preferred Bidder • Finalization and Signing of the Contract Agreement 	<ul style="list-style-type: none"> • Financial Closure 	
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(source: Soedjito, 2009)

2.3.4. Legal Governance of Public Private Partnerships

PPPs have several different types of legal form which depend on the legislative framework and constitutional form of each country. The legal form of PPPs manages the allocation and distribution of roles and responsibilities among stakeholders of PPPs, the PPPs entity itself, and the community as well.

Skelcher (2010) then summarizes the general type of legal governance of PPPs as shown in the following table:

Table 2.3. Structure of Legal Governance of PPPs

Legal Form	Description	Primary Accountability
Public corporation	Statutory body created through legislation and with defined duties and powers. This creates a public entity that incorporates the various parties in a PP. May be employed in place of incorporation as a company	To government
Company limited by shares	A body incorporated as a company limited by shares. Members of the company will be the parties in the partnerships. Shares may be owned by the parties, or may be traded in the open market, thus diluting	To the members, shareholders, and others as required by the legislation governing companies

	control. However government may hold a 51% stake or a 'golden share' in order to retain the final say in the public interest	
Company limited by guarantee	As above, except there are no shareholders. Members of the company agree to pay a nominal amount against any debts of the company in event that it ceases trading	To the members, and others as required by the legislation governing companies
Memorandum of understanding	A non-corporation entity, in which the partners agree to work together for the objectives, and in the ways, set out in a non-legally binding memorandum of understanding	To the members

(source: Hodge et. al, 2010, p. 294)

2.3.5. Risk Allocation of Public Private Partnerships

One of PPP's benefits is there is possibility to share the possible risk of the project between private sector and government. On one hand, the private sector has the capability to deal with commercial risk, but on the other hand, they need to relief from non commercial risk that beyond their control (Soedjito, 2009).

Here are some models of risk allocation in public private partnerships

Table 2.4. Risk Allocation Models

	Service Agreement	Lease	BOT	Concession	Privatization
Asset Ownership	Government	Government	Government	Government	Private
Investment	Government	Government	Shared	Shared	Private
Operational & Construction Risks	Government	Private	Private	Private	Private
Market Risks	Shared	Shared	Shared	Private	Private

(source: Soedjito, 2009)

The common models for public private partnerships are BOT and concession and the difference between these two depends on the level of support provided by the government.

CHAPTER II CASE STUDY

Case studies of PPPs in tourism sector in Indonesia

In order to gain deeper understanding and wider knowledge toward the implementation of public private partnerships in tourism sector, especially in Indonesia, the comparison of several related cases is therefore needed. There are three cases which are discussed in this chapter: first, *Taman Nasional Bali Barat* (National Park of West Bali) in Bali Province. This case was chosen because it can provide an example of PPPs implementation in tourism sector as the result of the lack of capability of government in managing tourism objects with large area, in other words, the government cannot cover all the national park area. Solok has quite similar condition because the tourism objects evenly spread throughout the region. The second case is Taman Impian Jaya Ancol, a recreational facility in Jakarta. as mentioned in the first chapter that Local government of Solok Regency in 2009 has started construction of a recreational facility which is more or less similar to Taman Impian Jaya Ancol and therefore, it can serve as an example for this case study. The last one is is the management of a new tourism destination in Padang Panjang Municipality in West Sumatra Province, called Minang Fantasy (MIFAN), Padang Panjang municipality is one of neighboring regencies/municipalities which has similar characteristics with Solok. Hopefully, this case study can show that the idea of public private partnerships in tourism sector can be implemented in West Sumatra Province by having private partner from local investor.

3.1. National Park of West Bali, Bali Province, Indonesia

National Park of West Bali (in Bahasa, Taman Nasional Bali Barat, TNBB) is one of the tourism destinations in Bali Province which located in two regencies: Buleleng Regency and Jembrana Regency. All of the data was taken from master thesis report of Rudana (2009) which analyzed public private partnerships model in TNBB. The total area of the park is 19.002, 89 Ha including wetland area (3.415 Ha). Tourism attractions of TNBB are mostly enormous wild endangered animal and the flora as well, and are supported by pristine environment. The management on TNBB belongs to the authority of The Ministry of Forestry but since 1998, private company firstly involved as the response to important role of TNBB for economic, environment, ecosystem, and tourism, and also the broad area of TNBB. Furthermore, the main goal from Ministry of Forestry is to achieve sustainable management and development of TNBB (Rudana, 2009).

PT. Shoreo Barito Wisata (SBW) is a private tourism company appointed in 1998 by the Ministry of Forestry based on Decree no. 184/Kpts-II/1998 and Decree no. 566/Kpsts-II/1999 which give the concession right to SBW to manage TNBB for next 30 years and this contract can be extended in the future based on the judgment and evaluation for Forestry Department. According the Decree, SBW has responsibility for 251, 5 Ha and the rest of the TNBB area will be managed by other private partners. By having partnership with private partners, the Ministry of Forestry hopes that the potential aspects of TNBB can be optimized and leads to the increase of socio-economic growth of local community in surrounding area. In the end, it can significantly contribute to the increase of regional income of Bali (Rudana, 2009).

In general, the roles of government through Forestry Department in the partnerships are

1. Monitoring and evaluating the partnerships of TNBB annually, and reporting regularly to the Ministry of Forestry
2. Cleaning the beach together with SBW especially in tourism location surrounding TNBB.
3. Providing legal security of the forest including wild life protection.
4. Conducting training, especially to local people, about conservation, tourism and public services
5. Offering some guidance for tourists. This is done by government officials together with local people.
6. Punishing illegal activities in TNBB referring to both national and local law and regulation.

Moreover, in this partnership, PT. Shoreo Barito Wisata has responsibilities based on the contract and agreement with the Ministry of Forestry and Department of Forestry as described follows:

1. Providing infrastructures to support tourism activity both for inland and wetland facilities and this must be done by SBW itself without any financial support from the government
2. Developing tourism sector in TNBB through continuous promotion, advertisement and marketing both in local media, national, and international media with strong coordination with Tourism Department in Bali.
3. SBW not only has responsibility for tourism development but also contributes to environmental protection, ecological preservation, water and coastal area management.

4. Together with local government, SBW's tasks are also dealing with security issue and providing guidance to the visitors.
5. SBW should also empower local people by involving them in any activities based on their skills and educational background.

(source: Rudana, 2009).

According to Rudana (2009), the public private partnerships between government and PT. SBW can be considered as quite successful approach to achieve sustainable development in TNBB in terms of social, environmental, and economic aspect. In 2007, the number of tourists in TNBB is 1.391 and in 2008, the number increased 1.750 people. Even though, the number of visitors keep increasing every year, most of them are international tourists (95%) and only 5 % of them from local tourists. It is caused by several factors such as the accommodation rate is quite expensive for domestic tourist and the most obvious factor is that lack of interest from domestic tourist toward ecotourism.

Furthermore, Rudana (2009), from his research, added some important constraints which are experienced by PT. SBW especially in tourism sector. it can be summarized as follows:

1. Lack of coordination between central government and local government in Bali. TNBB is under direct authority of the Ministry of Forestry in Jakarta, as the result, local governments such as Department of Forestry as well as Tourism Department do have neither authority nor rights. The only task of local government is to monitor the activities within TNBB, especially PT. SBW, whether it is in line with the contract and other related regulation or not.
2. The partnership does not have proper support from local government such as there are no local regulations (PERDA) that can be used by PT.SBW as legal foundation regarding empowering local community.
3. Lack of fund from the private partner. Until 2009, PT. SBW could not start constructing public infrastructures under its territory in TNBB as mentioned in the contract because they do not have such strong financial capacity. Therefore, they firstly focus to build accommodation such as restaurant, villa, and resort. The other example is that the management and operation TNBB still have problem to supply electricity demand because the current supply does not meet the need of the facility in TNBB.
4. The influence of negative external issues such as climate change, bomb threats, terrorism, and global economic crisis, especially the bomb threats in Bali in 2000 and

2002 gave very strong negative disadvantages to tourism in Bali which significantly reduces the number of international tourists visit the island.

3.2. Taman Impian Jaya Ancol, Jakarta

In order to analyze the partnerships of Taman Impian Jaya Ancol in Jakarta, the official website of the private company (www.ancol.com) is the main resource to collect information and data especially about the management and operation of the facility.

Taman Impian Jaya Ancol is the biggest tourism facility in Jakarta located on near the beach and built on area of 552 Ha. The idea of the establishment of Taman Impian Jaya Ancol firstly came from the provincial government of Jakarta in 1966. As the capital city of Indonesia, Jakarta plays predominant roles not only for economic activity but also for tourism. Therefore, the government decided to build an integrated tourism facility in Jakarta. Another reasons are the number of population in Jakarta increases rapidly and also the level of pressure and stress for those who live in the city for their daily activities.

To implement this idea, the provincial government of Jakarta appointed PT. Pembangunan Jaya as their private partner. The construction of the facility conducted in several stages depends on the financial capacity of the government and the economic growth. In 1992, the company status was changed into PT. Pembangunan Jaya Ancol in accordance with the deed of amendment No. 33, July 10, 1992. Consequently, it also changed the ownerships percentage of Taman Impian Jaya Ancol, which is 80% owned by the provincial government of Jakarta, and the rest belonged to PT. Pembangunan Jaya Ancol.

Another change happened in 2004 in term of the ownerships of Taman Impian Jaya Ancol, public started taking place in shareholding of the facility of which 72% owned by Jakarta Government, 18% by PT. Pembangunan Jaya Ancol, and 10 % owned by public. The involvement of public in the ownerships of Taman Impian Jaya Ancol is aimed to increase the performance of the facility in delivering services to public and also as response to good governance concept.

PT. Pembangunan Jaya Ancol has responsibilities to design, build, manage, and operate the facility including the main facilities which are recreation and resort area, supporting business activities: entertainment, convention and tourist shopping. The main attractions offered in Taman Impian Jaya Ancol are Beaches and Parks (five beaches and one lake), Fantasy World (the largest outdoor entertainment in Indonesia), Atlantis Water Adventure (8 pools of water), Venues Ocean for edutainment, and Sea World, many others.

Since the facility began its operation, the number of visitors keeps increasing significantly every year, not only tourists from Jakarta Province but also from other provinces in Indonesia, and some tourists from other countries as well. It can indicate the level of success of PT. Pembangunan Jaya Ancol in managing and operating stages. According to PT. Pembangunan Jaya Ancol, the revenue from recreation sector and resort tends to increase. In 2009, the revenue from tourism sector within the facility amounted to 412.8 billion rupiah (\pm USD 48.5 million), an increase of 14.7 % compared to previous years which was 359.8 billion rupiah (\pm USD 42.33 million). The biggest contribution came from tourism sector as the result of the increase of visitor to Ancol from 8.93 million in 2008 to 9.17 million in 2009 and also supported by the increase of ticket prices. Trading and service also experience significant contribution to the whole revenue which was able to reach 49 billion rupiah (\pm USD 5.7 million) in 2009, which increased of 124% compared to year 2008, which was only 23 billion rupiah (\pm USD 2.7 million). It gained from drinking water sales, merchandising, culinary, and culinary as the biggest driving force

Furthermore, PT. Pembangunan Jaya Ancol also received several awards from several institutions as indicator of its performance in managing Taman Impian Jaya Ancol. Here are some awards gained by PT. Pembangunan Jaya Ancol:

1. Chamber of Commerce Award 2005 from the Jakarta Chamber of Commerce as a contributor to the tourism enterprise Provincial Revenue Jakarta's largest entertainment field, amounting to Rp 62.88 billion (\pm USD 7.4 million).
2. ISRA Award 2005 CSR Report 2005 PT Pembangunan Jaya Ancol, Tbk was awarded "The Best Environment and Social Reports Award 2005."
3. The Value Creator Award 2006: PT Pembangunan Jaya Ancol, Tbk won title of "The Public Companies in 2006 based on EVA Concept" which was launched in 2003 by SWA magazine, MarkPlus & Co., and MAKSI University of Indonesia.
4. Adikaryottama Tourism of the Ministry of Culture and Tourism (1995-2001)
5. Experiential Marketing & Customer Experience Strategy 'Category Award category Best Listed Company Investor sectors Restaurants, Hotels and Tourism (2007)
6. 200 Best Companies in Asia & Australia 2006: PT Pembangunan Jaya Ancol, Tbk, together with four other companies in Indonesia with sales under \$ 1 billion, becoming part of the "200 Best Companies Asia and Australia" based on rankings by the magazine FORBES ASIA.

3.3. Minang Fantasy, Padang Panjang Municipality, West Sumatra Province

Minang Fantasy (MIFAN) is an integrated recreational facility located in Padang Panjang Municipality, West Sumatra Province. MIFAN was built in 2008 as the commitment of local government of Padang Panjang Municipality to boost tourism development. The facility consists of 18 playing objects such as aquatic recreational center (water boom), roller coaster, flying fox, mini soccer court, and so on.

MIFAN is the representation of partnership between government and private sector in tourism facility and the model of PPPs in this project is BOT (build, operate, and transfer). Firstly, MIFAN was constructed on 10 Ha lands which belong to Padang Panjang Municipality. Niagara Fantasi Island (NFI) is the private partner/company in this project. The role of government is providing the areas for the facility. Furthermore, construction, operation, financing, maintenance, and operation become NFI's responsibility and also the risks that might arise during these phases belong to private company. To build the facility, NFI invest 69 billion rupiah (\pm USD 8 million). NFI can operate MIFAN for next 30 years and afterward it should be handed over to Padang Panjang Municipality (Tourism Office, 2011).

According to Tourism Office, MIFAN as the private partner of the Municipality has shown significant contribution to the number of tourists who came to Padang Panjang.

Table 3.1. Number of tourists to Padang Panjang

Years	Number of tourists	
	International tourists	Domestic Tourism
2006	911	106.585
2007	4.537	93.388
2008	3.977	262.059
2009	7.175	282.829
2010	-	349.207

(source: Tourism Office, 2011)

From that table, the number of domestic tourists to Padang Panjang declined from 106.585 in 2006 to 93.388 tourists in 2007. In 2008, the number of tourists increased almost 300 % or 262.059 tourists and the number keeps growing every year. The latest data from tourism office shows that 349.207 of tourist visited Padang Panjang in 2009. The largest contributor to the number of tourists in the municipality is MIFAN, especially after PT. NFI actively participates in building, financing, managing, operating, and maintaining the facility.

Finally, the summary of the implementation of public private partnerships in three different locations in Indonesia as mentioned previously can be seen at the following table:

Table 3.2. Summary of PPPs implementation in the case study areas

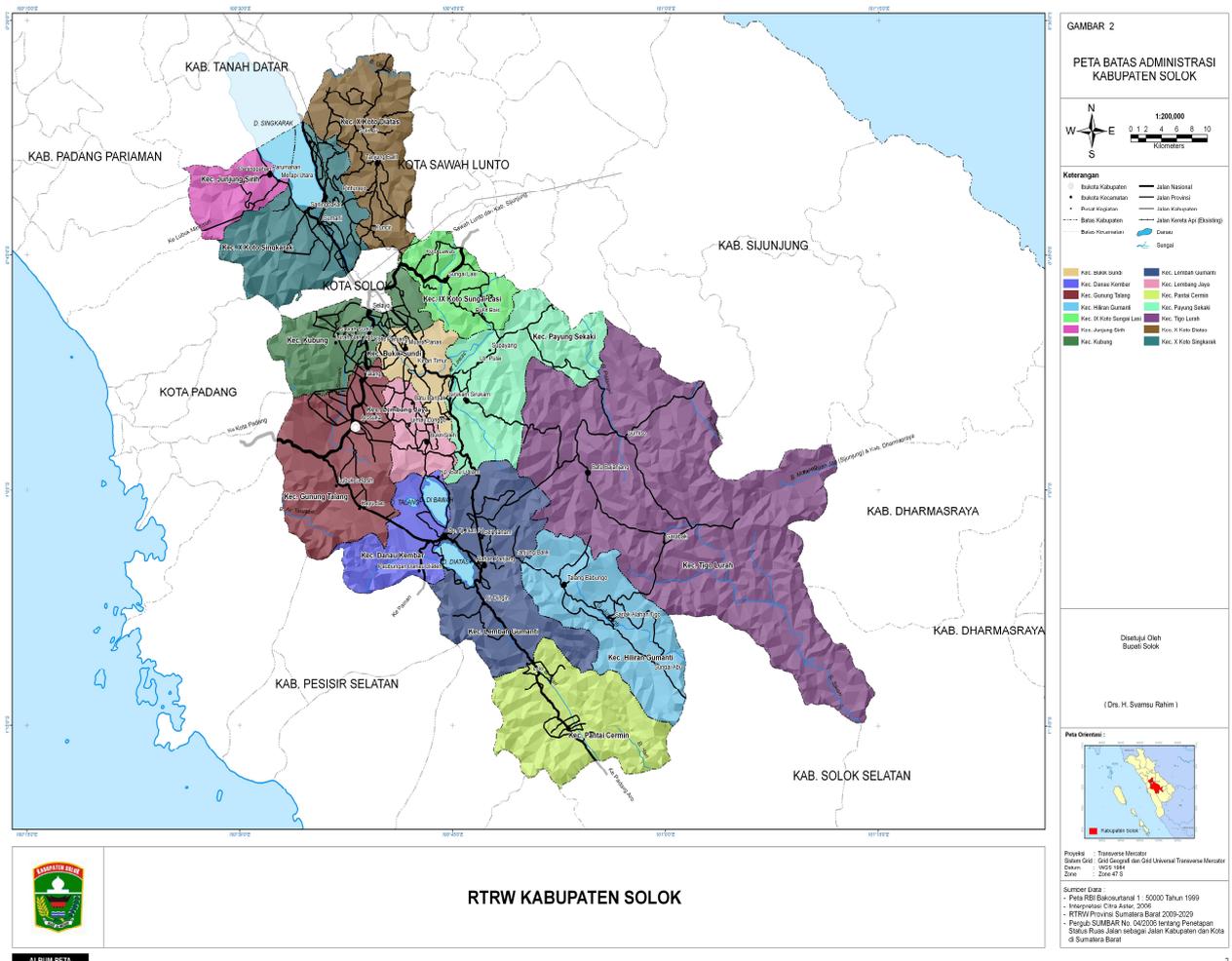
	Case Study		
	National Park of West Bali, Bali Province	Taman Impian Jaya Ancol, Jakarta	MIFAN, Padang Panjang Municipality
Type of Partnership	BOT	BOT	BOT
Procurement	Directly appointed by central government	Directly appointed by local government	Directly appointed by local government
Construction	Private sector	Private sector	Private sector
Financing	private sector	Shared (private sector, government, public)	Private sector
Operation/Maintenance	Private sector	Private sector	Private sector
Ownerships	Government	Government	Government

CHAPTER IV DATA (EXISTING CONDITION)

4.1. Solok Regency in General

Solok Regency is an administrative region in West Sumatra Province in Indonesia with total area 373.800 Ha. Its geographical location lies between 01° 20'27" - 01°2'39" S and 100°25'00" - 100°33'43" E, and directly adjacent to Padang city, the capital city of West Sumatra Province. Topographical condition of Solok mostly consists of flatland, valley, rivers, lakes, and hills. Solok Regency has 14 district with 74 Nagari (sub-districts) and 411 jorong (villages) Total population in Solok regency in 2010 was 359.819 people with composition 182.095 female and 177.724 male.

Figure 4.1. Administrative map of Solok Regency



(source: Bappeda, 2011)

4.2. Tourism Condition

4.2.1. Tourism Attractions

Solok Regency has many tourism attractions which consist of natural attractions, heritages, cultures, and man-made attraction as well. Therefore, tourism sector can be one of the main sources of regional GDP after agricultural sector, even though, these potencies need to be explored and optimized, especially by local government (Tourism and Culture Department, 2010). The main tourism attraction is natural objects such as lakes and mountain and then supported by cultures and heritages. In general, tourism objects in Solok Regency can be listed as follows:

Table 4.1. Tourism Sector in Solok Regency

No.	Tourism Sectors	Tourism Objects
1.	Nature	Scenery, lakes, hot spring, Caves, Waterfall, Valley
2.	Adventure	Paragliding, outbound, Hiking, Cross Country, Climbing, Off Road, and Pig Hunting
3.	Marine/Water Tourism	Water Boom, Speed Boat, Jet sky, fishing
4.	Ecotourism	Endangered Species, Conservation Areas, Protected Forests
5.	Recreational	Recreational facilities
6.	Agro-tourism	Tea plantation, fruit plantation, Flower Plantation
7.	Historical tourism	Traditional Houses, Museum
8.	Spiritual Tourism	Sultan Graves, Holy graves and Mosques
9.	Culture	Traditional Dances and performances
10.	Culinary	Restaurants
11.	Shopping	Traditional Market
12.	Others	Convention, meeting, training, sport events

Source: Tourism and Culture Department, 2007

Tourism attractions in the region widely spread in 14 sub-district in Solok regency and X Koto Singkarak Sub-district has the highest number of tourism objects with its famous Singkarak Lake and other 22 tourism objects including natural, culture and heritage attractions as shown in the following table.

Table 4.2. Number of Tourism Attractions by Sub-district

No.	Sub-district	Tourism Objects		
		Natural	Culture	Heritage
1.	Pantai Cermin	8	1	1
2.	Lembah Gumanti	6	1	1
3.	Hiliran Gumanti	1	1	2
4.	Payung Sekaki	4	2	3
5.	Tigo Lurah	1	-	-
6.	Lembang Jaya	4	-	2
7.	Danau Kembar	4	-	-
8.	Gunung Talang	8	3	2
9.	Bukit Sundi	2	-	3
10.	IX Koto Sungai Lasi	3	3	1
11.	Kubung	3	5	1
12.	X Koto Singkarak	17	3	3
13.	Junjung Srih	3	-	1
14.	X Koto Diatas	9	7	4
	Total/2009	73	26	24
	2008	73	26	24
	2007	70	28	23
	2006	70	28	23

(Source: Solok in Figure, 2010)

In addition, since 2009, the local government has been constructing a new recreational facility in the capital city of Solok Regency, Arosuka, and its location is near the main road and close to the complex of government offices. This facility called Taman Hutan Kota Terpadu (Integrated Urban Forest Park) and consists of

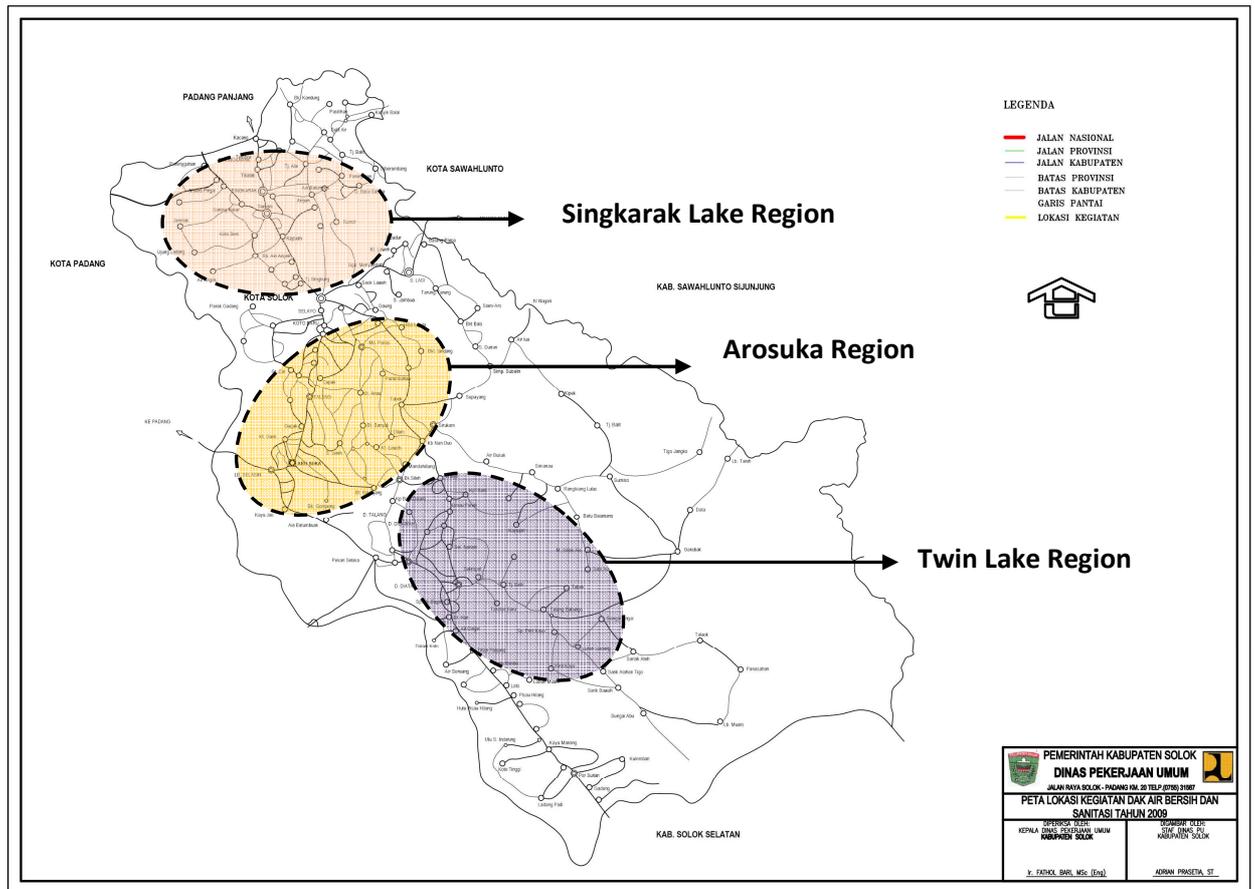
- 2 Swimming pools
- 2 Swimming pools with hot spring water
- Public park
- Botany Garden
- Outdoor recreational centre (namely Outbond)
- Hotel
- Convention Hall
- Plaza

- Exhibition Building for handcraft
 - Aquatic Recreational Centre (namely Water boom)
- (source: Public Works Department, 2010)

According to Tourism and Culture Department, Tourism Objects in Solok regency generally divided into three major regions:

1. Lake of Singkarak Region. Its scope is all tourism objects surrounding Singkarak Lake. The most famous objects in this area are the Lake itself with all supporting recreational facilities, Merah Putih Mountain (Red and White Mountain), Janjang Saribu (a thousand stair), and some traditional houses of Minangkabau.
2. Lake of Twin Region. It includes all the attractions surrounding Diatas Lake and Dibawah Lake as well. Some famous objects in this region are Diatas Lake, Dibawah Lake, Talang Lake
3. Arosuka Region. Its territory three sub-district near the capital city of Solok regency, Arosuka. Some examples of tourism attraction in Arosuka region are Tea Plantation, Taman Hutan Kota, Hot Spring Pool, and some resorts.

Figure 4.2. Map of tourism region in Solok regency



(source: Tourism and Culture Department, 2007)

4.2.2. Tourism Industrial Entity

Moreover, the number of tourism industrial entity is very limited in the regency to deliver service for the tourists as shown in table below:

Table 4.3. Number of tourism industrial entities by Sub-district

No.	Sub-district	Accomoda tion/Hotel	Travel Bureau	Travel Agent	Restaura nt	Souvenir and Art Shop
1.	Pantai Cermin	-	-	1	1	1
2.	Lembah Gumanti	4	-	1	10	1
3.	Hiliran Gumanti	-	-	1	1	1
4.	Payung Sekaki	-	-	-	2	-

5.	Tigo Lurah	-	-	-	1	-
6.	Lembang Jaya	-	-	1	2	-
7.	Danau Kembar	-	-	-	4	-
8.	Gunung Talang	-	-	1	38	-
9.	Bukit Sundi	-	-	1	1	-
10.	IX Koto Sungai Lasi	-	-	-	9	-
11.	Kubung	2	-	1	16	1
12.	X Koto Singkarak	1	-	1	15	1
13.	Junjung Slrih	-	-	1	1	-
14.	X Koto Diatas	-	-	1	1	-
	Total/2009	7	-	10	102	5
	2008	6	-	-	100	-
	2007	19	4	-	89	-
	2006	5	-	-	85	-

(source: Solok in Figure, 2010)

4.2.3. Number of tourist

The main tourists come to Solok are domestic tourist within the province and some of them come from neighbor provinces such as Riau Province, Riau Islands, Jambi, and North Sumatra.

Table 4.4. The number of tourists in Solok Regency

No.	Tourism Objects	Domestic Tourists	International Tourists
1.	Diatas and Dlbawah Lakes (Twin Lakes)	62.351	19
2.	Slngkarak Lake	155.398	3147
3.	Others	9912	512
	Total/2009	227.625	3.678
	2008	195.987	676
	2007	141.283	487
	2006	157.44	105

(source: Solok in Figure, 2010)

CHAPTER V ANALYSIS

This section analyzes the implementation of PPP in Solok Regency which refers to the theoretical review and the existing conditions in the study area. The first step is by identifying the possibility of applying the PPP in the tourism sector with all conditions and problems in the regency. Then proceed by proposing several PPPs models that might be applied there. The last one is by selecting one model that is considered the most suitable to the condition of tourism in Solok Regency.

5.1. Analysis of the Possibility of Applying PPPs in Tourism Sector

As mentioned earlier, the world's tourism activity by far is still held merely by local governments and are still having a lot of obstacles caused by lack of government capacity in dealing with tourism sector and the vast scope of tourism that must be managed by the government. Private sector involvement so far is only in the provision of supporting facilities such as hotels, guesthouses, hostels, and restaurants. To that end, the involvement and contribution of the private sector could be seen as a solution that is expected to help develop tourism sector in the regency towards a better condition in the future. The possibility of PPPs implementation can be seen from several view points as follows:

5.1.1. The availability of tourism attraction

As previously explained, Solok regency has many attractions that are spread throughout almost all region. Department of Tourism divided these attraction into three groups based on the spreading area, and each region provides an opportunity to the private sector to participate.

A. Singkarak Lake Region

Lake of Singkarak is the largest lake in West Sumatra province and is located in the middle of the province. So, the lake is easily accessible from all area in Western Sumatra. The main attraction in this area is the Lake itself and the scenery around it. So far Singkarak Lake is the largest contributor to the number of tourists in Solok Regency. The peak season for tourist visits this area is on the Eid holiday and New Year holidays. Type of tourists who visit here is a tourist with family. Unfortunately, the existing facilities in the area of the Lake is still very limited such as one hotel, inns,

dock and one playground with unmaintained condition. Furthermore, the playing objects for children are limited as well and the facility for tourists who want to enjoy the lake is very poor. For example the condition of the boat is quite old. Therefore, private parties have the opportunity to play a role in the provision of tourism facilities, management and operation as well such as improving existing playground facilities or replace it with a new playground, and providing a newer boat for the lake tours. In order to increase the number of visitors to this lake, in 2009, Provincial government in line with Central Government and municipalities and regencies in West Sumatera has organized an annual bicycle event, called Tour de Singkarak, in order to promote tourism in West Sumatra. This event was followed by cyclists from several provinces in Indonesia as well as cyclists from overseas and has become an official event of the Union Cycliste Internationale (UCI).

Figure 5.1. The view of Singkarak Lake



Source: images.google.com

B. Arosuka Region

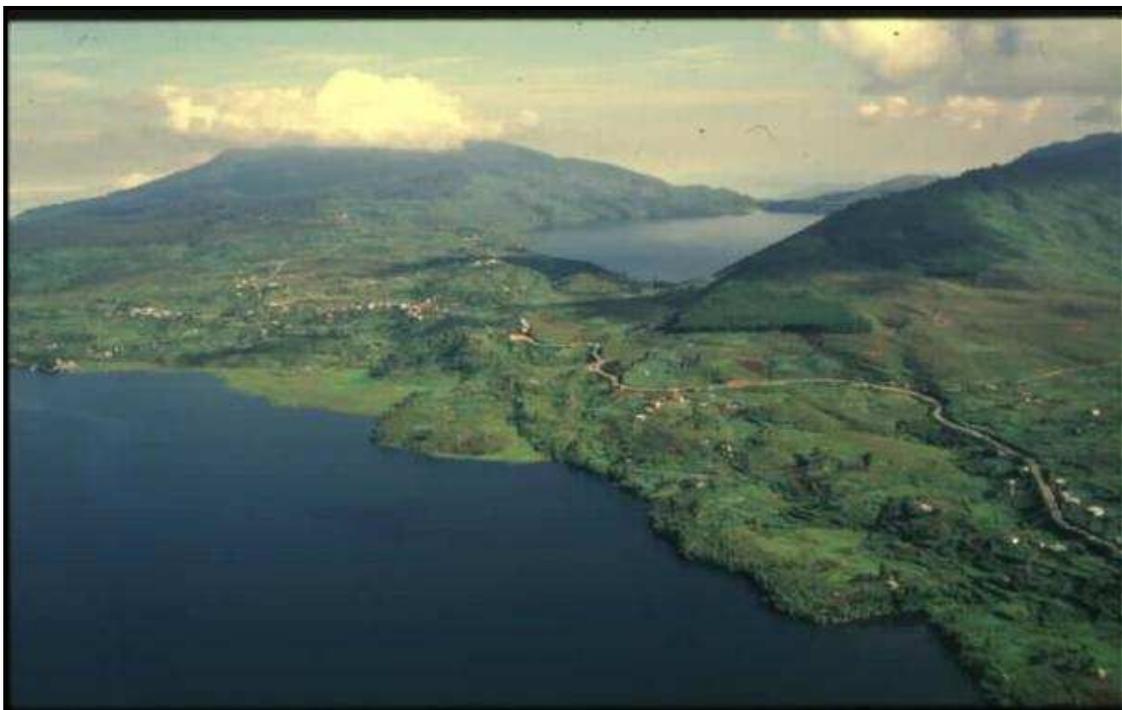
Within this area, the government is building a complex of recreational facilities which is equipped with several games and entertainment facilities, called *Taman Hutan Kota Terpadu (THKT)*. The main advantage of this facility is its location in the capital city of Solok regency, and therefore, it is more easily accessible for visitors. Opportunity for the private sector to contribute is also very wide open here because the process of new construction is still in the early stage like land clearing, construction of main

gates, parking areas, and the main plaza. Besides that, the other facilities are still in the early design stage and still face funding. So, the main problem in this project is lack of funding from and therefore, Local governments through Regional Planning Department (Bappeda) together with other related institutions such Public Works and Regional Secretary had previously been planning to seek funding from other sources especially from private sectors, but the plan was postponed because of the electoral process in 2010 and the replacement of regents in the regency.

C. Twin Lake Region

The main attraction in this area is the three lakes which are located quite close each other. They are Diatas Lake, Dibawah Lake, and Talang Lake, and another attraction is tea plantation and the cool weather. In terms of availability of accommodation, the area has two large villas, 12 cottages, playground, pier, convention hall, café, and office. But unfortunately, all these facilities are not managed properly; this can be seen from the less well maintained villa, and the same condition with the park, as well as environmental hygiene that still needs to be improved.

Figure 5.2. The view of Twin Lake



Source: images.google.com

According to the Department of Tourism, by far, the treatment facilities in the region will be done if there is only major event, and there are only four employees from Department of Tourism who are responsible to manage and maintain this facility with educational background of high school. Moreover, the number of tourists who come to this area is still lacking due to lack of promotion and adequate information and the location which is less strategic.

Therefore, the private sector could play a contribution in the management of facilities and provide other facilities that do not exist yet such as playing objects for children, motorboat and speedboat, and the provision of transportation for tourists who want to visit this area. And of course, private can take a role in the promotion of this attraction which is still strongly required.

5.1.2. Financial Capacity of The Local Government

Based on reports of Solok in Figure 2010, the revenue of the regency in 2009 amounted to 475.56 billion rupiah (\pm USD 55.8 million) which consist of Regional Revenue 23.20 billion rupiah (\pm USD 2.72 million), the General Allocation Fund 368.84 billion rupiah (\pm USD 43.38 million), the Special Allocation Fund 47.63 billion rupiah (\pm USD 5.6 million), Results For Tax / NonTax 20:22 billion rupiah (\pm USD 2.37 million), tax-sharing and financial assistance from the province 15.45 billion rupiah (\pm USD 1.82 million) and other revenues 2.83 billion rupiah (\pm USD 0.34 million). Compared with the previous year, total revenues increased 17.46%, but this number is still not sufficient for the development of the regency, because the number of expenditures in the year 2009 amounted to 512.05 billion rupiah (\pm USD 60 million), or in other words, the regency deficit by 36.49 billion rupiah (\pm USD 4.3 million).

Furthermore, in 2011, the budget allocation for tourism sector is only 1.8 billion rupiah (\pm USD 2.1 million) of a total allocation budget of 212 billion rupiah (\pm USD 24.94 million), in other words, it is less than 1 % from total budget allocation. In that situation, the Local Government has difficulty to develop the tourism industry that requires a lot of money to build both the main and supporting facilities. In addition, the cost for tourism promotion is obviously not cheap. Therefore, the local government should be seeking additional funding for other resources and one of them is from private investment.

5.1.3. Local Human Resources

In 2010, the number of employees working in the Department of Tourism and Culture in Solok Regency is as many as 35 persons with vary educational backgrounds as follows: 3 people with educational background of middle school, 12 staffs with educational background of high school, 17 people with diploma degree and three people with master degrees. For those whose both middle and high school educational background, working as drivers, security guards, and partly to help administration in Tourism Department and Culture. As for who own a bachelor's and master's degree, they work for tourism planning section but with less educational background related to tourism. Some of them have educational background in English and this is as the result of perception about the management of tourism in the Regency that people who have better skill in English, they may be handled tourism industry. In addition, all the employees in the Tourism and Culture Department in Solok Regency never got sufficient training in tourism either from government institution of any tourism institution. They only attended general training for government officials such as procurement process, financial management and editing, providing annual report, and leadership training. This situation is negatively exacerbated by the political influence in placing the government officials where it is frequently not adjusted to their educational background, but rather to the political interests itself. Due to this situation, lack of skilled staff in tourism, it strongly affects the development of the industry in terms of its management, operation, and services. Thus, this problem can be overcome through partnership between government and private sector in providing more skilled staff in order to deliver better services to visitors.

5.1.4 Legal Framework for Public Private Partnerships in Tourism Sector

There is wide opportunity for the private sector to contribute in tourism industry in Indonesia because it is supported by several legal regulations. First of all, Law number 10 of 2009 which regulates the world of tourism in Indonesia. In the Laws, the roles, obligations, prohibitions and penalties for both for the central government, local governments, the private sector, and society as well in the world of tourism are legally set. In general, the content of the legislation relating to government-private cooperation are as follows:

The general roles for Central, Provincial, and Local Government

1. Providing information, legal protection, as well as safety and comfort to tourists
2. Creating a conducive climate to the development of tourism business which include the providing the equal opportunity in business, facilitating, and providing legal certainty for private partners
3. Maintaining, developing and preserving a national asset that became a tourist attraction and potential untapped asset
4. Supervising and controlling the activities of tourism in order to prevent and overcome a variety of negative effects for society at large
5. Furthermore, local governments are given the opportunity to seek funding outside of local revenues, state budget allocation, and local budget allocation for the development of tourism industry

The general description for the roles and rights of private partner

1. Having the same opportunity to contribute to the tourism industry
2. Having the same chance to form as well as join associations of tourism
3. Receiving legal protection in the process of their involvement in the industry
4. Getting the same facility in accordance with the provisions of laws and regulations
5. Developing partnerships with smaller business entity and local communities who share the same need and benefit.

Furthermore, the government cooperation with the private sector in public infrastructure provision is stipulated in the Presidential Decree of the Republic of Indonesia No.67 of 2005 concerning Government Cooperation with Non-Government Business Entities in Infrastructure Development. This decree is later supported by the Indonesian Government Regulation No.6 of 2006 regulating the technical guidance for the Management of Central and Regional Property, and also Kepmendagri No. 17 of 2007 (the Ministry of Home Affairs Decree), and the Indonesian Government Regulation No. 38 of 2008 (the revision of Regulation No.6 of 2006). The purposes of this rule in general are

1. Helping find another financial resources mainly for provision of infrastructure through private funding
2. Improving the quantity, quality and efficiency of public services through competition
3. Improving the quality of management and maintenance in infrastructure provision
4. Cooperation should be conducted according to the principle of fairness, transparency, competitiveness, mutually benefit for both parties involved in cooperation.

In local level, there is no local regulation regulating about the partnership between local government of Solok Regency and private parties. But, what usually happens is that the local government will provide local legal framework for any government activities including in tourism industry which will refer to national regulation as mentioned previously.

5.2. Formulating Public Private Partnerships Models

From above explanation, it is obvious that private sector can significantly involve in development of tourism industry in Solok Regency. Therefore, the next focus is to formulate several models of partnerships between local government and private partners. The models of PPPs are formulated with several scenarios of tourism management in the study area.

5.2.1. Model I

The first scenario is based on the identification of the most interesting tourist attraction that can attract private sector to invest. Based on the development of tourism in West Sumatra nowadays, that private partner has more interest to invest on integrated recreational facility with a variety of games facilities. As happened lately, for instance in Padang Panjang Municipality, when local governments had plan to build an integrated recreational facilities, direct positive reaction came from private parties who eager to get involved, and so far, the project demonstrates the success rate which is quite promising characterized by an increasing number of tourists increased to 300% from the previous years.

Therefore, in this scenario, the local government only offers the opportunity of cooperation with the private sector for the management of Integrated Forest City Park (THKT) in Arosuka region, while the other attractions remain as the responsibility of the local government. Model of public private partnerships here is B(f)OT model, build(finance), operate, and transfer. This model was chosen because this facility has already a design as well as a master plan that has been done early on by the local government in cooperation with a design consultant.

Build

At this stage, the private sector is not only responsible for the construction process but also co-funded of the project. Since the construction stage has started by the local government, it is necessary to identify the possible area of the involvement of private

parties. Based on field observation, the development of THKT is still at early stage. This scenario then proposes to divide this facility based on its component into two major groups namely profitable components and non-profitable components. Profitable components of the facility will be the responsible of private parties such as hotel, exhibition house, convention hall, swimming pools, parking areas and all playing facilities. While the non-profitable components will remain as the responsibility of the local governments such as parks, plaza, and gates and will be managed by related departments.

Operate

The entire operational stage of the facility after the construction stage completed will be the responsibility of the private sector and the role of government in this stage, according to Law number 10 of 2009 is overseeing the operation in order to conform to the rules of the partnerships and mutual agreement of both parties, and also maintaining and preserving tourism objects and facilities under their authority.

Transfer

In the end, in accordance with the contract and agreement between private partner and the local government, this facility will be transferred to the local government within a specific time period such as 10 years, 15 years, or 20 years. This facility will belong to local governments, and can be leased back to the previous private party or even start new cooperation with the new party.

5.2.2. Model II

Furthermore, the second model is based on scenario that refers to the master plan of tourism development from Tourism Department of Solok Regency. Tourism attractions are divided into three major regions, as already mentioned before. The idea of this scenario is in each region, tourist facilities will be managed by three different private tourism companies where each company is responsible for each area under their authority. The first thing to do is identifying the potential tourist attractions that may be possible for the cooperation with private companies because not all the attractions attract the private sector to invest. Public private Partnerships models will be different for each region as follows:

Arosuka Region

For this region, a model of public private partnerships will be the same as the model I because a tourist attraction that can be cooperated with the private sector is THKT. So, like

the previous description, the model in use here is B(f)OT model, build(finance), operate, and transfer.

Singkarak Region

Like the previous explanation, private parties have opportunity to invest in tourism development of the Lake by providing tourism facilities which could attract more visitors such as the construction of docks on the lake and together with providing various kinds of recreational touring boat such as banana boat, motor boat, speed boat and also creating a new playing ground. Moreover, public private partnerships model that can be applied here is design, build, finance, and operate (DBfO).

Design

At this stage, private parties should be able to create a design that is more innovative and creative so that it can compete with other attractions and finally be able to bring in more number of tourists to the lake. In the design process, the private sector should coordinate with local government so that the design will not violate the existing rules such as not building on protected areas around the lake.

Build and Finance

After designing process completed, private parties will proceed with construction stage. Building all the facilities based on the design. In addition, the company also has responsibility to the funding issue for all the process involved in the partnerships.

Operate

The private sector will manage the whole management of the facilities, and hopefully they help Tourism Department promote other attractions in surrounding area of the lake instead of focusing merely on their own facility.

Twin Lake Region

For the model of public private partnerships in the region is not much different from the model of cooperation in Singkarak Region which is DBfO (design, build, finance, and operate). Perhaps, there is a slightly difference in terms of design and operational stage because each design will depend on the specific circumstances of each location. As for the operational stage, it requires more effort to promote this area because the location is not as strategic as Singkarak Lake.

5.2.3. Model III

This model refers to scenario that three major tourist attractions that available in the Solok Regency which are THKT, Sngkarak Lake, and The Twin Lake will be managed by one private party, while the responsibility of the local government is to deal with other smaller tourism attractions which less interesting for private investment. Furthermore, the model of public private partnerships used in this scenario is B(f)OT, build, operate, and transfer. This model was chosen due to reasons that so far, Tourism and Culture Department of Solok Regency already has a master plan for tourism development in the three major tourism locations. Thus, local governments will offer a design concept that will be used by a private party. Another reason in choosing this scenario is that perhaps one private company can handle these three attractions because the characteristic of services in these three areas is quite identical with each other.

Build and Finance

In this process, private sector has the responsibility to build all tourism facilities in three different locations based on the master plan and design provided by the local government. And of course, the company will provide the financial capital to build and run all these facilities.

Operate

The operational activity will be run under the management of one private sector. The role of the local government is to supervise the activity and help promote these local attractions.

Transfer

The transfer system will be based on the contract and agreement between both parties involved in these partnerships in certain period of time.

5.3. Choosing the Best Public Private Partnerships Models

After proposing three models of public private partnerships in tourism industry in Solok Regency, the next step is to select one best model of PPPs that may be implemented in tourism sector in the regency. To that end, the analysis of both advantages and disadvantages of each model from several viewpoints will be identified. The evaluation system refers to general principle of the partnerships between government and private party developed from the idea of partnerships in the Presidential Decree of the Republic of Indonesia No.67 of 2005 as follows:

1. Efficiency

Level of efficiency can be determined by level of the scope of the problem that can be solved within a certain time and also the process of the partnerships itself. The level of effectiveness is higher if the proposed model can be applied in a broader scope in a shorter time, with a more efficient in the process. Conversely, the level of effectiveness is lower if the proposed models possess a smaller scope, takes more times. Model 1 has smaller scope because it only focuses on one site but with relatively low time consuming. Further model II, has a large scope, while timing for the partnership is relatively higher because this model requires at least three different companies to participate. While Model III has a wide scope, but time required is relatively lower.

2. Opportunity

Sense of opportunity here is the ability to provide greater opportunities for private parties to participate in tourism industry. Therefore, model I and III have lower level of opportunity because there would be only one private party involved in cooperation, whereas model II has a greater chance because at least there will be three private companies that could participate.

3. Competitiveness

The competitiveness level is measured by atmosphere of competition that occurs between private parties involved in tourism industry. The higher level of competition between private companies involved, it will give a better influence to the tourism industry. The evaluation of the model is will similar with the level of opportunity. In model I and model III, there would be only one company involved, it means that there would be no competition in the industry. On the other hand, model II would create more competitive atmosphere among three different private parties.

4. Mutual benefit

in this perspective, the assessment will be based on whether the cooperation between local government and the private sector can give benefit to the both parties or not. All three proposed models can offer mutual benefit local government because the model can be used by government to manage tourism sector in order to optimize its potency and deliver better service to people, meanwhile, private sector can gain provide from tourism industry.

5. Effectiveness

In the end, these three models will be assessed in terms of whether it can answer the problems faced by tourism sector in case study area. Model I only operate in one location, so it cannot overcome the problems of tourism in other areas. While the models II and III are located in three tourism regions in Solok Regency I, so, it hopefully can help the local government explore the tourism sector as well as optimize the industry. The summary of the above analysis is described in the following table:

Table 5.1. Analysis indicators for proposed models of public private partnerships

Model	Type of PPPs	Analysis Indicators				
		Efficiency	Opportunity	Competitiveness	Mutual Benefit	Effectiveness
Model I	BOT	√	√	-	√	√
Model II	BOT, DBfO	√	√√	√√	√	√√
Model III	BOT	√√	√	-	√	√√

From the table above, it can be concluded that the best model of public private partnerships that can be applied in tourism sector in Solok Regency is Model II. Even though, this model requires more times in the process of the partnerships, Model II can provide more opportunity, competitiveness, mutual benefit, and may answer the tourism problem and can help explore and optimize this industry in the future.

5.4. Risk Allocation of Chosen Model

According to Presidential Decree of the Republic of Indonesia No.67 of 2005 in chapter VI article 16 part I mentions that the risk is managed based on the principle of risk allocation between the related government institutions (central, provincial, and local government) and private parties adequately where the risk is allocated to the best party that has more capacity to control the risk in order to ensure the efficiency and effectiveness. Furthermore, in article 17 part II, the type of risk allocation will be managed based on the agreement contract between both parties.

Risk allocation is identified per every stage of the project as follows: risk for asset ownership belongs to local government because this property is built and operated in state land. Risk allocation for investment is shared between government and private parties. This refers to Presidential Decree no.67 of 2005 article 17 that government should give support to private parties in budget risk allocation, even though government can also refuse to help private parties. The role of government in this stage will be formulated by each local government. Then, construction and operational risks are allocated to private sector and market risk is shared between local government and private parties because the local government still plays a role in marketing because not all the tourism attractions are managed by private parties and every attraction will strongly affect each other.

Tabel 5.2. Risk allocation for the chosen model

	Model II
Asset Ownership	Government
Investment	Shared
Operational & Construction Risks	Private
Market Risks	Shared

CHAPTER VI CONCLUSION AND RECOMMENDATION

6.1. Conclusion

Solok Regency has many potential tourism attractions that widely spread in every area within the regency. Therefore, tourism sector can actually be a sector that may significantly contribute to regional income. However, so far this potential has not been optimally managed due to lack of funds and the limited capability of the local government as well. It requires strategies in order to boost tourism development and one of them is through the cooperation of local government with the private sectors in managing both facilities and attractions in the regency.

Furthermore, Indonesia already has legal frameworks and basis for public private partnerships implementation regulated by Indonesia Laws, central government regulation, presidential decree, and related ministerial decrees. These regulations are aimed to manage, regulate, and to ensure legal security and certainty to all parties that involve in the partnerships. Private sector involvement and contribution in tourism can assist government in providing services as well as tourism facilities to the community. Public private partnerships in tourism sector actually have been applied by some local governments in Indonesia and some of them have shown the promising results. Therefore, this model can be implemented in Solok Regency as well because Solok Regency has many tourism objects which are grouped into three big regions: Singkarak Region, Arosuka Region, and Twin Lake Region, and each region provide opportunities for private investment and cooperation. In the end, it will be the task for the local government to formulate the model of public private partnership that may be suitable for both parties and eventually to implement that model in tourism sector in the regency.

6.2. Recommendation

Based on the analysis of public private partnerships models in the management of tourism in Solok Regency, here are several recommendations that can be proposed as follows:

1. Before the local government decides to have cooperation with private parties, they firstly should evaluate and identify both tourism objects and facilities and then decide which will be managed by the government and which have the potential to be managed by private parties.

2. Laws and regulations at national level in Indonesia offer wide opportunities for the collaboration with private sectors, Unfortunately, there are no local regulations towards public private partnerships especially in tourism sector and local government therefore should also provide the basis of local regulations (called PERDA) for this type of cooperation.
3. Solok Regency government then should formulate a model of public private partnerships that suits the character of the tourism sector in the region, so hopefully it can deliver the maximum results. One model that could take into consideration is the Model II that can provide more opportunity, competitiveness, mutual benefit, and may answer the tourism problem and can help explore and optimize this industry in the future. In this model, each tourism region in Solok Regency will be managed by different private companies.
4. Financial support from local government in tourism sector is still limited. So, the local government of Solok Regency should give more budget allocation for tourism sector especially for the development of tourism attractions that cannot be handled by private sector.
5. In the end, although the government can cooperate with the private sector in managing and optimizing the tourism sector, the local government should change their paradigm towards tourism world in terms of its management as well as its development because not everyone can deal with tourism business, and also improve the quality of human resources by upgrading both the skill and knowledge of the employees especially for those who work in the Department of Tourism and Culture. It can be achieved by providing more training or courses for them both at national level and local level with cooperation with high qualified training institutions. It is required to manage other tourism attractions that do not include in the partnerships and also to establish better cooperation between governments and the private sector.

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