



## THE URGENCY OF ESTABLISHING A PUBLIC SERVICE AGENCY FOR TOURISM MANAGEMENT IN GUNUNGKIDUL REGION

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### **Abstract**

*Gunungkidul has great tourism potential, especially in coastal areas, but its management is still not optimal. As a result, the economic benefits that should be achieved from the tourism sector have not been fully realised. This research aims to analyse the current condition of tourism in Gunungkidul and assess the urgency of establishing a Public Service Agency (BLU)-based Authority Agency in the region. The method used in this research is a descriptive qualitative approach, with the main focus on the importance of establishing a BLU-based Authority Agency in Gunungkidul. The research findings show that, although Gunungkidul has many attractive tourist destinations, the existing potential has not been fully utilised. In addition, the regional economy is still highly dependent on traditional sectors, with tourism contributing insignificantly. The establishment of a BLU-based Authority Agency is considered a strategic step to optimise tourism management in Gunungkidul. This agency is expected to play a role in coordinating, synchronising, and facilitating the planning, development, and control of tourism areas, so that tourism potential can be optimised to encourage regional economic growth.*

**Keywords:** Public Service Agency, Authority, Tourism, Development

### **Abstrak**

Gunungkidul memiliki potensi pariwisata yang besar, terutama di kawasan pesisir, namun pengelolaannya masih belum optimal. Akibatnya, manfaat ekonomi yang seharusnya dapat diraih dari sektor pariwisata belum terealisasi sepenuhnya. Penelitian ini bertujuan untuk menganalisis kondisi pariwisata di Gunungkidul saat ini serta menilai urgensi pembentukan Badan Otoritas berbasis Badan Layanan Umum (BLU) di wilayah tersebut. Metode yang digunakan dalam penelitian ini adalah pendekatan kualitatif deskriptif, dengan fokus utama pada pentingnya pembentukan Badan Otoritas berbasis BLU di Gunungkidul. Temuan penelitian menunjukkan bahwa, meskipun Gunungkidul memiliki banyak destinasi wisata menarik, potensi yang ada belum dimanfaatkan secara maksimal. Selain itu, perekonomian daerah masih sangat bergantung pada sektor-sektor tradisional, dengan kontribusi pariwisata yang belum signifikan. Pembentukan Badan Otoritas berbasis BLU dinilai sebagai langkah strategis untuk mengoptimalkan pengelolaan pariwisata di Gunungkidul. Badan ini diharapkan mampu berperan dalam mengoordinasikan, menyinkronkan, serta memfasilitasi perencanaan, pembangunan, dan pengendalian kawasan wisata, sehingga potensi pariwisata dapat dioptimalkan untuk mendorong pertumbuhan ekonomi daerah.

**Kata Kunci:** Badan Layanan Umum, Badan Otoritas, Pariwisata, Pembangunan

## **INTRODUCTION**

Tourism can simply be defined as a person or group of people traveling from one place to another making plans within a certain period of time, for the purpose of recreation and getting entertainment so that their desires are fulfilled. Based on Article 4 (Peraturan Presiden Republik Indonesia Nomor 96 Tahun 2019 Tentang Kementerian Pariwisata Dan Ekonomi Kreatif, 2019), tourism in Indonesia is managed and fostered by the Ministry of Tourism and Creative Economy with the task of organizing government affairs in the field of tourism and government duties in the field of creative economy to help the president organize the state government.

As a multisectoral industry, tourism is currently an alternative industry in the development and improvement of the economy in developing countries including Indonesia Lubis & Zakiyyah (2023). Data on tourist arrivals showed an increasing trend from 5.5 million in 2007 to 6.2 million in 2008 or grew by around 13% in the following years. In 2016, tourist arrivals reached 12 million with a contribution to Gross Domestic Product of 4.23% of total GDP in 2016 (Badan Pusat Statistik Kabupaten Gunung Kidul, 2023).

Gunungkidul Regency is geographically a regency directly facing the Indonesian Ocean. The potential for beach tourism in Gunungkidul stretches along the southern region with a coastline length of around 70 km and an area of around 300 ha (Badan Pusat Statistik



Kabupaten Gunung Kidul, 2023). Data from Badan Pusat Statistik Kabupaten Gunung Kidul (2023), the number of tourists visiting Gunungkidul Regency in 2019 increased by 20.4% compared to 2018. The increase touched 3,680,803 tourists. The increase was also accompanied by the addition of several new tourism destinations that emerged. In 2018, there were 42 tourism objects in Gunungkidul Regency, while in 2020 there were 70 tourism objects (Badan Pusat Statistik Kabupaten Gunung Kidul, 2023). The existing tourism potential makes the community in the coastal area have the opportunity to be more prosperous by utilizing the tourism potential on each beach. Optimization of beach area management must be supported by the provision of facilities and infrastructure that are in accordance with the needs of tourists so that tourists will feel safe and comfortable (Sudarsono & Susantun, 2019).

The development and guidance of tourism in Gunungkidul Regency is currently the task and function of the Gunungkidul Regency Tourism Office. The duties and functions of the Tourism Office are outlined in Gunungkidul Regency Regent Regulation Number 69 of 2016 concerning Position, Organizational Structure, Duties, Functions and Work Procedures (Peraturan Bupati Kabupaten Gunungkidul Nomor 69 Tahun 2016 Kedudukan, Susunan Organisasi, Tugas, Fungsi Dan Tata Kerja. Gunungkidul, 2016) which mandates the Tourism Office in its position as a regional apparatus organization has the task of carrying out government affairs and assistance tasks in the field of tourism. (Peraturan Daerah Nomor 5 Tahun 2013 Tentang Penyelenggaraan Kepariwisataan, 2013) seeks to regulate tourism management, where the provision of the widest possible access to the private sector or investors is the main consideration for the acceleration of tourism development.

However, the implementation of tourism management in Gunungkidul, which carries the tagline “Miracle of Java”, has not been optimal. The community has not been able to optimize the tourism potential in the coastal area. The community has not utilized the economy from the tourism potential of each beach. The low ability of the community to understand the tourism potential in the coastal area is influenced by the low intensity of government socialization to optimally utilize tourism potential. Socialization in the form of discussions, workshops and training is needed to support the community to be better able to utilize the potential in the coastal area (Sudarsono & Susantun, 2019).

The tourism management that has not been optimized requires priority attention from the government, especially the Ministry of Tourism and Creative Economy. This is a potential development in Gunungkidul Regency. The increasing number of tourists visiting Gunungkidul is a signal of tourist interest in the tourism potential in Gunungkidul. The stretch of white sand beach which is the most tourist attraction compared to other objects requires further development to optimize the existing potential. Tourist visits at the beach in 2011 were less than 600 thousand people, while in 2015 it increased by almost more than 300% to 2 million people (Dinas Pariwisata Kabupaten Gunungkidul, 2023). The role of beach tourism activities in Gunungkidul district is to increase tourism GRDP in each district through tourist spending (Aji et al., 2018). One form of tourism management in certain areas can be carried out through an Authority Agency formed under the Ministry of Tourism and Creative Economy. The state budget allocation given to the Authority Agency can be used to carry out its duties and functions.

Therefore, it is necessary to analyze and study the current condition of tourism in Gunungkidul Regency to provide an overview of Gunungkidul's readiness to manage and develop tourism potential. In addition, this study needs to be conducted to analyze whether it is necessary to establish an Authority Agency based on a Public Service Agency to manage tourism and the economy in Gunungkidul Regency.

The purpose of this study is to determine the current condition of tourism in Gunungkidul Regency and to determine the urgency of establishing a Public Service Authority



Agency that focuses on tourism in Gunungkidul Regency. This research is expected to provide an overview of the condition of Gunungkidul tourism and become input for stakeholders.

## **LITERATURE REVIEW**

### **Public Service Agency**

Public Service Agency is regulated in Government Regulation Number 23 of 2005 (Peraturan Pemerintah Nomor 23 Tahun 2005 Tentang Pengelolaan Keuangan Badan Layanan Umum, 2005) concerning Financial Management of Public Service Agency as amended by Government Regulation Number 74 of 2012 concerning Amendments to Government Regulation Number 23 of 2005 concerning Financial Management of Public Service Agency (Peraturan Pemerintah Nomor 74 Tahun 2012 Tentang Perubahan Atas Peraturan Pemerintah Nomor 23 Tahun 2005 Tentang Pengelolaan Keuangan Badan Layanan Umum, 2012). Public Service Agency, hereinafter referred to as BLU, is an agency within the Government established to provide services to the public in the form of providing goods and/or services sold without prioritizing profit and in carrying out its activities based on the principles of efficiency and productivity (Peraturan Pemerintah Nomor 23 Tahun 2005 Tentang Pengelolaan Keuangan Badan Layanan Umum, 2005). The establishment of Public Service Agencies within the Unitary State of the Republic of Indonesia is a mandate from Law Number 17 of 2003 concerning State Finance (Undang-Undang Nomor 17 Tahun 2003 Tentang Keuangan Negara, 2003). The establishment of the Public Service Agency is found in Articles 68-69 of the State Treasury Law Number 1 of 2004 (Undang-Undang Nomor 1 Tahun 2004 Tentang Perbendaharaan Negara, 2004). The latest technical regulations governing Public Service Entities are contained in the Regulation of the Minister of Finance of the Republic of Indonesia Number 202 / PMK.05 / 2022 concerning Amendments to the Regulation of the Minister of Finance Number 129 / PMK.05 / 2020 concerning Guidelines for the Management of Public Service Entities (Peraturan Menteri Keuangan Republik Indonesia Nomor 202/PMK.05/2022 Tentang Tentang Perubahan Atas Peraturan Menteri Keuangan Nomor 129/PMK.05/2020 Tentang Pedoman Pengelolaan Badan Layanan Umum, 2022).

Public Service Agencies have the characteristics of government agencies that produce goods or services that are sold to the public without prioritizing profits and are managed autonomously with the principles of corporate-style efficiency and productivity (Peraturan Pemerintah Nomor 23 Tahun 2005 Tentang Pengelolaan Keuangan Badan Layanan Umum, 2005). The establishment of the Public Service Agency is carried out to strengthen the paradigm of enterprising the government, a paradigm that provides the right direction for public sector finance, introducing best practice agencification with activities that do not have to be carried out by pure bureaucratic institutions, but are organized by agencies that are managed business-style (business like) so that service delivery to the community becomes more efficient and effective, and the Public Service Agency is expected to be a concrete example of the application of performance-based financial management (Peraturan Pemerintah Nomor 23 Tahun 2005 Tentang Pengelolaan Keuangan Badan Layanan Umum, 2005).

BLU aims to improve services to the community in order to advance the general welfare and intellectual life of the nation by providing flexibility in financial management based on economic and productivity principles, and the application of sound business practices.

### **Requirements for BLU Establishment**

The establishment of a Public Service Agency is regulated in Article 2 of Government Regulation No. 23/2005 (Peraturan Pemerintah Nomor 23 Tahun 2005 Tentang Pengelolaan Keuangan Badan Layanan Umum, 2005). A Public Service Agency can be established by first submitting to the relevant Ministry of Institutions, then it will be forwarded to the Ministry of Administrative Reform and Bureaucratic Reform to obtain institutional approval. Only then is



the Public Service Agency application forwarded to the Ministry of Finance for assessment and determination by the Ministry of Finance Echelon I Assessment Team consisting of DJPb, DJA, BKF, DJKN, and Rokum Setjen. After meeting the requirements, the preparation of RBA is carried out as an RAKAL report and as a basis for implementing the budget together with DIPA. The next process is the determination of tariffs carried out by the Directorate General of Treasury of the Ministry of Finance. In addition to determining tariffs, remuneration is also determined through a Decree of the Minister of Finance. After going through this process, the Public Service Agency can carry out operations and financial management.

At the stage of assessment and determination by the Ministry of Finance, substantive, technical and administrative testing is carried out. These requirements are outlined in Article 2 of Government Regulation No. 23/2005 (Peraturan Pemerintah Nomor 23 Tahun 2005 Tentang Pengelolaan Keuangan Badan Layanan Umum, 2005). Substantive requirements are requirements related to services organized by government agencies related to the provision of goods and/or public services; management of certain areas for the purpose of improving the community's economy or public services; and/or management of special funds in order to improve the economy and/or services to the community. Technical requirements that must be met are related to service performance and sound financial performance. Administrative requirements can be met if the government agency concerned can present a document stating the ability to improve service performance, finance, and benefits to the community; governance patterns; business strategic plans; basic financial statements; minimum service standards; and the last audit report or a statement of willingness to be audited independently.

### **BLU Tourism Area Authority**

One of the Public Service Agencies under the Ministry of Tourism and Creative Economy is the Authority Agency. There are several Authority Agencies that are given the authority to manage areas mainly related to tourism such as the Lake Toba Authority Agency, the Labuan Bajo Authority Agency, and the Borobudur Authority Agency.

The Borobudur Authority Agency was formed based on Presidential Regulation of the Republic of Indonesia Number 46 of 2017 concerning the Borobudur Tourism Area Management Authority Agency with the aim of optimizing the management, development and development of the Borobudur Tourism Area (Peraturan Presiden Republik Indonesia Nomor 46 Tahun 2017 Tentang Badan Otorita Pengelola Kawasan Pariwisata Borobudur, 2017). The Borobudur Authority Agency has been authorized as a Public Service Agency (BLU) based on the Decree of the Minister of Finance Number 259/KMK.05/2021 concerning the Determination of the Borobudur Authority Agency Implementer at the Ministry of Tourism and Creative Economy as a Government Agency that Applies the Public Service Agency Financial Management Pattern.

BOB has the main task of coordinating, synchronizing, and facilitating planning, development, construction, and control in the Borobudur Tourism Area. In addition, BOB is also responsible for planning, developing, building, managing, and controlling in the Borobudur Tourism Authority Zone.

The area development plan carried out by the Borobudur Authority Agency is divided into five zones, namely the exclusive resort zone, entrance gate zone, adventure tourism zone, cultural tourism zone, and extreme zone. The Authority plans to develop basic infrastructure such as roads, drainage channels, clean water networks, electrical installations, public street lighting, and regional landscaping.

In order to accelerate infrastructure provision, BOB has the potential to establish Design-Build-Finance-Maintenance-Transfer (DBFMT) cooperation for buildings and basic infrastructure. The total investment value of the project reaches IDR 321.28M, with the return on investment planned through an availability payment (AP) scheme in a 20-year collaboration.



In 2021, BOB successfully completed the preparation of the preparation document with the assistance of the Ministry of National Development Planning/Bappenas.

The Labuan Bajo Flores Tourism Authority (BOPLBF) is an institution established by the Government of the Republic of Indonesia to accelerate integrated tourism development in the Labuan Bajo Flores Tourism Area covering 11 Coordinating Districts and an area of 400 hectares located in Bowosie Forest, West Manggarai Regency, East Nusa Tenggara Province. BOPLBF is a work unit under the Ministry of Tourism and Creative Economy of the Republic of Indonesia and has been authorized as a Public Service Agency (BLU).

BOPLBF has the main task to coordinate, synchronize, and facilitate planning, development, construction, and control in the Labuan Bajo Flores Tourism Area. In addition, BOPLBF is also responsible for planning, developing, building, managing, and controlling in the Labuan Bajo Flores Tourism Authority Zone.

The establishment of the Authority is mandated by Government Regulation of the Republic of Indonesia Number 50 of 2011 concerning the Tourism Development Master Plan for 2010-2025 (RIPPARNAS) which regulates the National Tourism Strategic Area (KSPN) (Peraturan Pemerintah Republik Indonesia Nomor 50 Tahun 2011 Tentang Rencana Induk Pembangunan Kepariwisataan Tahun 2010-2025, 2011). National Tourism Strategic Areas are areas that have the main function of tourism or have the potential for national tourism development that has an important influence in one or more aspects, such as economic, social and cultural growth, empowerment of natural resources, environmental carrying capacity, and defense and security. There are ten areas designated as National Tourism Strategic Areas, namely Lake Toba (North Sumatra), Bromo-Tengger-Semeru (East Java), Borobudur (Central Java), Wakatobi (Southeast Sulawesi), Lombok (West Nusa Tenggara), Tanjung Kelayang (Bangka-Belitung), Labuan Bajo (East Nusa Tenggara), Morotai (North Maluku), Manado-Likupang-Bitung (North Sulawesi), and Raja Ampat (West Papua). Borobudur and Labuan Bajo are Super Priority Areas in the National Tourism Strategic Area so that the establishment of the Authority as a Public Service Agency is intended to provide optimal management of these priority areas.

## **METHODS**

The research conducted by the author is a descriptive qualitative research with a research focus on the urgency of establishing a Public Service Agency-based Authority in the Gunungkidul region. The Gunungkidul area covers the entire administrative area of Gunungkidul Regency. The data collection method uses the literature study method. The data collection method used in this study is a literature study method.

This method involves a comprehensive review of existing literature, reports, and documents related to the research topic. The literature study method is chosen because it provides a rich source of data that can be used to gain insights into the research topic. The sources of data for this study include academic journals and articles related to public service agencies and authority establishment, government reports and documents related to the Gunungkidul region and public service agencies, Books and book chapters related to public administration and governance. Online databases and websites related to public service agencies and authority establishment. The limitations of this study include the reliance on secondary data sources, which may not provide a complete picture of the research topic. Additionally, the study may be limited by the availability of data and the quality of the data sources.



## RESULTS AND DISCUSSION

### Tourism Potential of Gunungkidul

Gunungkidul Regency has an area of 1,485.36 km<sup>2</sup> or approximately 46.63% of the total area of the Special Region of Yogyakarta. The area of Gunungkidul Regency is divided into 18 sub-districts, 144 villages, and 1,431 hamlets. Gunungkidul Regency also has a large coastal area located in the south bordering the Indian Ocean, stretching for about 65 km from Purwosari District to Girisubo District, and has islands. In addition, Gunungkidul Regency also has Gunung Sewu Geopark as a Global Geopark with an area of 1,892 km<sup>2</sup>. Gunung Sewu Geopark has been designated as a National Geopark by the Indonesian National Geopark Committee on May 13, 2013 and is designated as a Global Geopark supported by UNESCO.

Tourism in Gunungkidul is currently managed by the Gunungkidul Regency Tourism Office. Based on the literature study conducted by the author, there are several tourism objects managed by the Gunungkidul Regency Tourism Office in the form of waterfalls, tourist villages, crafts, culinary, beaches, caves, mountains, special interest tourism, religion and culture.

**Table 1 List of Tourism Destinations in Gunungkidul Regency**

Bunder Tourism Village	<b>Culinary</b>	Mask Craft	<b>Beach</b>	Kesirat Beach
Kedungkeris Tourism Village		Fried Grasshopper		Watunene Beach
Karangtengah Tourist Village		Kicikan		Seruni Beach
Kepek Tourist Village		Pathilo		Gesing Beach
Ngoro Oro Tourist Village		Brown Rice, Lombok Ijo Vegetable, Empal		Ngeden Beach
Salam Tourist Village		Gathot		Jogan Beach
Semoyo Tourist Village		Thiwul		Nglolang Beach
Pilangrejo Tourist Village	<b>Cave</b>	Kalisuci Cave	<b>Beach</b>	Pok Tunggal Beach
Mulusan Tourist Village		Ngingrong Cave		Sadranan Beach
Pampang Tourist Village		Rancang Kencono Cave		Slili Beach
Mertelu Tourism Village		Cokro Cave		Ngrawe Beach
Mertelu Tourism Village		Jomblang Cave		Nguyahan Beach
Kedungpoh Tourist Village		Pindul Cave		Ngobaran Beach
Beji Tourist Village	<b>Mountain</b>	Gentong Mountain	<b>Beach</b>	Ngrenahan Beach
Girisuko Tourist Village		Nglangeran Ancient Volcano		Wediombo Beach
Jelok Beji Tourist Village		Mount Gambar		Siung Beach
Sidoarjo Tourism Village		Mount Ireng		Nglambor Beach
Ngestirejo Tourist Village	<b>Religion and Culture</b>	Sokoliman Site	<b>Beach</b>	Pulangsawal Beach
Kemadang Tourist Village		Pesanggrahan Gembirawati		Sundak Beach
Ngeposari Tourist Village		Kembang Lampir Hermitage		Ngandong Beach
Pacarejo Tourist Village		Village Clean-up		Krakal Beach
Putat Tourist Village		Goa Maria Tritis		Drini Beach
Nglangeran Tourist Village	<b>Special Interest Tourism</b>	Bioturbation Education Tour of Ngalang River	<b>Beach</b>	Sepanjang Beach
Umbulrejo Tourist Village		Snorkelling at Nglambor Beach		Baron Beach
Mulo Tourist Village		Surfing at Wediombo Beach		Kukup Beach
Bejiharjo Tourist Village		Flying Fox Ngingrong	<b>Waterfall</b>	Jurug Gedhe Waterfall



Bleberan Tourist Village Bunder Tourism Village		Canoeing at Drini Beach		Luweng Sampang Waterfall
				Kedung Kandang Waterfall
				Sri Gethuk Waterfall

Souce: Gunungkidul Regency Tourism Office

The tourism potential of Gunungkidul Regency has attracted the attention of tourists. Based on tourist visit reports, in one year, Gunungkidul receives approximately three million tourists who conduct tourism activities in several destinations.

The number of tourist visits in Gunungkidul Regency has decreased dramatically during the pandemic. During the pre-pandemic period, tourists in Gunungkidul Regency reached three million people in one year. The most tourists visited tourist destinations through the Baron post as many as 735,422 people in 2018, 731,078 people in 2019, and 404,204 people in 2020. In 2021, the most tourists came through the Gesing Girikarto contribution post with 437,808 tourists. Visits to beach attractions contribute 81% of the number of tourists visiting the district. All tourists visiting the south coast are domestic tourists. Foreign tourists mostly visit village tourism objects. Interest in cultural attractions and rural life is the main factor (ADINUGROHO, 2017).

The contribution of tourists visiting Gunungkidul contributes to the Regional Original Revenue reaching 99% of the total PAD levy of Gunungkidul Regency. The natural and cultural conditions of Gunungkidul provide several potential areas and regions that can be utilized for tourism. In 2021, Gunungkidul Regency's local revenue began to recover after the pandemic. However, this recovery has not been able to fully reach the nominal amount as before the pandemic (Kabupaten Gunungkidul, 2022).

**Table 2 Local Revenue of Gunungkidul Regency**

Types of Contributions	2018	2019	2020	2021
Use of regional assets	Rp93,638,500	Rp39,248,050	Rp38,067,400	Rp21,971,600
Lodging Place /Resort/ Villa	Rp40,656,250	Rp38,650,000	Rp20,306,250	Rp9,300,000
Recreation and Sports Venues	Rp24,109,119,600	Rp25,011,581,355	Rp14,197,928,520	Rp12,652,152,331
Total local revenue	Rp24,243,414,350	Rp25,089,479,405	Rp14,256,302,170	Rp12,683,423,931

Souce: (Dinas Pariwisata Kabupaten Gunungkidul, 2023)

Having a variety of tourist destinations both in the form of nature and social culture, Gunungkidul offers complete tourism. Waterfalls, tourist villages, handicrafts, culinary, beaches, caves, mountains, special interest tourism, religion and culture are the leading sectors of Gunungkidul Regency. The tourism sector provides revenue to the local government with a percentage exceeding 99% of retribution revenue. The tourism potential in Gunungkidul can provide economic value from the entrance fee revenue of 25 billion in one year (Kabupaten Gunungkidul, 2022).

### Economic Conditions

The economic growth rate of the Gunungkidul region in 2021 was 5.22 percent, which means an increase from the previous period of (-0.69 percent). The tourism sector, which is the dominant sector in Gunung Kidul's growth, has experienced a slight shock due to policies. However, the tourism sector contributed to the economic growth rate in 2021 of 18.37 percent



(Saputri & Faridatussalam, 2022). According to BPS (2022), the economic growth of Gunungkidul Regency was contributed by the Infocomm sector (2.04%), the construction sector (0.87%), the Accommodation sector (0.61%), other service sectors (0.60) and other sectors combined (1.10%).

The development of the contribution of the top five sectors that dominate the Gunungkidul economy are the Agriculture, Forestry and Fisheries sector, the Information and Communication sector, the Construction sector, the Wholesale and Retail Trade, Car and Motorcycle Repair sector, and the Government Administration sector(Badan Pusat Statistik Kabupaten Gunung Kidul, 2023). The realization of Regional Revenue of Gunungkidul Regency in the 2021 fiscal year reached 1.744 trillion rupiah or decreased by 2.67% compared to the 2020 fiscal year which was still dominated by the Balance Fund.

**Table 3 Revenue of Gunungkidul Regency**

Description	2018	2019	2020	2021
<b>Regional Original Revenue</b>	Rp226,984,500,000	Rp254,810,900,000	Rp228,208,500,000	Rp235,656,700,000
<b>Balance Fund</b>	Rp1,264,791,600,000	Rp1,323,197,500,000	Rp1,233,106,600,000	Rp1,529,388,300,000
<b>Other Legitimate Regional Revenues</b>	Rp3,591,182,000,000	Rp535,051,900,000	Rp331,062,500,000	Rp129,331,000,000
<b>Total Revenue</b>	Rp1,850,894,400,000	Rp2,113,060,400,000	Rp1,792,377,700,000	Rp1,744,441,500,000

Souce: (Dinas Pariwisata Kabupaten Gunungkidul, 2023)

In 2019, the regional expenditure of Gunungkidul Regency reached a nominal value of Rp2,072,915,300,000.00, which was far above regional income. PAD, Balance Funds, and Other Funds have not been able to cover the expenditures of the Gunungkidul Regency Government. In fact, 90% of Gunungkidul Regency's regional revenue is balancing funds. This condition indicates a lack of regional independence.

The economy in Gunungkidul relies on leading sectors including the Agriculture, Forestry and Fisheries sector, the Information and Communication sector, the Construction sector, the Wholesale and Retail Trade, Car and Motorcycle Repair sector, and the Government Administration sector. These sectors have not been able to provide revenue support to the region to sustain regional spending. Gunungkidul Regency has tourism potential that still needs to be developed. Gunungkidul Regency has a diversity of tourist attraction objects (ODTW) that can be the main reason for attracting tourists. The tourism potential of Gunungkidul Regency is in the form of a tourism cluster system that has a tourist attraction development strategy in accordance with the RIPARDA of Gunungkidul Regency in 2014-2025 (Budiarti et al., 2021). Communities in coastal areas have the opportunity to be more prosperous by utilizing the tourism potential of each beach (Sudarsono & Susantun, 2019). Wibowo (2021) examined the economic value of the Baron Beach area with TCM, it is known that the economic value of the Baron Beach area is IDR 560,182,653,564.00 per year and the consumer surplus per visit per individual is IDR 282,531.00.

The impact of tourism on the economy shows a positive relationship. The positive impact of tourism development is the increase in the education level of people who used to have low education values, the emergence of new livelihoods for people of productive age, the emergence of industries and businesses in the tourism sector, the decline in unemployment, public awareness began to increase to manage and utilize natural resources well, and infrastructure began to be improved to become more feasible (Oktaviani & Yuliani, 2023). The



role of the tourism sector is important because it is able to generate a multiplier effect, both in increasing labor absorption, export earnings, developing cross-scale business chains, especially Micro, Small and Medium Enterprises (MSMEs) and potentially encouraging increased regional revenue through taxes (Lubis & Zakiyyah, 2023). The development of tourism potential can improve the economic conditions of an area and can open several new jobs. However, the implementation of tourism management in Gunungkidul is still not optimal. The low ability of the community to understand the tourism potential in the coastal area is influenced by the low intensity of government socialization to optimally utilize tourism potential. Socialization in the form of discussions, workshops and training is needed to support the community to be better able to utilize the potential in the coastal area (Sudarsono & Susantun, 2019). The development of potential that has not been optimized requires more attention so that there is no potential loss that can eliminate opportunities for economic growth.

Labuan Bajo, which is a tourist destination that offers hopping islands and several destinations that can be visited simultaneously, has been designated as a National Tourism Strategic Area. Following up on this, an Authority Agency was formed which has been authorized as a Public Service Agency. The Labuan Bajo Authority Agency has the function of accelerating integrated tourism development in the Labuan Bajo Flores Tourism Area which includes 11 Coordinating Districts and an area of 400 hectares located in Bowosie Forest, West Manggarai Regency, East Nusa Tenggara Province. Tourist visits to Labuan Bajo in the last three years, namely during 2016, 2017 and 2018 have increased dramatically. For 2016, the number of foreign tourist visits was 54,335 people. Nusantara or Wisnus tourists are 29,377 people. While there are no local tourists, so the total visits are 83,712 tourists. In 2017 the number of visits increased, consisting of 66,601 foreign tourists or an increase of 18.42% from 2016; Wisnus 43,556 people or an increase of 32.55%; local tourists 1,592 people or an increase of 100%. Thus the total visit was 111,749 tourists. In 2018, 80,683 tourists or up 17.45% from 2017; 49,987 tourists or up 12.87%; local tourists 2,196 people. So that the total number of visits was 163,807 tourists (Dinas Pariwisata dan Kebudayan Manggarai Barat, 2019). In addition, investment growth is projected to be one of the main sources of economic performance in NTT province. This goes in line with the accelerated development of infrastructure for the super-priority tourism destination of Labuan Bajo (Bank Indonesia, 2023).

Investment realization in the hotel and restaurant sector in the coordinative area of the Borobudur Authority Agency in 2022 amounted to US 7.1 million. The total physical realization of the budget of the Borobudur Authority Implementation Agency in 2022 reached Rp35,518,226,669.00. Tourism development by the Borobudur Authority has increased tourist visits, especially after the pandemic. In 2020, domestic tourist visits amounted to 965,699 people and increased to 1,443,286 in 2022. Foreign tourists have also increased from 31,551 in 2020 to 53,936 in 2022 (Badan Pusat Statistik, 2023).

The implementation of tourism development carried out by the Tourism Area Authority Agency, both Labuan Bajo and Borobudur, has proven to have increased tourist visits and has had an impact on improving the economy in the region. The existence of an Authority Agency that is able to coordinate a tourism area has a real impact on the progress of tourism as measured by tourist visits. The development of Gunungkidul tourism, which is still considered not optimal in utilizing tourism potential, is something that can be a concern. The decline in tourists due to the pandemic has not been able to recover to pre-pandemic conditions, marked by tourists still at one million visitors. Gunungkidul's economy, which still relies on balancing funds and has not been able to maximize PAD, is one of the things that can be optimized through the tourism sector. The Tourism Office that manages tourism activities does not yet have organizational and structural independence, making tourism development in Gunungkidul a long process. Therefore, a breakthrough is needed that provides many advances in tourism with independent



and flexible management. This can be achieved through tourism management by an Authority Agency that manages the Gunungkidul area. Long-term planning to make Gunungkidul a world-class destination like Bali can be done with the natural and cultural potential of Gunungkidul.

Tourism management through the Authority Agency can be a body that coordinates, synchronizes, and facilitates planning, development, construction, and control in the Gunungkidul area and is responsible for planning, development, construction, management, and control in the authoritative zone of the Gunungkidul area. The establishment of the Authority Agency can be maximized with Public Service Agency-based management to optimize the management, development, and development of Gunungkidul tourism. The purpose of Public Service Agency-based management is to increase efficiency, effectiveness, and accountability in service delivery and flexibility in managing finances and human resources, so that it can operate more efficiently than government agencies in general. BLU aims to provide better, faster, and more effective services to the community and plays a role in providing public facilities and infrastructure, such as roads, bridges, buildings, and so on. Public Service Agency-based tourism management can accelerate the optimization of Gunungkidul's tourism potential in terms of facilities, infrastructure, investment, funding, and integrated management. More efficient and optimal management is a determining factor for economic growth and can provide income not only from retribution revenue but from other economic aspects such as hotels, trade, culinary, and souvenirs.

### **Financial Feasibility**

Gunungkidul Regency exhibits significant tourism potential, particularly in its coastal and cultural attractions. However, current management practices have not fully harnessed these opportunities. This analysis explores the financial feasibility of establishing a Public Service Agency (PSA) for tourism management in Gunungkidul, drawing comparisons to the performance of the Borobudur Authority Agency (BoB).

The Borobudur Authority Agency (BoB), operating under a PSA framework, has demonstrated notable success in optimizing tourism management. Since its establishment, BoB has significantly increased tourist arrivals, with domestic visits rising from 965,699 in 2020 to 1,443,286 in 2022, while foreign tourist visits grew from 31,551 to 53,936 in the same period. BoB's effective management has also enhanced regional revenue and attracted investments, such as the IDR 35.5 billion realized in 2022. These achievements highlight the potential benefits of adopting a similar model in Gunungkidul.

Gunungkidul's tourism sector currently contributes 18.37% to the regional economy, with retribution revenue reaching IDR 12.68 billion in 2021. However, the region's dependency on traditional management methods has limited its growth. Establishing a PSA could enable more efficient allocation of resources, improved infrastructure, and strategic marketing—as evidenced by BoB's comprehensive management approach, which includes the development of basic infrastructure and effective promotion strategies.

The economic valuation of Gunungkidul's Baron Beach area, estimated at IDR 560.18 billion annually, underscores the untapped potential of the region. Learning from BoB's experience, a PSA in Gunungkidul could achieve similar outcomes by implementing flexible financial management, fostering public-private partnerships, and enhancing local community involvement. Moreover, the anticipated multiplier effects, such as increased employment and tourism-related business growth, could significantly bolster Gunungkidul's economy.



## CONCLUSIONS AND SUGGESTIONS

### Conclusions

Gunungkidul has tourism potential in various forms, both natural and social and cultural. There are several tourism objects in the form of waterfalls, tourist villages, crafts, culinary, beaches, caves, mountains, special interest tourism, religion and culture. Tourists visiting Gunungkidul reached three million but experienced a decline after the pandemic. Gunungkidul's tourism potential is the largest contributor to PAD in terms of retribution, reaching 25 billion.

Tourism management in Gunungkidul has not been able to optimize its tourism potential. Optimal tourism management can improve the economy of the surrounding community. It is necessary to establish a Public Service Agency that flexibly and efficiently manages Gunungkidul's tourism potential. Tourism development is not only in terms of increasing retribution but also mobilizing related economies such as hotels, trade, culinary, and souvenirs. Management through a Public Service Agency can increase funding for the management of tourism areas so that the number of tourists increases.

### Suggestions

The government is expected to pay attention to Gunungkidul's tourism potential that can be optimized to help the economy of the Gunungkidul community with a mechanism that can be studied further by considering social welfare.

This research has limitations in data availability and analysis. The data used are the results of searches from several government and institutional websites with details that still need to be deepened. In addition, the calculation of tourism potential only includes data on tourism objects, the number of tourists, and retribution revenues due to data limitations. This research is still simple but is expected to provide an overview for consideration regarding the management of Gunungkidul tourism through a Public Service Agency to optimize tourism potential and economic growth.

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