

The Impact of Public-Private Partnerships on Development of Tourism Infrastructure Destination and Tourism Service Innovation as Mediating Variable in Sinjai Regency, Indonesia

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Abstract: There was an increasing number of studies which systematically analyzing the antecedents and outcomes of the public-private partnership approach in the public sector. Lamentably, there was a few researchers focus on studying on the impact of public-private partnership on the tourism infrastructure and tourism service innovation as a mediating variable in local government. The public-private partnership has been applied by the government and the private sector in Sinjai Regency in improving the tourism service innovation and development of tourism infrastructure destination. Likewise, this research has a primary purpose to measure the impact of public-private partnership on the development of tourism infrastructure destination and tourism service innovation as a mediating variable in Sinjai Regency, South Sulawesi Province. The research population consists of 512 people, which included the Tourism and Culture staff at Sinjai Regency, legislative, local community, restaurant and café, and the private organizations that actively involved in providing tourism infrastructure destination. The research sample was selected 201 respondent base on the statistic methods and procedure to determine the research sample. We used 50 percent of the research population that is consisted of 123 male and 78 female for each characteristic of the population. Data were gaining through questionnaires and analyzed by using Structural Equation Modelling through SPSS and AMOS software windows version 24. The researchers proposed three hypotheses and the results of SEM analysis showed that all hypotheses were supported. We recommend that the public-private partnership models have benefits of building the tourism service innovation and sustainable development of the tourism destination infrastructure in local government.

Keywords: Public-Private Partnership, Tourism Service Innovation, Development of Tourism Infrastructure Destination

1. Introduction

There was an increasing number of studies which systematically analyzing the antecedents and outcomes of the public-private partnership approach in the public sector. Lamentably, there was a few researchers focus on studying on the impact of public-private partnership on the tourism infrastructure in achieving the tourism service innovation (Himmel & Siemiatycki, 2017; Lember, Petersen, Scherrer, & Ågren, 2019). Public-private partnerships (PPPs) have been used as a practical tool in the implementation of public policy and strategic management, both developed and developing countries (Caperchione, Demirag, & Grossic, 2017; Osei-Kyei & Chan, 2016; Sedjari, 2004; Yescombe & Farquharson, 2018). PPPs have been widely applied in the fields of tourism service innovation and infrastructure, such as transportation, water and sewage, energy, environmental protection, public health, and others (Wang, Xiong, Wu, & Zhu, 2018). As a fact showed that a growing number of developing country governments are interested in using public-private partnerships (PPPs) to provide public maintaining assets management and tourism public services (World Bank, 2014). PPPs give a chance to the government to achieve efficiency, innovation and flexibility of the public and private sector in developing better infrastructure and service as a mutual agreement of reasonable cost (Lember et al., 2019). Actually, the majority in the literature of public-private partnership stated that it refers to a concept that goes beyond contracts for infrastructure and service delivery (Caselli, Corbetta, & Vecchi, 2015). It has contributed to the innovation system function dynamics (Hermans, Geerling-Eiff, Potters, & Klerkx, 2019).

Public-private partnerships have been implemented to develop the public and private sectors outcomes and service innovation. There were some researchers conducted to measure the impact of PPPs in the service innovation in the public organization and policy implementation such as transportation infrastructure (Ahmadabadi & Heravi, 2019; Koppenjan, 2005; Verweij, Loomans, & Leendertse, 2019; Verweij, Teisman, & Gerrits, 2017), health service innovation (Hashim, Sapri, & Low, 2016; Khan & Puthussery, 2019; Mohanty, 2008; Roehrich, Lewis, & George, 2014), tourism infrastructures and tourism service destination (Augustyn & Knowles, 2000; Cheng, Yang, Gao, Tao, & Xu, 2018; Errichiello & Marasco, 2017; Franco & Estevão, 2010; Hashim et al., 2016; Herrero Amo & De Stefano, 2019; Qian, Sasaki, Shivakoti, & Zhang, 2016; Wong, de Lacy, & Jiang, 2012), governance and knowledge management (Robinson, Carillo, Anumba, & Patel, 2010), and critical success factors of public-private partnership (Al-Saadi & Abdou, 2016; Babatunde, Opawole, & Akinsiku, 2012; Hsueh & Chang, 2017; Li, Akintoye, Edwards, & Hardcastle, 2005; Liu, Love, Smith, Regan, & Davis, 2015; Yun, Jung, Han, & Park, 2015). Lamentably, there

was scarce research to measure the impact of PPPs models towards the tourism service innovation in local government. Therefore, we will focus on this research to measure the impact of PPPs models on the tourism service innovation as moderating variable, and development of tourism destination infrastructure at Sinjai Regency, South Sulawesi Province.

2. Research Problems and Question

Concerning to the decentralization of the authority and the competitiveness of innovative creation in local government to develop the revenue of the local government and maintaining the asset management, so that the perspective of public-private partnership is necessary to be applied in enhancing the service innovation in the tourism destination and infrastructure. Sinjai Regency is the one smart city based on the awards received in public service innovation. This region has some interesting places that should be provided to be the best destination for tourism whether domestic or international. In building tourism service innovation and infrastructure destination in Sinjai Regency, the local government has made a collaboration with the private sectors in improving the infrastructure and services in a tourism destination.

Actually, Sinjai Regency Government has been implemented public-private partnership in developing the tourism service innovation, especially building infrastructures and assets of the tourism destination. According to the strategic target of key performance indicators showed that in the tourism and culture agency that it was an increasing number of visitors to Sinjai District tourism destinations (Sinjai Regional Government, 2017). However, in building service innovation and infrastructure destination in tourism sometimes found some barriers. Empirically showed that there were some problems faced by the Sinjai Regency Government such as, the limitation of funding resources, less innovation, resistance to change, low awareness about the importance of innovations, human resource limitations in tourism services. This condition has the same with another tourism problems based on the empirically research finding showed that in improving the innovative service destination of tourism, government sometimes found hinders problems such as risk and challenges from the community because there was a resistance to make changes of environment, low community awareness to make innovation, limitation of resources, less support to that are common among small- medium scale businesses in which they have become the whole of industry struggle (Hjalager, 2002; Najda-Janoszka & Kopera, 2014).

The Sinjai Regency Government has been rounding up some programs to develop the tourism destination to be more innovated and competitively. There are some tourism places more famous in Sinjai Regency at least eight places for regional government, such as island nine, Saukang Lembang waterfall, Ujung Kupang Beach, Batu Bara'e Waterfall, Gojeng Batupake Archaeological Park, Karampuang Ancient Settlement, Mangrove Forest of Tongke-Tongke, and Benteng Oval Balangipa which they have an attractive and unique places for tourist destination. In developing the service innovation and tourism infrastructure destination, Sinjai Regency Government has been providing a government policy rule as a law umbrella of the tourism service innovation and destination infrastructure become more innovated. Sinjai Regency Government has built the cooperation agreement with the Ministry of Tourism, and also provide the strong relationship with local tourism agency, namely: (1) Association of Travel and Tourism Agency, (2) Ecotourism Groups, (3) Local Community, (4) Forum on International tourism and the environment, and (5) Detail Engineering Design (DED).

Furthermore, there were some strategies to make the tourism destination become more interested and attractively, for example; building the memorandum of understanding with the private local firm and stakeholders in building tourism infrastructure and the tourism service destination. The strategy of Sinjai Government in the tourism, we called them as the way to strengthening public-private partnership in developing the tourism service innovation in Sinjai Regency (Tourism and Culture Office of Sinjai Regency, 2019). In the context of public-private partnership, we then proposed the research question is that how is the effect of public-private partnership on the tourism service innovation and infrastructure destination of tourism, and then how is the effect of the tourism service innovation on the tourism infrastructure destination in Sinjai Regency, South Sulawesi Province?

3. Limitation of Research

The research results will give benefit to public policy-makers and tourism organizations to provide the best approach to make the tourism destination in public service to be more innovated. This research is limited only the case of public-private partnership in providing the infrastructure and service delivery innovation of tourism destination. The unit of analysis is an individual perception about the public-private partnerships (PPPs) as the platform to build the service innovation through improving the tourism infrastructure. Empirically that there were some discussion about PPPs, for example the theory of Public-Private Partnerships for Infrastructure and Business Development (Caselli et al., 2015), and the tourism service innovation by using the Abernathy and Clark approach which consisted of four dimensions of service innovation in tourism destination with modification findings of theoretical research (Gardiner & Scott, 2018; Grisseemann, Pikkemaat, & Weger, 2013; Hjalager, 2002). We discuss and analyze the PPPs dimensions impacts on tourism service innovation and infrastructure destination in local government, especially Sinjai Regency, South Sulawesi Province.

4. Literature Review

Public-Private Partnership

Basically, Partnerships can be formed to create new products or services, to achieve higher levels of efficiency or economies of scale, opening markets that were previously inaccessible or to simply pool resources-financial and/or human and it can be accessed widely (UNWTO, 2018). Public-private partnership (PPPs) viewed as a tool for the development of the innovation economy (Akhmetshina & Mustafin, 2015; Herrero Amo & De Stefano, 2019; Omerzel, 2015). It has become popular tools to deliver infrastructure and public services around the world (Wang et al., 2018), and contributed the beneficial role of private agency in public sectors (Boyer, Van Slyke, & Rogers, 2015).

Besides that, PPPs has become an important approach in public administration, because it has become a flat form of governance (Osborne, 2010). PPPs has main benefits to public sector organization such as more focus toward satisfying global needs, involve long term relationships, give the total involvement or partial financing or economics of the project, and focused on the results achieved and outcomes (Cruz & Marques, 2013).

Public-Private Partnership can be defined as a generic term for any type of partnership involving the public and private sectors to provide services. Generally, PPP is a contractual arrangement where the private sector performs some part of a public sector service delivery responsibilities or functions by assuming the associated risks in return for payment (Robinson et al., 2010). The characteristic of PPPs especially in developing the tourism service innovation such as sharing of risks, investment, resource development, responsibility and recognition (Economic Commission for Latin America and the Caribbean, 2007). Likewise, PPPs defined as an effort to make the “transformational” or innovation, in which it is dealt with effectively in developing infrastructure projects, especially in low-income countries (Koppenjan, 2005; Leigland, 2018).

In Public administration discipline, a public-private partnership has been studied extensively. For example, First, PPPs is analyzed in the economic backgrounds, such as transaction cost theory focused on the governance structure of transaction efficiency and effectiveness (cost-effectiveness), the property right theory concerning to the contracts of PPPs incompleteness. The principle-agent theory used to deal with the incentive problems caused by an asymmetry received between the public and private sectors. Secondly, PPPs has emerged in public management perspective and policy formulation and implementation, such as network and governance theories used predominantly to develop the synergy of cooperation between the public and private sectors. Accordingly, public choice theory and New Public Management focused on the competition mechanism for the preparedness of infrastructure and public service. Thirdly, the PPPs was also analyzed through organizational management perspective, such as stakeholder theory in which more concerned with the balancing benefits of stakeholders. Moreover, the institutional theory took place the PPPs as an institution and for gaining institutional legitimacy as an important as efficiency (Wang et al., 2018).

Tourism Service Innovation and Infrastructure

The tourism service innovation is more important to be developed because it has the most economic sectors involves the development of formal and informal collaboration, partnerships and networks to deliver the product. The literature of innovation theory, it defines as the formation of a new product, service or process (Gardiner & Scott, 2018). There are some characteristics of driving in the competitiveness of tourism industry included innovativeness, lower cost, higher service quality, meet the expectation of potential customers (Rubalcaba, Michel, Sundbo, Brown, & Reynoso, 2012; Sundbo, Orfila-Sintes, & Sorensen, 2007). Some dimensions that increase the innovative services in the tourism industry such as; employee engagement, customer participation, innovation management, innovative network, and IT (Grissmann et al., 2013). Generally, discussing about infrastructure characteristic particularly refers to the physical infrastructure involved (1) capital goods, providing essential services, not products consumed directly; (2) lumpy, it is not incremental or divisible, (3) long-lived involved capital good, and road and bridge structure, internet, clean water, and the capital intensive and forecasting sustainability of long creation (Pratap & Chakrabarti, 2017).

Public-Private Partnerships on Tourism Service Innovation and Tourism Infrastructure

Building tourism infrastructure and improving service innovation is not easy to be done by government alone, however, the government needs to collaborate with the private sector to provide resources such as financial, human resource, and others. Due to budgetary pressure, different government tends to involve the private sector

by implementing the strategy of Public-Private Partnership (Ahmad, Ibrahim, & Abu Bakar, 2018). PPPs refers the relationship between public sector organizations, private, stakeholders, and corporations or investors to collaborate in relating to the same conception, perception, strategic planning, funding, construction development and reconstruction, supply equipment of infrastructure subjects, exploration of service delivery. Based on the literature review, the effect of public-private partnership which consists of governance, knowledge management, and dynamic capabilities of public and private sectors is understudied. In this article, we then used the theory of Governance and Knowledge Management for Public-Private Partnerships (PPPs) (Robinson et al., 2010). According to the literature review, PPPs is simply defined as an effort of the public sector and private sector working cooperatively based on a mutual commitment based on the contract agreement to get more service performance of the public sector (Bovaird, 2004).

The successful implementation of PPPs should emphasize on some aspects such as cooperation, trust, communication, capability, risk allocation and sharing, competition, and transparency in their governance of public-private partnership (Besley & Ghatak, 2017; Wang et al., 2018; Xiong, Chen, Wang, & Zhu, 2019). However, the research about the effect of PPPs on the tourism service innovation and tourism infrastructure destination, and also the effect of tourism service innovation on tourism infrastructure are very limited to be studied (Hjalager, 2002).

According to UNWTO that area of Public-Private Sector Partnership includes four main dimensions such as product development or enhancement, infrastructure and human resources, marketing and promotions, the socioeconomic and geopolitical factors (UNWTO, 2018). In measuring the Public-Private Partnership in Public Administration, some authors have been proposed that PPP can be assumed as a complex cooperation relationship for a time series between public and private sectors in order to achieve supplying infrastructure and public service. For the period of time, the cooperation, both public and private sectors should collaboratively share their risks and benefits to achieve mutual goals (Wang et al., 2018). Therefore, in this article, a conceptual model of the PPPs effect toward the tourism service innovation will be proposed for the local government.

Based on the literature review, which has described previously, we pictured up the conceptual framework of the research as follows:



Figure 1. Conceptual model of research

Hypotheses Designing

Based on the theory of PPPs and conceptual framework, so the researchers propose hypotheses which are shown below:

1. H1: The Public-Private Partnership will have an effect on the tourism service innovation in local government.
2. H2: The Public-Private Partnership will have an effect on the tourism infrastructure destination in local government.
3. H3: The tourism service innovation will have an effect on the tourism infrastructure in local government.

5. Methods

The research approach was quantitative-exploratory. We measured three hypotheses based on the dimensions of governance and knowledge management of PPPs (Robinson et al., 2010). This research consists of two main variables, namely public-private partnership models are as an exogenous variable and the tourism service innovation is a moderating variable and tourism destination infrastructure as the endogenous one. Data were gaining through questionnaires and they have been analyzed by using Structural Equation Modelling through SPSS and AMOS software windows version 24. We analyzed the effect of PPPs on the tourism service innovation and tourism infrastructure by using SEM model through SPSS and AMOS software windows 24 version.

6. Research Population

The research population involved five agencies which have close relationships in developing the tourism service innovation in Sinjai Regency, namely: (1) The Tourism and Culture Agency, (2) Legislative of Sinjai Regency, (3) Association of Travel and Tourism Agency, (4) Local Community, (5) Forum on International tourism and the environment, and (6) Engineering Designer Community (EDC). The total population in this research has been reached by 519 people. The demography of the population will be illustrated in the following table:

Table 1. The Total of the Research Population

Figure	Characteristics	Numbers		Total
		Male	Female	
1	The Tourism and Culture Agency	15	9	24
2	Legislative of Sinjai Regency	23	7	30
3	Association of Travel and Tourism Agency	42	28	70
4	Local Community	100	25	125
5	Restaurant and Café	75	125	200
6	Engineering Designer Community	56	14	70
	Total	311	208	519

Source: The Center of Statistical Bureau of Sinjai Regency (2019)

7. Research Sample

Because of the total population in the research is big enough, so the researchers used the procedure in statistical research by considering the representation of research sampling. For each demography of population has taken by using probabilistic sample research and we determined the research sample by using 40 percent from the total of the population. Based on the SEM Analysis 40 percent can be required, when the researcher wants to get the representative samples (Hair & Sarstedt, 2014). The research sample was disparity based on their demography and we carefully took them by using purposive sampling. The research sample can be seen in the following table:

Table 2. Demography of Research Sample

Figure	Characteristics	Numbers				Total (40% sample size)
		Male	40%	Female	40%	
1	The Tourism and Culture Agency	15	6	9	4	10
2	Legislatif of Sinjai Regency	23	9	7	3	12
3	Association of Travel and Tourism Agency	42	17	28	11	28
4	Ecotourism Groups	100	40	25	10	50
5	Local Community	75	30	125	50	80
6	Restaurant and Café	56	22	14	6	28
7	Engineering Designer Community	15	6	9	4	10
	Total	326	123	217	87	217

Source: Authors modification, 2019

Furthermore, in collecting research data uses a questionnaire in the closed question by using a 6-point Likert scale which ranged from strongly disagree to strongly agree. The questionnaires of public-private partnership models refer to the theory of governance and knowledge management of Public-Private Partnership (Cruz & Marques, 2013; Robinson et al., 2010) and the tourism service innovation is measured by using the thinking in which it involved five aspects such as employee engagement, customer participation, innovation management, innovative network, and IT (Grissmann et al., 2013; UNWTO, 2018).

Research data were analyzed through inferential statistical technique in order to test the research hypotheses by applying Structural Equation Modelling (SEM) with AMOS software (Hair, Black, Babin, & Anderson, 2014). Before analyzing the research data, we tested the questionnaire to the respondents of the research involved 120 respondents. After that, the researchers analyzed them using SPSS window version 24 to measure the Exploratory Factor Analysis (EFA). We have used them at least four months in the research completion from 1st February to 21st May 2019 in doing the research.

8. Measurements

Before applying the SEM Model by using AMOS software, first of all, we make the pilot project research in order to test the reliability and validity of each construct. The questionnaire was tested to the respondents using six-point Likert scale items range from “1” means strongly disagree or strongly dissatisfaction and “6” point for the strongly agree or strongly satisfaction. Those items are used to measure the public-private partnership variable consists of ten indicators adapted from success criteria of PPPs in governance perspective (Johnston & Gudergan, 2007; Osei-Kyei & Chan, 2017; Qian et al., 2016; Robinson et al., 2010) such as mutual adjustment (G. Teisman, Gerrits, & Buuren, 2009), mutual responsibility (Hodge, 2004), social coordination (Lowndes & Skelcher, 1998), relational contracting (G. R. Teisman & Klijn, 2002), and accountability context (Demirag, Dubnick, & Khadaroo, 2004).

Moreover, in measuring the tourism infrastructure through public-private partnership, the researchers used some indicators, including; designing, planning, financing, constructing the tourism infrastructure togetherness both public and private sectors (Boes, Buhalis, & Inversini, 2016; Kim, Kim, & Lee, 2005).

For the tourism service innovation, we refer to the Kim et al. (2005) argumentation that in public-private partnerships seemed like a suitable strategy in delivering most services commonly provided by the government and are generally applicable to the most components of public service delivery. Based on the above argumentation, the tourism infrastructure destination can be identified seven indicators of tourism infrastructure destination such as project design, project management, construction and procurement, operations and management, maintenance, marketing of services, and communications (Chen, Chen, Ho, & Lee, 2009; Gardiner & Scott, 2018; Grisseman et al., 2013; Hjalager, 2002; Kim et al., 2005; Rubalcaba et al., 2012).

Construct Validity and Reliability Measurement

In measuring the validity and reliability of the questionnaires, we applied the Cronbach alpha testing for the reliability test for the measurement scale of internal consistency of each item questionnaire in which they can be acceptable if the reliability value above 0.6 (Hair et al., 2014). In order to provide the questionnaire items can be accepted logically and systematically proving validity test, we conducted to measure the convergent and discriminant validity. This step can be proved by looking at the factor loading of each indicator that should be achieved 0.5 or higher (CR and AVE) should exceed 0.5 (Hair, Hult, Ringle, & Sarstedt, 2016; Hair Jr, Black, Babin, & Anderson, 2014). Likewise, in order to support the discriminant validity, AVE (Average Variance Extracted) must be higher than the squared correlation estimate of each construct.

9. Result and Discussion

In this article, before running SEM analysis to measuring the hypotheses, from the field data, there is a total of 217 questionnaires were distributed to sample research, however, 195 were returned, which they represented 90 percent of the original sample. Meanwhile, there were 22 questionnaires discharged, because the response of respondents has put the same answers and some are broken down. The data collected were analyzed using SPSS and structural equation modeling (SEM) with AMOS software windows version 24. The data were carefully screened for several terms such as; multivariate normality, multicollinearity, positive definite, and homoscedasticity. According to the analysis showed that there was no violation of assumptions for each instrument. The results analysis as shown in the following table:

Table 3. Results Analysis of Convergent, Discriminate and Nomological Validity

	PPPs	TSI	TDI
AVE	0.614	0.522	0.628
CR	0.826	0.794	0.834

Source: Primary Data Analysis, 2019.

Table 3 showed that the convergent, discriminate, and nomological validity of the items was confirmed by EFA in which the measurement of items had above the requirements of suggested thresholds. Likewise, in this items of instruments does not have any violation of assumptions, so that it can be assumed there was no violation of nomological validity. The reliability of each construct was also above 0.620 which is meant that it has a good internal reliability. The CFA result analysis will so in the following table:

Table 4. Goodness of Fit Statistics for Hypotheses Testing and Structural Model

	Absolute Fit Measures	Incremental Fit Measures	Parsimony fit measure

	X ²	CMIN/DF	GFI	RMSEA	NFI	CFI	AGFI
Criteria	> 0.05	<5	≥ 0.90	<0.05	≥ 0.90	≥ 0.95	≥ 0.90
Results	0.459	1.005	0.967	0.005	0.917	1.000	0.834

Source: Primary Data Analysis, 2019.

According to the data analysis indicated the fit indices for the hypothesis test by using structural equation modeling provided the good of fit data measurements. An examination of the structural model based on the significance test for the estimated coefficient or path analysis, that used to justify the basis for accepting or rejecting the proposed hypotheses. According to the end of results showed that the PPPs has all statistically significant. The results of SEM analysis are shown in the following table:

Table 5. Regression Estimates of Each Latent Variable

			Estimate	S.E.	C.R.	P	Label
TSI	<---	PPPs	0.253	0.090	2.822	0.005	Accepted
TDI	<---	TSI	0.302	0.098	3.075	0.002	Accepted
TDI	<---	PPPs	0.213	0.073	2.909	0.004	Accepted

Source: Primary data analysis, 2019

Note: PPPs – Public-Private Partnerships; TSI = Tourism Service Innovation; TDI – Tourism Destination Infrastructure.

The structural model results showed that the PPPs has a positive and significant effect on the tourism service innovation ($\beta = 0.253$), followed by Tourism Service Innovation (TSI) has a positive and significant effect on the tourism infrastructure (TDI) ($\beta = 0.302$), however, PPPs has a positive and significant effect on the tourism infrastructure (TDI) ($\beta = 0.213$). As a whole, Table 4 and 5 have been provided the regression estimates of latent construct and a summary of the hypotheses measuring results based on the results of measurements and structural model analysis. It can be confirmed that all of the hypotheses proposed were accepted in the significant level of 95 percent.

Based on the resulting findings, the researchers argued that the Public-Private Partnership is the appropriate strategy in developing the tourism service innovation and tourism infrastructure destination. It involves some indicators with standardized total effects such as; collaboration ($\lambda = 0.635$), planning ($\lambda = 0.725$), and designing ($\lambda = 0.668$). The hypothesis that has been proposed was accepted that PPPs has a positive and significant effect on tourism service innovation ($\beta = 0.253$). This finding relates to the empirical research conducted by some researchers argued that in increasing the tourism service innovation needed the Public-Private Partnership, for example; Nederhand & Klijn, (2019) argued that PPPs is public-private partnerships (PPP) as governance strategy to improve service delivery and realize large infrastructural projects.

Furthermore, the potential of the benefits of PPSs which affect the service innovation, involves six aspects, such as; cost-saving, the improvement of service level in innovation, more efficient in implementation, economic benefits, enhancement of revenues, and risk sharing (Robinson et al., 2010). PPPs become the one useful approach to alleviate the burden of government in providing public service facilities. Further, in the perspective of tourism service innovation which is included employee engagement, customer participation, innovation management, innovative network, and IT (Grissemann et al., 2013).

In line with building tourism infrastructure destination, the hypothesis was accepted that the PPPs has a positive and significant effect on the Tourism infrastructure ($\beta = 0.303$). Tourism infrastructure destination in this research involves some indicators such as; project design ($\lambda = 0.476$), project management ($\lambda = 0.813$), and construction and procurement ($\lambda = 0.748$). This result confirms that PPPs should be applied when building tourism service innovation. This result has relevance to other researches that PPPs is the PPPs has provided the best way to achieve the success of building infrastructure. Empirical research confirmed that PPPs is the best sourcing in which government and private sector work collaboratively in long-term partnering to deliver public service, especially in the development of new physical assets (Kim et al., 2005; OECD, 2012). Moreover, according to the PPPs literature, it has been clearly identified, especially in the impact of PPPs on the tourism service innovation and tourism destination infrastructure. Other researchers also have the same perceptions that PPPs has benefit in building infrastructure, service innovation, and financial or business development (Besley & Ghatak, 2017; Caselli et al., 2015; Cruz & Marques, 2013; Yang, Hou, & Wang, 2013; Yuan, Zeng, Skibniewski, & Li, 2009). PPPs have become popular in the disruptive era, supporting the economic and key success, technical and political arguments

that support the sustained improvement of public sector performance (Robinson et al., 2010). PPPs can increase competition and efficiency in service provision, expand coverage working domain, and reduce delivery costs (Rondinelli, 2003).

This research also confirms that tourism service innovation has a positive and significant effect on the tourism infrastructure destination ($\beta = 0.213$). In building tourism service innovation, there were some indicators that should be implemented include innovation management ($\lambda=0.180$), operations and management ($\lambda=0.124$), innovative network ($\lambda=0.209$), and marketing of services ($\lambda = 0.176$). It indicates that when the local government wants to develop tourism service innovation, it should be followed by building the tourism infrastructure destination. It because that between tourism service innovation needs to support by developing sustainability of tourism infrastructure destination.

10. Conclusion

Based on those discussions previously, we can conclude that PPPS is the best approach to enhance the public service innovation, especially in achieving the tourism service innovation and tourism infrastructure in local government. Moreover, for the future of tourism development, the local government should pay close attention to this approach and preparing the public-private partnership planning for the tourism service innovation and infrastructure development in Sinjai Regency and South Sulawesi Province as a whole.

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