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Implementation Of Temporary Admission Policy on Yachts

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Abstract. The policies regulating yachts used by foreign tourists are Regulation of the Minister of Finance No. 140/PMK.04/2007 concerning Temporary Admission of Goods and President Regulation No. 79/2011. The research aims to analyze the implementation of Temporary Admission of yachts at Benoa Port Bali. The research incorporates a qualitative approach and qualitative data analysis technique. Qualitative data are obtained from unstructured interviews with key informants. Intrinsically, the research finds some vagueness in the policies regarding stipulations on temporary guarantee and responsibility of the guarantor. It is therefore recommended that the policies be reviewed so that the guarantor will not be burdened in case a yacht-owning tourist fails to fulfill his/her responsibility. Contextually, implementation of temporary admission policies must be supported by adequate human resources and technology to enable KPPBC (Customs and Excise Control and Service Office) to give good services and undertake close monitoring on foreign yachts entering Indonesian waters.

Keywords: public policy implementation, temporary admission, yachts

Abstrak. Kebijakan terkait dengan yacht yang dipergunakan oleh wisatawan asing adalah Peraturan Menteri Keuangan No 140/PMK.04/2007 tentang Impor Sementara dan Peraturan Presiden Nomor 79 Tahun 2011. Penelitian ini bertujuan untuk menganalisis implementasi kebijakan impor sementara atas yacht di Pelabuhan Benoa Bali. Pendekatan penelitian ini adalah kualitatif dengan teknik analisis data kualitatif. Data kualitatif diperoleh dari wawancara tidak terstruktur dengan informan kunci. Terkait dengan content kebijakan terdapat ketidakjelasan aturan tentang jaminan sementara dan tanggungjawab penjamin tertulis. Untuk itu diperlukan revisi regulasi dimaksud agar tidak membebani penjamin apabila wisatawan tidak memenuhi kewajiban pabeannya. Dari sisi konteks, implementasi kebijakan impor sementara memerlukan dukungan sumber daya manusia dan teknologi yang memadai agar KPPBC mampu memberikan pelayanan dengan baik sekaligus melakukan pengawasan terhadap yacht wisatawan asing di perairan Indonesia.

Kata kunci: implementasi kebijakan publik, impor sementara, yacht

INTRODUCTION

Indonesia is one of the destinations visited by foreign tourists travelling on private yachts. Bali is one of the destinations most frequently visited by foreign tourists travelling on cruise ships and yachts, as illustrated in Table 1 below.

As shown in the table, Bali has been the tourist destination most visited by means of sea transport from 2009 to 2012. Visitors bound to Bali by sea transport enter the island through Benoa Port in Badung Regency. Listed in MP3EI (Indonesian abbreviation for Masterplan for Acceleration and Expansion of Indonesia Economic Development), Port Benoa has the capacity to dock 200 vessels a day.

The significant number of visitors who visit Bali on yachts has urged the government to enact a number of regulations, one of which is Regulation of the Minister of Finance No. 140/PMK.04/2007 (PMK-140) concerning Temporary Admission. Article 1 Paragraph (1) of PMK-140 defines temporary admission as import of goods into

the custom area for the purpose of being re-exported within a period of maximally three years. In Article 3 Paragraph (2) (i) of PMK-140 yachts are categorized as temporarily admitted goods which, upon entrance, are relieved from import duties and taxes but are subject to temporary import/admission guarantee.

Pros and cons arise due to categorization of yacht, which is a means of sea transport, as a temporary admission item. While some people are of the opinion that its regulation under PMK-140 is an effort of the government to regulate entrance of yachts into Indonesia, some others think that such admission regulation entails administrative, financial impacts related to customs and excise exemption procedures, which can discourage foreign tourists from visiting Indonesia by yachts (Depbudpar, 2009).

In 2011 the Minister of Finance enacted Regulation No.142/PMK.04/2011 concerning Temporary Admission (PMK-142) replacing PMK-140. PMK-142 clearly includes yacht as a temporary admission item, requiring its owner to pay a certain amount of temporary admission

**Table 1. Number and Percentage of Cruise Ship and Yacht Passengers Bound to Five Destinations
Year 2009-2012**

Destination	2009		2010		2011		2012	
	Total	%	Total	%	Total	%	Total	%
Bali	19.448	36,17%	35.147	47,52%	50.121	54,21%	51.934	46,29%
Lombok	2.806	5,22%	6.198	8,38%	10.546	11,41%	26.040	23,21%
Komodo	15.254	28,37%	16.510	22,32%	13.496	14,60%	17.629	15,71%
Semarang	10.724	19,94%	10.035	13,57%	14.149	15,30%	15.168	13,52%
Jakarta	5.542	10,31%	6.080	8,22%	4.152	4,49%	1.428	1,27%

Source : Ministry of Tourism and Creative Economy (www.bumn.go.id)

guarantee fee. Then, in the same year, President Regulation No. 79 Year 2011 (Perpres-79) was issued. The latter gives some facilities, including admission guarantee facility, to tourists traveling on yachts. The temporary admission guarantee that a yacht owner submits in writing can be transferred to the central government, regional government, yacht agent, or yacht owner. Perpres-79 was issued to facilitate implementation of PMK-142. However, the facility is given only to tourists entering from eight ports, including Sabang Port in Nanggroe Aceh Darussalam, Belawan Port in Medan, North Sumatera, Sunda Kelapa and Marina Ports in DKI Jakarta, and Benoa Port in Badung, Bali. With regard to the above phenomenon, the research attempts to address the following question: How temporary admission policies on private yachts are implemented at Benoa Port, Bali?

As Musgrave and Musgrave points out, the government has, among others, a fiscal function, that is, an economic function that includes allocating, distributing, stabilizing, and regulatory functions (Rosdiana and Irianto, 2012). In performing its function the government needs public policy instruments. Whereas Laswell (1965) defines public policy is a program projected from well-directed objectives, values, and practices, B. Guy Peters asserts that "stated simply, public policy is the sum of government activities, whether acting directly or through agents, as it has an influences on the life of citizens" (Birkland, 2001).

Public policy can be regarded as a process, according to Hogwood and Gunn (1984). As a process, a draft of public policy has to undergo certain stages. As William N. Dunn explains in Winarno (2002), policy making begins with establishing an agenda. The next stages are draft formulation, policy adoption, policy implementation, and policy review.

Edwards III explains that policy implementation is the significant stage of policy making between the establishment of a policy and the consequences of the policy for the people and aspects of life that it affects. Even if a policy is made properly, failure is still possible if it is implemented otherwise. Due to poor implementation, a very brilliant policy can flunk, leaving its desired goals

unachieved (Edwards III, 2003). Edward continues that there are four factors that affect the implementation of a policy: communication, resources, disposition, and bureaucratic structure. Communication here refers to the transmission of message or information about a policy from policy makers to policy implementers. A policy can only be implemented when there are qualitatively and quantitatively adequate resources to implement it. Disposition means the inclination and consent to implement a policy among policy implementers. In addition, a policy, according to Edward a policy is implementable when supported by a bureaucratic structure suitable for the policy (Edward III, 1980)

In Grindle's view, public policy implementation can be analyzed based on the two factors that affects, its content and (social) context. Whereas the content of a policy includes; (1) interests it affects; (2) benefits it brings about; (3) degree of changes desired; (4) program implementer; and (5) resources deployed. Then, the contexts affecting policy implementation are; (1) authorities, interests, and strategies of actors involved; (2) characteristics of institutions and authorities involved; (3) obedience and responsiveness (Nugroho, 2008).

In this study, in order to obtain more comprehensive results, the analysis of public policy implementation is approached by combining Edward III's four policy-affecting factors and Grindle's idea on policy content and context. Focus will be given on the content of the policy.

RESEARCH METHODS

The research is qualitative in nature. A qualitative research is defined as an inquiry process of understanding a social or human problem social or human problems, based on building a complex, holistic picture, formed with words, reporting detailed views of informants, and conducted in a natural setting (Creswell, 1994). By using this approach, it is hoped that a more in-depth explanation of a processes occurring in a phenomenon will be obtained.

The qualitative data were obtained from unstructured interview with key informants, namely staff members

of Type B KPPBC (Customs and Excise Control and Service Office), Benoa, Bali; Head of the Sub-Directorate of Customs and Excise, Jakarta; State Revenue Expert staff members, the Ministry of Finance of the Republic of Indonesia; Head of the Region 3 Sub-Directorate of Regional Tourist Destination, the Ministry of Tourism and Creative Economy, of the Republic of Indonesia; Head of the Sub-Directorate of Natural and Cultural Tourism Development, the Ministry of Tourism and Creative Economy of the Republic of Indonesia; and Chairperson and Public Relations Coordinator of Cinta Bahari Antar Nusa Foundation, Bali. The qualitative data were subsequently analyzed by using a holistic perspective approach, through which, according to Patton, "The whole phenomenon under study is understood as a complex system that is more than the sum of its parts; focus on complex interdependencies and system dynamics that cannot meaningfully be reduced to a few discrete variables and linear, cause effect relationships" (Patton, 2004). The study also uses additional quantitative data obtained from prevailing regulations regarding temporary admission of yachts as well as from relevant literature.

RESULTS AND DISCUSSION

The discussion in this study is divided into two parts: one is content-based, the other context based. The discussion begins with an analysis of the content of the policy on temporary admission of yachts. The latter part will discuss the analysis of the communication, resources, disposition, and bureaucratic structure contexts of the policy.

The prevailing policy on the incoming of foreign tourists on yachts to Indonesia considers yacht-owning foreign tourists as importers and therefore requires them to report their vessels as temporary admitted items and submit a temporary admission guarantee, as a promise that the vessels will not be used for any commercial purposes in the country and will exit Indonesia upon termination of their leisure visit in Indonesia.

Principally, import is the activity of bringing goods into a customs area by an individual or a legal entity. According to the prevailing Customs and Excise Law, goods transported by a vessel crossing the border of a state are subject to customs and excise duties. Incoming yachts used by foreign tourists meet the following two criteria of import goods: a) they enter a country's customs area as means of transport and b) they are used in the customs area (as means of transport). Therefore, despite the arising criticism from different parties, the categorization of yachts as temporarily imported goods conforms to the definition of import itself. An article of goods object is

considered an import item if, among others, it is used or consumed in a customs area. Thus if an article of goods enters a customs area but is not used there, it is not an import item.

Unlike other imported goods, yachts enter an area only temporarily as means of transport. After leisure visit ends, they will be carried out of the area. Temporary admission is defined as entry of goods into a custom area for the purpose of being re-exported within a period of maximally three years (Article 1 Paragraph (2) PMK-142). More thorough criteria of temporarily imported goods are laid down in Article 2 of PMK-140; (1) the goods will not be use up; (2) the goods are easy to identify; (3) the goods will not undergo fundamental change of form unless they are worn through use during temporary admission period; (4) the goods are used for a clearly defined purpose; and (5) there are supporting documents declaring that the goods will be re-exported.

The following remark on the above regulations is given by an informant. "...Thus if you bring in an article of goods for an exhibition and bring it out again afterwards, you can't say that the article is "used". You don't have to pay anything. Just like the case of yachts, actually. Yachts come in and stay within the country temporarily. However, though temporarily, they are used in Indonesia. The article on temporary admission is included to accommodate this aspect. Yachts are not subject to import duties because they are not to be used permanently in Indonesia, hence temporary import. However, because they are used in Indonesia, in order to make sure that they will later be carried again out of Indonesia, to track their whereabouts and to avoid the possibility of their disappearance in the country, they are subject to guarantee fee." (Interview with Permana Agung, State Revenue Expert Staff Member, the Ministry of Finance, 28th November 2012)

Import goods, including temporary admission goods, are subject to import duties. In Article 3 Paragraph (1) of PMK-142, yachts are granted exemption of import duties. For any Temporary Admission Goods granted import duty exemption, the importer is required to submit guarantee document and fee. The amount of the bank guarantee is equivalent to the amount of customs duties from which the goods are exempted (Article 10 paragraphs (1) and (3)). Importer's obligations are defined in Article 11 Paragraph (1) Clauses a, b, c, and d: a) Importers shall pay 2% of import duty for every month of part of month, multiplied by the number of months of the temporary admission period and by the amount of import duty to be paid for the goods temporarily imported; b) Importers shall pay Value Added Tax (VAT) and Sales Tax on Luxury Goods; c) Importers shall pay a guarantee fee equivalent to the difference between the import duty that should be paid and

has been paid; and d) Importers shall submit a guarantee fee equivalent to the Income Tax Article 22 that should be paid. Based on the above provisions, an importer has to pay a large amount of duty and tax. As an illustration, the amount of duty and tax a temporary importer shall pay is as follows; 1) Import Duty = 2% x number of month(s); VAT = 10%; 3) Sales Tax on Luxury Goods = 30%; 4) Income Tax Article 22 = 7.5%. Thus, the total amount of duty and tax an importer shall pay is 49.5%. The amount may increase if temporary admission exceeds a period of one month. Such an amount is burdensome for importers considering yachts are very expensive. As a result, the cost of an importer's compliance in the form of Direct Money Cost becomes very big. As Chairperson of Cinta Bahari Antar Nusa complains,

"The guarantee policy is obscure. First, does it make any sense if the guarantee fee totals 52.5% of the actual value of the object? Let's say the price of a yacht is IDR 10 billion. Does it mean that the owner has to pay 5.2 billion? That's a huge amount of money. Nobody carries that amount of money." (interview with Chairperson of Cinta Bahari Antar Nusa Foundation, 27th September 2012)

Guarantee for a temporarily admitted yacht can be replaced with a written guarantee, as stipulated by Article 5 Paragraph (4) of Perpres-79: "The Government and/or organizer of a foreign yacht tour as stipulated in Paragraph (3) is/are responsible for the organization of such a tour and as a guarantor of the customs obligation related to the entry of goods and/or vessel carried by the crew concerned." The regulation can reduce the direct cost an importer incurs. However, this regulation creates another problem related to guarantor's responsibility should an importer leaves Indonesia without reporting the departure to KPPBC and settling his/her administrative responsibility.

Regarding that issue, the Chairperson of Cinta Bahari Antar Nusa Foundation expresses the following remark: "...Okay, a written guarantee will do. If another kind of guarantee is used, then he's got to pay some money to the government, and when he leaves Indonesia, will he get the money back? Drawing money from the government itself is a very long process. According to Perpres-79, local governments, agencies, etc. can act as guarantors. But does it mean that they have to pay billions of money in case the tourists leave the country without reporting? It's impossible. Pity on them. The yacht is not even theirs. They're just helping the tourists. Second, is the guarantor still responsible for a situation when tourists report that some problem has occurred during a yacht's cruise in Indonesia? Does the government have to help them? Of course not. There was a case in the Eastern Sumatera

waters. A yacht had a problem at sea. The owner tried to contact the Indonesian authority but there was no response. Finally a response came from Singapore, and the yacht left home from Singapore. What about a case like this?" (Interview with Chairperson of Cinta Bahari Antar Nusa, 27th September 2012)

A similar response below was given by another resource person from Cinta Bahari Antar Nusa Foundation, who once helped some tourists in processing temporary import documents:

"It is guaranteeing it that is difficult. Because we have to guarantee the vessel. There has to be a guarantor if you want to obtain the temporary admission document. Perpres-97 says that the owner or the captain can be a guarantor. But in reality it is not easy because according to them (Customs and Excise Authority), to obtain entry permit, the guarantor must be someone from an agency or the bureaucracy. That's where it gets more complicated. If I, for example, agree to be a guarantor, then I'll be automatically responsible for the vessel. This entails that if something happens to the vessel, then it's all on me (I have to pay/be responsible)." (Interview with Public Relations Coordinator of Cinta Bahari Antar Nusa, 21th December 2012).

The Head of Treasury and Service Sub-Section of KPPBC Type B Benoa gives a similar comment. "The problem is that the government gives a written guarantee. We have nothing we can keep to prevent tourists from leaving Indonesia without reporting. When they're out, then they're out. Just like that. They won't even remember or think of reporting. And when they leave, they can leave from any place they want. If they report that they will leave from Batam, for example, we could coordinate with the local KPPBC there. If they leave without reporting, what we can do is write a letter to the Central Office. We give them some data and ask for their advice to close the document. Since the new regulation was introduced, we have asked the Center about this, but they haven't given any response. A case is still pending and there's nothing I can say. We're still waiting for the Central Office in Jakarta to give us a solution to the problem. We leave this problem for them to solve. This is the problem with the regulation." (Interview with Head of Treasury and Service Sub-Section of KPPBC Type B Benoa, Bali 16th July 2012).

These guarantee-related problems create uncertainty among guarantors and pose an administrative burden for fiscus because KPPBC Benoa cannot close the Export Declaration of the yacht-owning tourist whose vessel has been guaranteed without agency. Therefore, the Customs and Excise Authority requires that temporary admission be guaranteed by an agent so that the final responsibility

regarding the guarantee rests on the agency.

There are two factors that cause tourists to leave Indonesia without reporting it to KPPBC. The first factor is geography. Indonesia is a very large country through which two winds, the east and west monsoons, blow, making it difficult for tourists to forecast weather when cruising on a yacht. During bad weather, some tourists choose to leave Indonesian waters to avoid storm. As Head of the Sub-directorate of Temporary Admission, The Directorate General of Customs and Excise Central Office, explains,

“When they would like to report to a local Customs and Excise Office, the nearest one is located far from their position. They wouldn’t trouble themselves and just get out of the country. Sometimes it also depends on the weather. When tide is high, they often have to change course to another place. It’s difficult to predict their schedule.” (Interview with Head of the Sub-directorate of Temporary Admission, the Directorate General of Customs and Excise Central Office, 2th October 2012)

The second factor is tourists’ compliance with the prevailing regulations. There are quite many tourists who leave the Indonesian territory without notifying the authority. Their reasons vary. Below is an explanation from the Head of the Sub-directorate of Tourist Destination Region 3, the Ministry of Tourism and Creative Economy:

“But mostly they are mostly delinquent tourists. They’re supposed to settle Import Declaration upon entry and Export Declaration upon departure. They give excuses like “it’s already late at night”, “we’re at the port just about to leave”, “there’s nobody at the exit port”, and the like. That’s just not how it’s supposed to be. It’s already clear when they’re leaving and from where, isn’t it? Though not to the exact hour, everything, where they go in three months, is written in the document. We need to review all these.” (Interview with Head of the Sub-directorate of Tourist Destination Region 3, the Ministry of Tourism and Creative Economy, 27th September 2012)

Another issue is related to the flag of the country in which a yacht is registered. Careful consideration should be made, particularly with regard to international conventions related. We have to take into account ATA Carnet document, for example, which contains international customs convention on temporary admission of goods among the countries that signed the Istanbul Convention as contracting parties. Today only three South-East Asian countries, Singapore, Malaysia, and Thailand, have ratified Ata Carnet. Under the Ata Carnet yacht entry to the member countries is facilitated by a chain of international guaranteeing organizations. (Interview with Head of the Sub-directorate of Tourist Destination Region 3, the Ministry of Tourism and Creative Economy, 27th

September 2012, and Chairperson of Cinta Bahari Antar Nusa Foundation). However, it needs careful consideration to ratify the Ata Carnet because Indonesia has a unique characteristic as an archipelagic country that is totally different geographically from the three Asean countries that have ratified it.

The policy to admit yachts as temporarily imported goods does not give any benefit for the country because there is no real guarantee fund that is submitted by yacht owners to the country. In terms of cost of taxation the policy tends to increase direct cost (money), time cost, or psychological cost that a tax subject has to incur. Yacht owners are considered as importers and therefore are responsible to obtain temporary admission with a guaranteed condition that their yachts will be re-exported from Indonesia. Foreign tourists frequently complain about the complicated bureaucratic procedure to obtain temporary admission. The Head of the Sub-directorate of Tourist Destination Region 3, the Ministry of Tourism and Creative Economy, who often receives complaints from foreign tourists and agencies, admits that:

“...I guess I have to admit that many foreign tourists are reluctant to visit Indonesia because of the many regulations that apply for only one visit of vessel. It’s not that they don’t want to, but there are too many long procedures to follow, which they think are impossible. According to them it is very easy to visit Malaysia. Some tourists use travel agencies, but because of the long and complicated procedures, they have to pay large sums of money to their agencies.” (Interview with Head of the Sub-directorate of Tourist Destination Region 3, the Ministry of Tourism and Creative Economy, 27th September 2012)

The existing regulations on temporary import/admission are not yet accompanied with any technical guidelines. As a result, yacht owners frequently find the regulations confusing. Another aspect that they complain about is the unclear cost of administration to process temporary admission. As expressed by the Head of the Sub-directorate of Tourist Destination Region 3, the Ministry of Tourism and Creative Economy,

“Tourists get confused because there is no certainty. Here’s an illustration. Okay, I’ll pay, but how much is it clearly? You can’t tell people to pay administration fee without telling them how much. They say it annoys them. They say if they have to pay, then they’ll pay. But they have to know the exact amount and let things unsettled. It’s easier if everything is specified in writing.” (Interview with Head of the Sub-directorate of Tourist Destination Region 3, the Ministry of Tourism and Creative Economy, 27 September 2012)

There are indeed some aspects that are not stipulated in clear details. The regulation, therefore, should be

accompanied with a technical guideline.

Realizing this condition, the National Office of the Directorate of Customs and Excise (DJBC) will soon formulate a Directorate General Regulation as Temporary Admission Implementation Guideline for both foreign tourists and policy implementers. As confirmed by the Head of the Sub-Directorate of Temporary Admission, DJBC Central Office,

“At the moment we are preparing the Technical Guideline, or you can call it a Directorate General Regulation. The Minister Regulation says that further provisions shall be established in a Directory General Regulation (Perdirjen). In Perdirjen we’ll specify in more details the regulation for yachts. And the regulation will specifically be on yachts. We’ll call this Perdirjen the Technical Implementation Guideline for Regulation of the Minister of Finance No. 142 Year 2011.” (Interview with Donny, Head of the Sub-Directorate of Temporary Admission, National Office, DJBC, 2th October 2012)

As discussed earlier, the temporary admission policy on yachts create cost of taxation for tourists on the one hand, and collection cost in the form of administrative burden on the part of the national fiscus on the other hand. Despite the costs created, the policy is still actively enacted because the government has another goal, to perform its regulatory or social engineering function. Under the policy all yachts entering the Indonesian territory can be tracked and controlled so that they will not be used for any purpose, be it legal or illegal, other than that originally intended. The monitoring function rests on the Monitoring and Investigation officers (here in after P2) of KPPBC Type B Benoa. P2 officers perform monitoring by patrolling, as explained in the following by an informant:

“KPPBC Benoa assigns monitoring to its P2 officers. Monitoring is conducted around Benoa Port and Serang, south of Sanur Beach. Upon spotting a yacht, patrolling P2 field officers will report to the base and ask for confirmation whether proper admission documents have been issued. If the base responds in the affirmative, the yacht will be allowed to continue its tour.” (Interview with Head of the Treasury and Service Sub-section of KPPBC Type B Benoa, Bali, 16th July 2012)

Not only do P2 officers monitor yachts, but they also make sure that the vessel’s number matches that reported in the Import Declaration document when the owner requested extension of admission. Regarding this procedure, an informant explains,

“If a tourist requests an extension of admission, we have to recheck whether the yacht is still here. We’ll dispatch some officers to perform a field inspection. They will check whether the engine serial number matches

that reported in the Import Declaration. If they match, another permit will be issued for a period of three months as stated in the extended CAIT (Clearance Approval for Indonesian Territory).” (Interview with Ibu I Nyoman Rini, Head of Treasury and Service Sub-section, KPPBC Type B Benoa, Bali, 16th July 2012)

In analyzing the impact of the implantation of policies regulating yachts visiting Indonesia for tourism purposes, the researcher refers to Edward III’s implementation variables, namely communication, bureaucratic structure, disposition and resources. The researcher also analyzes customs procedures for foreign yachts. The analysis results are presented in the following points.

For effective implementation of the policy, policy makers are responsible to clearly transmit the policy to the implementers. Such communication is crucial to prevent implementers from making mistakes when the policy is adopted. In the case of the temporary admission policy for yachts analyzed in this study, after its adoption, the government disseminates the policy to organizations concerned or parties that would be affected by the policy. The policy had to be disseminated so that the implementer, namely KPPBC Benoa, particularly its Treasury and Service Sub-section, could understand the background, aims, objectives, implementation technical aspects, and possible troubleshooting solutions related to the policy. Dissemination was conducted one month before prior to its adoption by the DJBC Regional Office for Bali, West Nusa Tenggara, and East Nusa Tenggara, as confirmed in the following by an informant:

“If I’m not mistaken, it was in December 2011 at the Regional Office. I attended it with the Head of the General Affairs Division.” (Interview with the head of Treasury and Service Sub-section, KPPBC Type B Benoa, 21th December 2012).

In addition, the new regulation was also disseminated to agencies organizing visits by foreign tourists. However, dissemination to travel agencies was conducted by the Regional Office, not by KPPBC Type B Benoa. As an informant confirms, “there was no dissemination from KPPBC Benoa for travel agencies. The Regional Office did it at a hotel, if I remember correctly. I forgot which hotel.” (Interview with the head of Treasury and Service Sub-section, KPPBC Type B Benoa, 21th December 2012).

Dissemination for travel agencies is confirmed by the Cinta Bahari Antar Nusa Public Relations Coordinator. Information on President Regulation No. 79 (Perpres-79) was also given to travel agencies directly by the Coordinating Minister for Economy (Menko Ekuin) and other related institutions:

“Yes, there was. Perpres-79 was disseminated by

Menko Ekuin. Some people from the Directorates General of Sea Transport, Customs and Excise and other related institutions also helped disseminate the regulation.” (Interview with the head of Treasury and Service Sub-section, KPPBC Type B Benoa, 21th December 2012)

Based on the description above, the government made some efforts to communicate with the implementers and other organizations in the working area of KPPBC Type B Benoa. However, dissemination was not conducted comprehensively to all ports authorized to grant temporary admission facility for foreign yachts. With regard to this, the Head of the Sub-directorate of Natural and Cultural Tourism, the Ministry of Tourism and Creative Economy (MTCE) comments as follows:

“Like I said earlier, there are still complaints from tourists. In Sorong, Singapore, Thousand Islands, Morotai. Complaints arise because the information was not well distributed. We had a launching once in Daichi Japan. In Indonesia itself, the regulation was introduced only in two places, Sorong and Bali. Starting this October, on 6, we’ll disseminate the regulation in 16 other entry points. We’ll invite everyone (travel agencies) and give them explanation. We’ll also establish a contact network in case an emergency situation occurs. Those who have tourism businesses have to register their businesses to the tourism office because we need to know who are there in the business. No charge.” (Head of the Sub-directorate of Natural and Cultural Tourism, MTCE, 27th September 2012).

Coordination among institutions has also been a problem since the enactment of PMK-140 in 2007. “Coordination is slack between immigration, quarantine, and customs and excise institutions. At the central level some institutions concerned have established coordination regarding facilitation of temporary admission for yachts, but this is not the case in regions. As a result, people in the regions have different perceptions about the regulation.” (Interview with Donny, Head of the Sub-directorate of Temporary Admission, DJBC Central Office, DJBC, 2th October 2012)

The lack of coordination between CIQ (Customs, Immigration, and Quarantine) institutions is due to the absence of an online communication system for coordination and a radar system to track yacht traffics in Indonesian waters.

Adequate resources do not guarantee smooth implementation of a policy. Issues of organizational fragmentation in terms of distribution of main duties and functions among different organizations negatively affect effective implementation of a policy. Under such a circumstance, coordination among related organizations or units becomes crucial. For better coordination, there

should be a Standard Operating Procedure (SOP) as a guideline an organization or section in implementing its duties and functions. As an informant comments, “yes, there is. Of course we do our work based on the distribution of job written in the SOP. Every section has its own SOP. We stick to them.” (Interview with Ibu I Nyoman Rini, Head of Treasury and Service Sub-section, KPPBC Type B Benoa, Bali, 12th December 2012)

In general the implementers have followed the standard procedure. There is already distribution of job among every section at KPPBC Benoa and each of the section does its job according to its own SOP. Some travel agencies that often process temporary admission administration at KPPBC Benoa admit they hardly ever find any problem. They can request temporary admission immediately upon arrival of tourists on yachts. However, the fact that it takes long to process temporary admission is a weakness of the SOP. According to the SOP itself, it takes one to two days. As an informant admit,

“...here we promise to serve on working days and it takes only one day to process temporary admission, ... KPPBC Benoa can’t promise something we can’t fulfill. It takes two days max to process temporary admission. It could take longer if the documents are incomplete. But if everything’s there, it’s done in one or two days.” (Interview with the Head of the Sub-directorate of Temporary Admission, DJBC Central Office, 2th October 2012).

However, a different fact is revealed by the Public Relations Coordinator of Cinta Bahari Antar Nusa Foundation, who, in a statement quoted below says that it takes one week to process temporary admission, “normally it takes more than a week to process temporary admission. But if they’ll just tour around Bali and won’t go anywhere else, it won’t be more than a week.” (Interview with Public Relations Coordinator of Cinta Bahari Antar Nusa Foundation, 21th December 2012)

Disposition or implementers’ attitude is the third focus of the approach used to study the implementation of a public policy. Effective implementation of a policy requires the implementers not only to know what to do but also to build proper capacity to implement it properly. Policy implementers are not always ready to do their job in the manner intended by policy makers. With regard to disposition, KPPBC Benoa claims that they always prioritize excellent service to tourists who visit Indonesia on yachts. Here is what an informant says about disposition:

“We provide free service here. No charge. But in travel agencies, they charge you. When it’s done, tourists would normally thank you. But here we prioritize service because it’s most important.” (Interview with Head of Treasury

and Service Sub-section, KPPBC Type B Benoa, Bali 16th July 2012).

Similarly, Public Relations Coordinator of Cinta Bahari Antar Nusa Foundation admits, “so far.. from my experience, things are fine with KPPBC Benoa. They’re used to dealing with yacht arrivals. Things are okay too at Customs. There could be problems, however, at the Quarantine office. As for KPPBC Benoa, everything is okay because they work according to procedure.” (Interview with the Public Relations Coordinator of Cinta Bahari Antar Nusa Foundation 21th December 2012)

In implementing the policy, KPPBC Benoa refers to the prevailing regulation. In cases of incomplete documents, KPPBC even helps tourists and agencies until everything is settled. Tourists and travel agencies have no complaint about this. However, there are problems with CIQ (Customs, Immigration, and Quarantine) officers. According to the SOP, CIQ officers have to wait for yacht arrival and get on board to perform inspection in turn. In practice, however, they make agencies wait for yacht arrival and pick them up one after another. The Public Relations Coordinator of Cinta Bahari Antar Nusa Foundation reveals the condition as follows:

“After we report it, we’ll tell them that a yacht is arriving on this day, at this hour, and that we’ll pick them up. To be honest, that’s the way things are in Indonesia. We pick up the officers. That’s what agencies are for. I’m sorry to tell you this, but first, they don’t want to be bothered. Second, if you go by the book, the service is free of charge. There’s only a PNB (Non-Tax State Revenue) charge of one hundred thousand (IDR) or so. But agencies get paid. That’s what they think. That’s why they make agencies do things for them.” (Interview with Cok Istri Dewi, Public Relations Coordinator of Cinta Bahari Antar Nusa Foundation, 21th December 2012)

Fourth indicator is resources, an important aspect in policy implementation, resources include skilled staff members; adequate implementation guidelines; authority to ascertain that policy has been implemented the way it is intended; and facilities to support implementers’ work. Inadequate resources can lead to implementation failure, non-provision of services, and regulatory failure. At KPPBC Benoa, out of the nineteen staff members available, only three are assigned as implementers who deal with yacht arrivals. Being understaffed, KPPBC Benoa is prone to service delivery problems, particularly during holiday seasons. The condition is admitted as follows by an informant:

“I work at the Treasury and Service Sub-section, assisted by one staff member and one non-permanent administrator. I distribute the work among them, and I do multitasking work myself. They’re a big help for me. But

if I could have more staff members, I’d happily agree. Because we’re understaffed here. ...here at Treasury and Service, there are one permanent staff member and one non-permanent employee to deal with temporary import and other documents. To handle export documents we have two staff members and one non-permanent employee. Staffing is determined by Head of office and the General Affairs Section. We could ask for more staff, that is, if they could give us more staff.” (Interview with Head of Treasury and Service Sub-section, KPPBC Type B Benoa, 12th December 2012)

The facilities available also contribute significantly. To facilitate the office in a modern fashion, the Central Office has furnished each room with air conditioning. When asked if such facilities as desks and computers are available, I Nyoman Rini says there in her room there is one computer for each employee.

“Yes, we do. The facilities we have are helpful. The central office is modernizing the facilities and our office has received some more facilities. Today, we’re inaugurating our new modern office. The central office is ready with everything. They’re going to make the system online.” (Interview with I Nyoman Rini, Head of the Treasury and Service Sub-section, KPPBC Type B Benoa, 12th December 2012)

To improve KPPBC’s performance, the Central Office of the Directorate General of Customs and Excise (DJBC) has added more facilities at KPPBC Benoa to make it a modern office. Some facilities, particularly new computers, have been installed to support the completion of an online system that will connect all KPPBC’s all over Indonesia. All of these are undertaken in order to improve customs and excise services. As an informant explains,

“We don’t have an online system yet. Our offices are not inter-connected, which makes tracking and monitoring difficult. Thus, if a yacht enters via Kupang and departs via Batam, the KPPBC in Batam may not know about it.” (Interview with Head of the Sub-directorate of Temporary Admission, DJBC Central Office, 2th October 2012)

The absence of an integrated online system has made it difficult for different offices and institutions to develop coordination. This situation is admitted below by an informant:

“We don’t have an online system yet. Our offices are not inter-connected, which makes tracking and monitoring difficult. We want to have an online system in the future. Thus, if a yacht enters via Kupang and departs via Batam, the KPPBC in Batam may not know about it.” (Interview with Head of the Sub-directorate of Temporary Admission, DJBC Central Office, 2th October 2012)

To overcome this problem, the Ministry of Tourism and Creative Economy is designing a one-door monitoring

system to facilitate tourists who visit Indonesia by sailing on yachts. The plan is explained below:

“We’re designing a one stop service. Who will run the system is also still being considered: whether it’s us or another institution, for example. Authorizing a private party to run it would mean giving it to the industry. It’s possible to have an agreement with a private party to run the system under a president regulation. But there would surely be administrative costs. We’re considering all possibilities. The bottom line is, we want to develop an online one-stop service system. The service has to include a vessel monitoring system (satellite ship tracking), so we can track foreign yachts operations in Indonesia. With the limited monitoring resources we have, objection to foreign yacht operations come so far from the Armed Forces Headquarters. Their reason is security. On the one hand, a country as big as Indonesia can’t just let them come and go. On the other hand, however, in terms of tourism, the more tourists coming, the better. So, the solution is a vessel monitoring system. It is these two issues that are being considered within the context of President Regulation No. 79 Year 2011.” (Interview with Head of the Sub-directorate of Tourist Destination Region 3, the Ministry of Tourism and Creative Economy, 27th September 2012)

The Vessel Monitoring System is being designed not only to provide One-Stop Service System for yachts entering Indonesia, but it is also designed to perform monitoring of foreign yachts’ mobility in Indonesia. As an informant says,

“This is just a general perspective from monitoring point of view. GPS is a monitoring system. But the monitoring system is to prevent a vessel from being bought or sold and to enable the Customs and Excise authority to track whether it is still within or already out of the territory. So, upon entry a kind of transmitter will be placed on a tourist yacht and will be removed upon exit. It’s rented. But we still have no idea which institution will undertake the tracking and monitoring. Usually the system is used by the Maritime and Fisheries authority on fishing vessels. But it costs a lot of money to develop the system. The issue is still being considered. When the system is applicable, no guarantee will be needed. But because involves satellite technology, the operating cost will be high. Another consideration is that when we’re installing a transmitter on a yacht, tourists will ask, “What’s that? So we’re being monitored? But we’re just here for pleasure.” This, however, can be anticipated by informing them that we have to install a monitoring system for their comfort and safety. They can communicate with us directly if they need help or ask about something.” (Interview with Florida Pardossi, Head of the Region 3 Sub-Directorate

of Regional Tourist Destination, the Ministry of Tourism and Creative Economy, 27th September 2012)

A monitoring system is also needed as an alternative solution to problems arising from temporary admission or import policy. It is hoped that the system can be applied immediately upon design completion and that it will be easier, safer, and more comfortable for more foreign tourists to visit Indonesia by yachts.

CONCLUSION

Implementation of temporary admission policy gives significant contribution to national revenue. However, the content of the policy also has given rise to a number of problems, for example unclear amount of guarantee fee and guarantor’s responsibility. Revision is needed so that the regulation becomes clearer and does not burden a guarantor in case a foreign tourist fails to fulfill his/her customs and excise responsibilities. In terms of its aspect, the implementation of temporary admission policy must be supported by adequate human and technological resources so that KPPBC or other institutions concerned will be able to give the best service and monitor foreign yachts’ activities on Indonesian waters. Therefore, the government is strongly recommended to provide KPPBC and other institutions concerned with the required infrastructure and facilities and immediately develop a Vessel Monitoring System.

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