



State Comptroller of Israel | Local Government Audit | 2022

Systemic Audit

Tourism Management in Local Authorities



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Background

The development of the tourism industry and its management may contribute to the state, region, and local authority's economy. It may bring about growth and prosperity through additional jobs and increased consumption, increase local authorities' income sources from business municipality tax and minimize social and cultural gaps. Before the COVID-19 crisis, in March 2020, the tourism industry was growing in Israel – in 2019, approx. 4.9 million tourists entered Israel – a record, but the estimated potential of approx. 17.9 million tourists had not been met yet. The COVID-19 pandemic led to a crisis – in 2020, the revenues from tourism dropped by approx. 67%, and the number of tourists entering Israel dropped by approx. 82%. Nevertheless, analysts believe that the industry may almost fully recover by 2025. Thus, with a forward-looking view, it is essential that the local authorities analyze the situation, the possibilities to improve tourist infrastructures, and their development potential to be well prepared for the tourists after the COVID-19 crisis.

Key figures

4.9 million	17.9 million	NIS 33.5 billion	NIS 425 million
number of tourists who entered Israel in 2019. In 2020 the number dropped by approx. 82%	the potential number of tourists from eight main countries from which tourists arrive in Israel	the added value of the tourism industry in 2019	the total municipality taxes imposed on hotels by 109 local authorities
25,000	55,618	NIS 670 million	2
number of short-term rental of active assets in 2019 (estimate)	number of hotel rooms in tourist hotels in 2019	the sum the government and five local authorities invested in upgrading and developing tourism areas within their boundaries from 2013 to 2021	number of local authorities out of the seven audited that have a valid tourism master plan; three had an emergency preparedness file related to tourism



Audit actions



From June 2021 to January 2022, the State Comptroller Office conducted an audit in 2017–2021 on tourism management in **Haifa, Tiberias, Jerusalem, Nazareth, Safed, Ramla, and Tel Aviv – Jaffa (the audited local authorities)**. The audit focused on the following: tourism management mechanisms in local authorities, marketing and branding, tourist services, emergency preparedness, and cleanliness and maintenance of tourist areas.

Key findings



Regulation of tourism management mechanism in local authorities – the Ministry of Tourism has not regulated tourism management in local authorities. The Ministry of Interior – the local authorities' regulator, has not established desirable tourism management mechanism guidelines. Nevertheless, the Ministry of Interior had completed strategic work by the audit completion, and published a job description for the head of the tourism department in local authorities, including prerequisites for the position.









Tourism management mechanism in local authorities – not all the audited local authorities employ a designated official in charge of comprehensive management of tourism: **Tiberias** only started establishing such a role; in **Nazareth**, there is an external consultant, but there is no municipal unit with such a designation and attempts to find a suitable candidate to lead it have failed; in **Safed**, the head of tourism has been replaced repeatedly; in **Jerusalem**, there is a statutory authority for that purpose in addition to the municipality, and in **Haifa, Ramla and Tel Aviv – Jaffa** there are municipal associations alongside other entities that operate in this field. Due to the organizational structure of the local authorities and the distribution of powers within them and between the municipal corporations, the managerial entities do not handle nor are authorized to handle all the development activities, particularly touristic sites' maintenance, upgrading, and cleanliness, which fall under the responsibility of other municipal units.




Authority's council activities – except for the Municipal Council of **Tel Aviv – Jaffa**, which held a single discussion on systemic tourism management and occasional discussions on touristic events and current affairs, and except for the Municipal Council of **Tiberias**, which occasionally discussed tourism issues and the establishment of the tourism management unit, other municipal councils do not discuss systemic tourism management, and only discuss specific matters, such as queries on particular projects and the approval of budgets.



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Establishment and function of a tourism committee – the Municipal councils of **Haifa, Tiberias, Nazareth, and Safed** have not appointed a tourism committee. On the other hand, **Jerusalem, Ramla, and Tel Aviv – Jaffa** municipal councils did appoint tourism committees. The Tourism Committee of **Tel Aviv – Jaffa** convened twice in 2019–2021. The Tourism Committee of **Ramla** convened once in 2019 and once in 2020 but did not convene in 2021, and in **Jerusalem**, the committee did not convene in 2019 and convened twice in 2020 and twice in 2021.
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Local authorities master plans – the Ministry of Tourism has not established guidelines or principles for the formation of touristic master plans, their contents, and upgrading. Five of the seven audited local authorities – **Haifa, Tiberias, Jerusalem, Safed, and Ramla** – do not have a touristic master plan for the near future. Moreover, it was found that the existing master plans level is not uniform.
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Tourism as part of the Local Master Plan – **Nazareth, Safed, and Ramla** do not have approved comprehensive master plans. **Safed and Ramla** are in the initial stages of developing their master plans. **Jerusalem** does not have an approved comprehensive master plan. In the early 2000's, the local authority started to form a master plan setting the principles of its development, but the plan was not authorized or validated. Nevertheless, the plan serves as a policy document. **Haifa** has a comprehensive master plan approved in 2019, **Tiberias** has a master plan approved in 2014, and **Tel Aviv – Jaffa** has a comprehensive master plan approved in 2016.
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Measuring marketing effectiveness – **Haifa, Jerusalem, Nazareth, and Tel Aviv – Jaffa** measure their marketing activities' effectiveness. However, **Tiberias and Ramla** stated that they do not conduct such measurements, and **Safed** has not presented any measurements.
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Satisfaction surveys – **Tel Aviv – Jaffa** has conducted satisfaction surveys amongst tourists; **Haifa, Tiberias, Jerusalem, Nazareth, Safed, and Ramla** have not conducted such surveys, although these surveys can monitor opportunities for improvement or preservation.
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Making websites accessible – the law requires that public services entities adjust their websites to enable all their content to be accessible to disabled people. The audited local authorities' touristic websites were not made fully accessible for blind people as required by law. In addition, deficiencies were found in the information these websites contain and the option of phone assistance. These undermine disabled people's ability to exercise their right to equality. It was further found that **Nazareth's** website was unavailable in languages other than Hebrew and that **Safed's** website included only a short introduction in English. The other local authorities – **Haifa, Jerusalem, Tiberias, Ramla, and Tel Aviv – Jaffa** had, at least, bilingual websites. None of the local authorities had translated its website into Arabic.



 **Preparedness for handling tourists on emergencies** – three local authorities – **Haifa, Jerusalem, and Tel Aviv – Jaffa** had preparedness files to handle tourists in emergencies, but the files were incomplete and lacked some specific information, such as a list of measures at their disposal – vehicles, pamphlets and means of information for tourists. **Tiberias, Nazareth, Safed, and Ramla** have no preparedness files. **Tiberias** stated that it prepared an emergency preparedness file following the Audit.

 **Level of maintenance and cleanliness of tourism areas** – over the past eight years, the Israeli Government and five of the audited local authorities invested approx. NIS 670 million in the development of tourism areas. Despite the investment, some maintenance deficiencies and a low level of cleanliness were evident – defective signposts, tiling-related hazards, piles of waste, rubbish stains on sidewalks, and sloppy fencing of construction sites, particularly in tourist areas in **Tiberias, Safed, Nazareth, and Ramla**. Monitoring the number of waste items on tourism areas tours indicates that in six out of the seven audited local authorities – **Haifa, Tiberias, Nazareth, Safed, Ramla, and Tel Aviv – Jaffa** – a relatively large number of waste items were found compared with a clean area with none or only a few items are found. In **Nazareth**, an average of 33 waste items per 100 meters were found in addition to eight massive waste hazards; in **Ramla** – an average of 27 waste items and 10 waste hazards were found; in **Safed** – an average of 23 waste items and 8 waste hazards; in **Tiberias** – 20 items and 12 hazards; in **Haifa** – 14 items and 10 hazards; in **Tel Aviv – Jaffa** – 13 items and 1 hazard; and in **Jerusalem** – 9 items and 2 hazards.



Tourism master plan – amongst the audited local authorities, **Tel Aviv – Jaffa** is the only one that has a tourism master plan for the near future and an updated comprehensive local master plan, which is consistent with the tourism master plan.

Cleanliness of tourism areas in Jerusalem – the lower number of waste items per 100 meters (nine) and a low number of waste hazards were found in **Jerusalem** city center and **Ein Karem**.



Key recommendations

- 💡 **Tourism management mechanism** – it is appropriate that the Ministry of Tourism, along with the Ministry of Interior and the local authorities for which tourism is relevant, examine the current situation and form, based on strategic work and comparison with the situation around the world, principles, guidelines or recommendations for the heads of tourism departments in local authorities and their coordination with other entities. It is appropriate to consider establishing managerial bodies or other integrative bodies to serve several local authorities, and in particular, smaller, adjacent ones.
- 💡 **Discussions held by the council and the tourism committee** – it is appropriate that the audited local authorities' council plenums discuss systemic tourism management at least once a year. It may help to advance tourism in the area, strengthen the coordination between different entities and make strategic decisions. It is appropriate that tourism committees convene frequently in general, and in particular during crises, to ongoing support tourism management in the city, to review plans and projects and to follow up on their implementation.
- 💡 **Development of tourism master plans and their anchor in Comprehensive Local Master Plans** – it is recommended that **Haifa, Tiberias, Jerusalem** and **Safed** develop tourism master plans for the near future and that **Ramla** completes the plan it has started to develop. It is appropriate that the plans cover all the aspects, including preparedness for crisis and emergencies, coordination mechanisms between different entities and update mechanisms, and report and control of the plan implementation. It is recommended that the local authorities, with no comprehensive master plans, form such plans since these plans are the statutory basis outlining the direction for development of the local authority in various fields, including tourism, based on a comprehensive perspective. It is further appropriate that the Ministry of Tourism, along with the Ministry of Interior, review the need for guidelines and principles for local authorities or clusters of authorities (association of cities) form tourism master plans and offer a model to be used by the various authorities thus saving costs of developing individual plans.
- 💡 **Measuring effectiveness of marketing** – it is recommended that **Tiberias, Safed,** and **Ramla** measure their marketing activities' effectiveness to optimize and adjust them.
- 💡 **Satisfaction surveys** – it is recommended that **Haifa, Tiberias, Jerusalem, Nazareth, Safed,** and **Ramla** conduct satisfaction surveys amongst tourists and visitors to monitor opportunities for improvement or preservation and conclude from them. It is



appropriate to consider conducting surveys addressing tourists who did not visit tourist information centers or participate in tours.



Making websites accessible – the audited local authorities should significantly advance their websites' accessibility by consulting with an accessibility specialist as needed. It is recommended that the Ministry of Tourism, in coordination with the Commission for Equal Rights of Persons with Disabilities and the Ministry of Interior, develop guidelines and share them with all the local authorities that operate websites.



Emergency preparedness – **Nazareth, Safed, and Ramla** should complete the preparation of emergency planning files according to the guidelines. The lack of such essential information can disrupt the proper handling of tourists in emergencies and Israel's image and foreign relations. **Haifa, Jerusalem, and Tel Aviv – Jaffa**, where most tourists visit, should complete all is necessary for their emergency planning files.



Maintenance and cleanliness of tourism areas – it is appropriate that the audited local authorities examine the cleanliness of tourism areas and the hazards found in them and take advantage of the crisis period to improve the maintenance and appearance of these areas. Due to the differences between the local authorities and areas' level of cleanliness and appearance, it is appropriate that they implement peer learning, learn from each other's experience, and consider effective ways to improve the appearance of public space in general and tourism areas in particular. Thus the resources invested by the local authorities are used effectively. It is further recommended that the Ministry of Tourism examine a model of allocating budgets for developing tourism infrastructure, including funding for ongoing maintenance for several years. Hence, the investments would be sustainable, and tourism sites would remain well-maintained and clean for the long term.



The change in the number of hotel rooms in the audited local authorities and across the country and the change rate from 2015 to 2020.

Across the Country	Tel Aviv – Jaffa	Safed	Nazareth	Jerusalem	Tiberias	Haifa
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+4,997	+1,360	-50	+295	+1,079	+374	+63
+10%	+18%	-14%	+27%	+11%	+9%	+4%



According to data from the Central Bureau of Statistics, processed by the State Comptroller Office.

Summary

The audit raised that tourism management in local authorities is not regulated. In addition, there are differences between the audited local authorities' level, scope, and management consistency. Following are the current situation deficiencies: lack of powers and uncertainty regarding coordination mechanisms between relevant entities, lack of long-term planning, and low maintenance and cleanliness in tourism areas.

To prepare for the day after the COVID-19 crisis and reach the potential of the tourism industry, it is appropriate to define the managerial and planning bodies and their powers, to form desirable working methods, guidelines, and standards and controls over the quality of services provided to tourists and the quality, maintenance, and cleanliness of the public touristic space. It is appropriate that the elected echelon in local authorities considerably engage in supervising tourism management, in advancing and developing tourism and that the development and advancement of tourism are anchored in comprehensive, valid master plans.