

UTILIZATION OF REGIONAL ASSETS: APPROACH IN DETERMINING ASSET UTILIZATION PATTERN

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ABSTRACT

Utilization of Regional Assets or Utilization of Regional Property is the utilization of BMD that is not used for carrying out the duties and functions of regional work units and/or optimizing Regional Property without changing its ownership status. Utilization of BMD provides opportunities for regions to increase local revenue and improve public facilities. The formulation of the problem in this study is the concept of asset utilization in increasing local revenue, methods of asset utilization, determination of contributions, and case studies of selecting asset utilization methods in the development of archipelagic tourism areas. This study uses a theoretical approach in explaining the concepts and methods of BMD utilization and uses research data in discussing case studies on the selection of BMD utilization methods. This paper aims to provide an overview of the use of regional property and its benefits in increasing PAD. The results of the discussion show that there are 5 methods of asset utilization, namely lease, borrow and use, utilization cooperation, build to handover, build handover, and infrastructure cooperation which each have their own goals, advantages and characteristics. In the context of increasing local revenue, each method of asset utilization (except borrowing and use) has its own form of contribution that is able to increase regional income and/or increase regional assets. The choice of asset utilization method should be based on the regional vision and mission as well as the most effective method has the greatest impact on regional economic growth.

Keywords: Utilization of Regional Assets, Lease, Borrow and Use, Cooperation in Utilization, Build for Handover, Build Handover, Infrastructure Cooperation

INTRODUCTION

Currently, regional assets or what are known as regional property are not only seen as facilities and infrastructure so that regional government affairs can be realized, but assets can be optimized to move the regional economy. Through asset management, local governments are expected to be able to optimize asset management so that they are able to realize sustainable development.

Awareness of the importance of asset management for local governments is increasing day by day along with improvements in asset management regulations at the central and regional levels, demands for financial reporting and demands for regional autonomy. Regional autonomy requires a region to be independent in funding, including optimizing sources of local revenue (PAD). Asset utilization provides an opportunity for regions to increase their PAD and improve public facilities. But in fact, many assets owned by local governments that have not been able to generate profits for the region. Through this asset utilization mechanism, it is hoped that it will become an opportunity for regions to optimize their assets so that they can increase their PAD.

Definition of Utilization according to PP 27/2014 Article 1 is the utilization of state/regional property which is not used for carrying out the duties and functions of the Ministries/Institutions/regional work units and/or optimizing State/Regional Property without changing its ownership status. Utilization is the fourth stage in the management of BMD when referring to Government Regulation of the Republic of Indonesia Number 27

of 2014 concerning the management of state/regional property, article 3 paragraph (2) after planning needs and budgeting, procurement and use.

The formulation of the problem in this study is how the concept of asset utilization in and methods, determination of contributions, and case studies in the selection of asset utilization methods. This study uses a theoretical approach in explaining the concepts, methods and determination of contributions and uses research data to discuss case studies on the selection of asset utilization methods. This paper aims to provide an overview of the use of regional property and its benefits in increasing PAD.

LITERATURE REVIEW

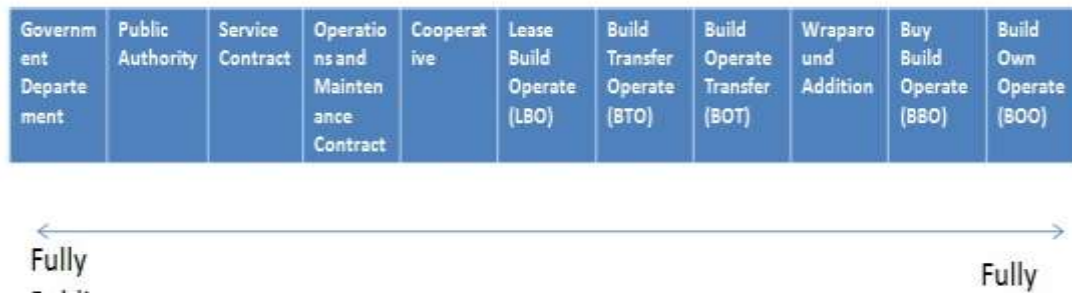
According to Siregar, "assets are goods (things) or anything that has economic value, commercial value, or exchange value owned by a business entity, agency, or individual (178)." Regional assets in the provisions of laws and regulations are also known as Regional Property. Based on Government Regulation of the Republic of Indonesia No. 27/2014 concerning Management of State/Regional Property, Regional Property is all goods purchased or obtained at the expense of the State Revenue and Expenditure Budget or derived from other lawful acquisitions.

Based on Government Regulation of the Republic of Indonesia Number 27 of 2014 concerning Management of State/Regional Property Article 3 paragraph (2) there are 11 cycles in the management of goods including:

- a. Needs planning and budgeting;
- b. Procurement;
- c. Use;
- d. Utilization;
- e. Security and maintenance;
- f. Evaluation;
- g. Transfer;
- h. Extermination;
- i. Deletion;
- j. Administration; and
- k. Guidance, supervision, and control.

In accordance with these provisions, utilization is the fourth stage in the management of BMN/D. In the utilization scheme, Savas uses forms known as the spectrum of public and private partnerships. The infrastructure privatization models are categorized into 3 types of facilities, namely existing facilities, facilities that require investment for expansion or rehabilitation and new facilities to be built. For the existing types of facilities, the privatization model is carried out by selling, renting, and operating and maintenance contracts/agreements. Furthermore, for facilities that require investment for expansion or rehabilitation, the privatization model is by Lease-Build-Operate (LBO) or Buy-Build-Operate (BBO) and wraparound addition where private companies lease or purchase facilities from the government, operating under agreement and pay a certain fee. As for the facilities that will be newly built, the privatization model is by way of Build-Transfer-Operate (BTO), Build-Operate-Transfer (BOT) and Build Own Operate (BOO).

When described the spectrum of public and private partnerships are as follows:



picture 1 The Spectrum of Public and Private Partnership

Based on the figure, the further to the left, the greater the role of the government in asset utilization. While the further to the right, the larger the role of the business entity. The description of each privatization model is as follows:

1. Government Department; the traditional method of providing infrastructure-based services is directly through government department
2. Public Authority; these are being formed by commercialization (managerial and financial autonomy and separate budgets based on user charges) and corporatization (legal company status with separation of ownership and management).
3. Service Contract; specific services associated with infrastructure may be contracted out to private firms.
4. Operations and Maintenance Contract Lease; a private partner operates and maintains a publicly owned facility under a management contract with the sponsoring government, which owns the facility.
5. Cooperative; non profit, voluntary, cooperative association assumes responsibility for the service.
6. Lease Build Operate (LBO); a private firm is given a long-term lease to develop (with its own funds) and operate an expanded facility. It recovers its investment plus a reasonable return over the term of the lease and pays a rental fee
7. Build-Transfer-Operate (BTO); a private developer finances and builds a facility and, upon completion, transfers legal ownership to the sponsoring government agency. The agency then leases the facility back to developer under a long-term lease, during which the developer operates the facility and has the opportunity to recover his investment and earn a reasonable return from user charges and commercial activities.
8. Build-Operate-Transfer (BTO); a private developer is awarded a franchise (concession) to finance, build, own, and operate a facility (hence this is sometimes referred to as BOOT- build, own, operate, and transfer), and to collect user fees for a specified period, after which ownership of the facility is transferred to the public sector. Similar to BTO but may encounter legal, regulatory, and liability issues arising during the long period of private ownership before the transfer.
9. Wraparound addition; a private developer finances and constructs an addition to an existing public facility, and then operates the combined facility either for a fixed period or until he recovers costs plus a reasonable return on his invested capital. He may own the addition.
10. Buy-Build-Operate (BBO); an existing public facility is sold to a private partner who renovates or expands it and operates it in perpetuity under a franchise. This is equivalent to divesting a company, which then operates under a franchise.
11. Build-Own-Operate (BOO); a private developer finances, builds, owns, and operates a facility in perpetuity under a franchise, subject to regulatory constraints on pricing and operations. The long-term property rights provide a significant financial incentive for capital investment in the facility.

DISCUSSION

Asset Utilization and Improvement Regional Original Income

Since the enactment of the Regional Autonomy Law, the Regions have the authority to regulate and manage government affairs within the system of the Unitary State of the Republic of Indonesia or known as decentralization. The meaning of decentralization as stated by Duncan (2007:713) is a process where central government transfers political, fiscal and administrative powers to lower levels in an administrative and territorial hierarchy. Based on this understanding, decentralization is not only interpreted as the transfer of authority politically and administratively but also the delegation of authority from the fiscal sector.

Basically, fiscal decentralization is a concept that is intended so that regions have the authority to explore their own sources of local revenue, manage their own finances and use them according to what they had previously planned (Soleh, 2010:37). manage their respective regions according to the needs and potential of the region. Fiscal decentralization also provides an opportunity to increase economic prosperity. Decentralized choice in the public sector (as in the private sector) provides an opportunity to increase economic welfare by tailoring levels of consumption to the preferences of smaller, more homogeneous groups (Oates, 1988:5). Tiebout's model explains that the choice of decentralization in the public sector is to increase the efficiency of resource allocation. As Oates also argues that fiscal decentralization is carried out to improve economic welfare. the contribution of regional original income, both from the regional tax sector, regional levies, and other legitimate regional original revenues, shows an increasing trend towards regional income.

Efforts made by local governments to increase their PAD have faced many challenges. This is due to the fact that local revenue, especially local taxes and levies, tends to be biased towards areas with a high level of urbanization (urban-biased), such as hotel taxes, restaurant taxes, and vehicle taxes. Motorized, and so on. So that for areas whose urban elements are not too high, the potential for tax revenue will be small.

One of the strategies in increasing PAD that can be carried out by the Regional Government is through asset utilization. Through the 5 schemes in utilizing these assets, apart from optimizing the assets owned, it can also increase the ability of assets to generate profits through several contributions in accordance with the asset utilization method. In addition, through the use of assets, it can increase the value of assets which can also be a trigger in increasing PAD, especially in the regional tax and regional levies sector. Fiscal decentralization requires regions to increase creativity in collecting funding so that they can self-finance regional expenditures according to their needs. One form of self-financing is to maintain that

Contribution is one of the benefits obtained from the use of Regional Property. There are several types of contributions, the form of which depends on the form of utilization chosen. The types of contributions in the utilization scheme are as follows:

1. The amount of the rental value (if the utilization is in the form of a lease). What is meant by "Rental rate formula" is the calculation of Rent value by multiplying a certain index with the value of State/Regional Property. What is meant by "rental amount" is the nominal value of the determined State/Regional Property Rent.
2. Annual contribution (if the utilization is in the form of a handover/build-up handover) whose amount is determined based on the results of the calculation of the team formed by the authorized official.
3. Fixed contribution and profit sharing (if the utilization is in the form of joint utilization). The calculation of the amount of the profit-sharing contribution that is part of the Central/Regional Government must pay attention to the comparison of the value of State/Regional Property which is the object of the Utilization Cooperation and other benefits received by the Central/Regional Government with the investment value of partners in the Utilization Cooperation. The amount of the fixed contribution and the distribution of profits from the utilization cooperation shall be determined based on the calculation results of the team formed by the Decree of the Regional.

4. Sharing excess profits (if the utilization is in the form of infrastructure cooperation)

Determination of the contribution in the use of State Property is determined by the activity of regional property valuation. This is in accordance with the mandate of Government Regulation No. 27/2014 concerning the Management of State/Regional Property that the valuation of State/Regional Property is carried out in order to obtain a fair value. Valuation of State/Regional Property is carried out in the context of preparing the government's balance sheet, utilization and Transfer of State/Regional Property. Under certain conditions, Property Country/Region whose value has been determined in the balance sheet of the Central Government/Government Area, can be reassessed.

Methods in Utilizing Regional Property

In the context of asset utilization in Indonesia, several E.S. Savas was adopted and stated in the Government Regulation of the Republic of Indonesia Number 27 of 2014 concerning Management of State/Regional Property (BMN/D) Article 27, that basically there are 5 methods of utilizing BMN/D, namely:

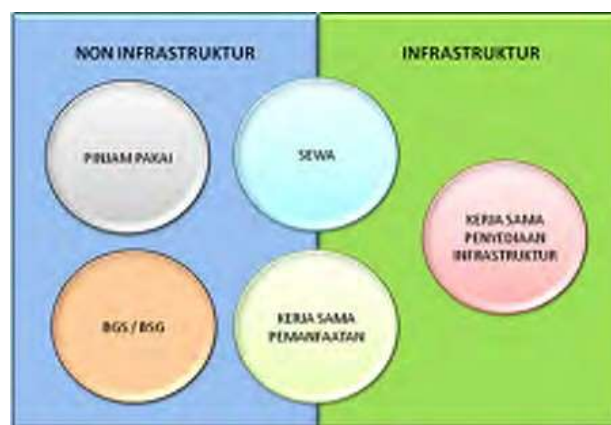


Figure 2 Asset Utilization Method

BGS/BSG, Rent, Cooperation in utilization can be carried out in the form of non-infrastructure utilization, while in the form of infrastructure, the forms of utilization that can be chosen are rental, cooperation in utilization and cooperation in infrastructure provision. The scope of infrastructure activities based on Article 33 paragraph (3) includes:

- A. Transportation infrastructure includes sea ports, rivers and/or lakes, airports, terminals, and/or rail networks and/or train stations;
- B. Road infrastructure includes special lane roads, toll roads, and/or toll bridges;
- C. Water resources infrastructure includes raw water carriers and/or reservoir/dam;
- D. Drinking water infrastructure includes raw water collection buildings, transmission networks, distribution networks, and/or drinking water treatment plants;
- E. Waste water infrastructure includes waste water treatment installations, collection network and/or main network, and/or waste facilities including transport and/or disposal sites;
- F. Telecommunications infrastructure includes telecommunications networks;
- G. Electricity infrastructure includes power generation, transmission, distribution and/or installation of electricity; and/or
- H. Oil and/or natural gas infrastructure includes processing installations, storage, transportation, transmission, and/or distribution of oil and/or natural gas.

The following will explain the method of utilizing regional property (BMD) based on PP 27 of 2014 concerning the management of BMN/D as follows:

1. Rent

Lease is the use of BMD by other parties within a certain period of time and receiving cash advances in return. The object of the lease is land and/or buildings that have been handed over by the Property User to the Governor/Regent/Mayor; Regional Property in the form of part of the land and/or which is still used by the user of the goods; and BMD other than land and/or buildings.

The purpose of the lease is to optimize BMD that has not been or is not used in the implementation of its main tasks and functions and to prevent unauthorized use by other parties. BMD rental is carried out as long as it does not harm the region and does not interfere with the implementation of the duties and functions of regional government administration.

The maximum rental period is 5 (five) years from the signing of the agreement. The lease term can be more than 5 years and can be extended for:

- a. Infrastructure cooperation;
- b. activities with business characteristics that require a lease period of more than 5 (five) years, or;
- c. determined by law

The rental partners are:

- a. Regional Government in terms of utilizing BMD not for carrying out tasks & functions
- b. State/Regional Owned Enterprises
- c. Private
 - Individual
 - Civil Guild/Firm/Commandatory
 - Limited company
 - International institutions/organizations/
 - Foundation
 - Cooperative
- d. Supporting units for government/state administration activities
 - PNS/TNI/POLRI associations/associations
 - Union/association of wives of civil servants/TNI/POLRI
 - Other activity support units
- e. Other Legal Entities
 - Bank Indonesia
 - Deposit Insurance Agency
 - State-owned legal entities
 - International/foreign legal entities

2. Lease

Borrow-to-use is the transfer of the use of goods between the Central Government and Regional Governments or between Regional Governments within a certain period of time without receiving compensation and after the period ends, it is returned to the Property Manager. The object of borrow-to-use is in the form of land and/or buildings that have been handed over by the Property User to the Governor/Regent/Mayor; Regional Property in the form of part of the land and/or which is still used by the user of the goods; and BMD other than land and/or buildings. The aim is to optimize BMD that has not been/not used in the implementation of the main tasks and functions as well as to support the implementation of local government.

Maximum loan term is 5 year and can be extended once. In the event that it will be extended, a request for an extension is submitted no later than 2 months before the end of the period.

Borrowers are prohibited from making use of the object of borrowed use. The use borrower can change the BMD as long as it does not make changes that result in changes in function and/or a decrease in the value of BMD and as long as it has received approval from the User/Property Manager. Maintenance and costs incurred

during the loan-use period are the responsibility of the borrower. After the loan-use period ends, the borrower must return the borrowed BMD in the conditions according to the agreement.

3. Utilization Cooperation

Utilization cooperation is the utilization of Regional Property by other parties within a certain period of time in the context of increasing regional income and other sources of financing. Cooperation in the Utilization of Regional Property with Other Parties is carried out in order to optimize the usability and yield of Regional Property; and/or increase regional income. The conditions behind the utilization cooperation are not available or insufficient funds are available in the Regional Revenue and Expenditure Budget to meet the operational, maintenance, and/or repair costs required for the Regional Property. The object of borrow-to-use is in the form of land and/or buildings that have been handed over by the Property User to the Governor/Regent/Mayor, Regional Property in the form of part of the land and/or which is still used by the user of the goods, and BMD other than land and/or buildings.

Cooperation in the use of BMD does not change the status of BMD. The utilization cooperation partners must pay a fixed contribution every year for the specified operating period and share the profits from the utilization cooperation into the regional general treasury account.

The amount of the payment of the fixed contribution and the distribution of profits from the Utilization Cooperation shall be determined from the results of the calculation of the team formed by:

1. Governor/Regent/Mayor, for Regional Property in the form of land and/or buildings;
2. Regional Property Manager, for Regional Property other than land and/or buildings.

The amount of the payment of the fixed contribution and the distribution of profits from the Utilization Cooperation must be approved by the Property Manager.

In the Cooperation for the Utilization of Regional Property in the form of land and/or buildings, part of the permanent contribution and the distribution of profits may be in the form of buildings and their facilities which are built in a single planning unit but are not included as objects of the Utilization Cooperation. The amount of the value of the building and its facilities as part of the fixed contribution and profit sharing contribution of a maximum of 10% (ten percent) of the total fixed contribution receipts and profit sharing during the cooperation period

Utilization. Buildings that are built with a fixed cost of part of the contribution and profit sharing from the beginning of its procurement are Regional Property. In the case of a Cooperation partner for the Utilization of Regional Property for the provision of infrastructure in the form of a Regional Owned Enterprise, the permanent contribution and profit sharing can be set at a maximum of 70% (seventy percent) of the team's calculation results.

The term of the Utilization Cooperation is a maximum of 30 (thirty) years since the agreement is signed and can be extended. The period of Cooperation in the Utilization of Regional Property for the provision of infrastructure can be extended for a maximum of 50 (fifty) years since the agreement is signed and can be extended. As for the cooperation partners in the utilization of State/Regional Public Owned Bodies and private parties except individuals. During the period of operation, the Utilization Cooperation partner is prohibited from guaranteeing or pawn the Regional Property which is the object of the Utilization Cooperation. Land, buildings, buildings, facilities and facilities built by KSP Partners become BMN since they are handed over to the Government according to the agreement or at the end of the agreement.

4. Build to Handover (BGS)/Wake up Handover (BSG)

Build-Use-Transfer is the utilization of Regional Property in the form of land by another party by constructing buildings and/or facilities and their facilities, then utilized by the other party within a certain period of time

that has been agreed upon, to be subsequently handed back the land along with the buildings and/or the following facilities after the expiry of the term. While Build Handover is the use of Regional Property in the form of land by another party by constructing buildings and/or facilities and their facilities, and after completion of construction they are handed over to be utilized by the other party within a certain agreed period of time.

Build for Handover or Build Handover for State/Regional Property is carried out with the following considerations:

- a. Property users require buildings and facilities for the administration of state/regional government for the benefit of public services in the context of carrying out their duties and functions; and
- b. Not available or insufficient funds are available in the State/Regional Revenue and Expenditure Budget for the provision of such buildings and facilities.

Regional Property in the form of land whose use status is with the Property User and has been planned for the implementation of the duties and functions of the Property User concerned, can be carried out Build-Use-Handover or Build-Use-Handover after it has been submitted to:

- a. Item Manager, for Property Country; or
- b. Governor/Regent/Mayor, for Goods Regional Owned

The period of Build-to-Delivery or Build-Use-Handover is a maximum of 30 (thirty) years since the agreement was signed and cannot be extended. The determination of Bangun Guna Serah partners or Bangun Serah Guna partners is carried out through tenders. The partners of BGS/BSG are State/Regional-Owned Public Entities, private parties except individuals, Legal Entities. In the event that the BGS/BSG partner forms a consortium, the BGS/BSG partner must establish an Indonesian legal entity as a party acting for and on behalf of the BGS/BSG Partner in the BGS/BSG agreement.

The Bangun Guna Serah Partner or the designated Bangun Serah Guna partner, during the period of operation has the following obligations:

- a. Must pay contributions to the State/Regional General Treasury account every year, the amount of which is determined based on the results of the calculation of the team formed by the authorized official;
- b. Obligated to maintain the object of Build-to-Delivery or Build-Use-Handover; and
- c. Are prohibited from pledging, pledging, or transferring:
 1. The land that is the object of Build-Use Handover or Build Handover;
 2. The results of the Build-Use-Handover which are used directly for the implementation of the tasks and functions of the Central/Regional Government; and/or
 3. The results of the Handover Building.

Within the period of operation, the results of the Build-Use-Handover or Build-Handover must be used directly for the implementation of tasks and functions of the Central/Regional Government of at least 10% (ten percent).

The Build-Use-Handover Partner of Regional Property must submit the Build-Use-Owned Object to the Governor/Regent/Mayor at the end of the operation period, after an audit has been carried out by the Government's internal supervisory apparatus in the following manner:

- a. Build Handover partners must hand over the Build Handover object to Governor/Regent/Mayor after completion of construction;
- b. The results of the Handover of Building which are submitted to the Governor/Regent/Mayor shall be designated as Regional Property;
- c. Build Handover partners can utilize Regional Property as referred to in letter b according to the period stipulated in the agreement; and

d. After the utilization period ends, the object of Constructed Handover shall first be audited by the Government's internal supervisory apparatus before its use is determined by the Governor/Regent/Mayor.

Infrastructure Provision Cooperation

Cooperation in the provision of infrastructure is cooperation between the Government and Business Entities for infrastructure provision activities in accordance with the provisions of laws and regulations. Cooperation in the Provision of Infrastructure for State/Regional Property is carried out on:

- a. Regional Property in the form of land and/or buildings at the Property Manager/Property User;
 - b. Regional Property in the form of part of the land and/or buildings that are still used by the Property User;
- or
- c. Regional Property other than land and/or buildings.

Cooperation in the Provision of Infrastructure for State/Regional Property is carried out between the Government and Business Entities. The Business Entity as referred to is a business entity in the form of:

- a. limited company;
- b. State-owned enterprises;
- c. Regional owned enterprises; and/or d. Cooperative

The term of the Infrastructure Provision Cooperation is a maximum of 50 (fifty) years and can be extended. The determination of partners for the Infrastructure Provision Cooperation is carried out in accordance with the provisions of the legislation. Infrastructure Provision Cooperation Partners that have been determined, during the working period

Same Infrastructure Provision:

- a. prohibited from pledging, mortgaging, or transferring State/Regional Property which is the object of Cooperation in the Provision of Infrastructure;
- b. obliged to maintain the object of the Cooperation in the Provision of Infrastructure and the goods resulting from the Cooperation in the Provision of Infrastructure; and
- c. can be charged the distribution of excess profits as long as there is an excess of profits obtained from what was determined at the time the agreement was started (clawback).

The excess profit sharing is deposited into the State/Regional General Treasury with a formula and/or the amount of the excess profit sharing is determined by:

- a. Property Manager, for State-Owned Goods; or
- b. Governor/Regent/Mayor, for Goods Regional Owned.

The Infrastructure Provision Cooperation Partner must submit the object of the Infrastructure Provision Cooperation and the goods resulting from the Infrastructure Provision Cooperation to the Government at the end of the Infrastructure Provision Cooperation period according to the agreement. The goods resulting from the Cooperation in the Provision of Infrastructure become State/Regional Owned Property since they are handed over to the Government according to the agreement.

Case Study of Selection of Methods for Utilizing Regional Property in the Development of the Thousand Islands Tourism Area of DKI Jakarta

The development of tourist areas in the era of regional autonomy is one of the potentials in increasing Regional Original Income (PAD). This is because Original Regional Revenues, especially Regional Taxes and Levies, tend to be biased towards areas with a high level of urbanization (urban-biased), such as Hotel Taxes, Restaurant Taxes, and Motor Vehicle Taxes. There are many regional ways to increase PAD, one way is by triggering the Archipelago tourism sector The development of the tourism sector must be able to bring in potential domestic and foreign tourists. Tourists who do not just visit the beach and pass by, but tourists whose

utilization. Based on the results of the interview, it is known that the third party that uses it is the private sector. Thus, the possible utilization models are lease, build-to-handover/build-up handover, and utilization cooperation.

When viewed in terms of the utilization period, the form of rental cooperation has weaknesses because the maximum utilization period is 5 years and can be extended if it fulfills 3 conditions:

1. Infrastructure cooperation
2. Activities with business characteristics that require a lease period of more than 5 years, or
3. It is determined otherwise by law.

Referring to these provisions, the form of lease utilization is considered inappropriate considering that the relatively short period of utilization poses a risk of investment security for the investor. The utilization period, which will be evaluated every 5 years, provides the potential for uncertainty in hotel investment in the area. Based on these considerations, the most possible form of utilization is Build-Use Handover/Wake-Handover and Utilization Cooperation. The selection of the form of cooperation will depend on the basis of the considerations of the Regional Government of the Thousand Islands Regency. The basis of cooperation in the use of Regional Property (BMD) in order to optimize the usability and efficiency of BMD and increase regional revenues. The basic considerations for Build-Use-Delivery/Building Handover are that the user of the goods requires buildings and facilities for the administration of the state/regional government for the benefit of public services in the context of carrying out tasks and functions and there are not available or insufficient funds in the APBD for the provision of buildings. and these facilities. The basis for considering the implementation of utilization causes different consequences both in terms of time and type contribution. The selection of the form of utilization must be based on the vision and mission of local government tourism and be able to cause a multiplier effect on the community's economy. For this reason, there are two utilization policy models that can be proposed:

Build-to-Delive or Build Model Handover (BGS/BSG)

a. Utilization Motives with Shapes Use Handover or Build Handover

The BGS/BSG utilization model is required when the user of the goods requires buildings and facilities for the administration of state/regional government for the benefit of public services in the context of carrying out tasks and functions and there are not available or insufficient funds available in the APBD for the provision of such buildings and facilities. Based on this, if the Thousand Islands Regency Government requires buildings and facilities to carry out the main tasks and functions, the utilization of the Coastal Island Tourism Area can be in the form of using the BSG/BGS mechanism. The parties that can become BGS/BSG partners are BUMN/D, private (except individuals).

b. The difference between getting up to hand over and getting up Handover

Basically, BGS is the use of central government land by other parties by constructing buildings and/or facilities along with their facilities, then utilized by the other party within a certain agreed period and then handed back to the Property Manager after the period ends. Meanwhile, BSG is the use of land owned by the central government by other parties by constructing buildings and/or facilities along with their facilities, then handed over to the Property Manager to be utilized by the other party within a short period of time.

which has been agreed. The basic difference between BGS and BSG is related to the audit system. In BSG audits are carried out at the beginning before being put into operation. The advantage is that the Blood Government can find out the value of the building so that it has high legal legitimacy. BSG partners are obligated to submit the BSG result building when the contract expires with the building value in accordance with the initial audit. While the BGS audit is carried out at the end. The BGS system has weaknesses related to willingness in building maintenance.

Several empirical facts show that BSG is more effective than BGS. One of the research studies conducted through benchmarking studies with the District Government of the Thousand Islands, the form of utilization is more focused on BSG, this is because based on the experience of collaborative utilization that has occurred so far that the condition of the building at the end of the contract period is not maintained. For this reason, the current form of utilization of the Thousand Islands Regency Government is directed to the Build Handover (BSG) model.

The second fact is related to the experience of the Thousand Islands Regency Government on Coastal Coastal Management using the BGS mechanism where problems occur when the building is handed over to the local government after the end of the contract period. The BGS mechanism has another effect where third parties feel they own the building after 30 years of utilizing regional assets without conducting asset audits at the beginning of construction. Based on these facts, if the Regional Government of the Thousand Islands Regency wants to choose this model in utilizing the Coastal Island Coastal Area, then it should use the Build Handover (BSG) mechanism.

c. Advantages of the Build-to-Delivery Model Build Handover

1) Maintained Asset Security

Asset security using models BGS/BSG is higher than cooperation in utilization is caused by several things:

- Article 36 paragraph (1) that the period of BGS/BSG is no longer than 30 years since the agreement is signed. The maximum period of 30 years is a consequence if it refers to the utilization motive using the BSG/BGS mechanism. Basically this mechanism is intended when local governments need assets in carrying out their main tasks and functions but do not have sufficient funds. Therefore, the nature of the period of asset utilization is limited so that it can be used as soon as possible in the implementation of main tasks and functions.
- Article 36 paragraph (3) letters b and c, that BGS/BSG Partners during the period of operation 1) are required to maintain the BGS/BSG object and 2) are prohibited from pledging, mortgaging, or transferring land that is the object of BGS/BSG; The results of the BGS are used directly for the implementation of the tasks and functions of the Regional Government, and the results of the Handover Construction.
- Article 36 paragraph (6) that "Permits to construct buildings in the context of Build-Use Handover or Build-Handover must be in the name of the Regional Government for Regional Property". This condition has advantages as well as disadvantages. The advantage is that the local government has legal legitimacy in licensing construction through the BGS/BSG mechanism. For these advantages, the government needs to allocate a certain amount of funds to finance the administration of these permits.

2) Nature of Contribution

- This mechanism requires third parties to pay contributions to the Regional General Treasury Account annually, the amount of which is determined based on the results of the calculation of the team formed by the authorized official.
- There are other advantages of the BGS/BSG model where 10% of the results of the Build-Use-Handover or the Build-Handover must be used directly for the implementation of tasks and functions of the Central/Regional Government at least 10% (ten percent). This clause provides space for local governments to obtain buildings at the beginning of the construction period. If the use of coastal tourism areas, then the building can be designated for SKPD related to tourism development or other SKPD that functions to support the development of the tourism sector, for example the Cooperatives Service, MSMEs, and so on. The amount of the BGS/BSG object portion used for tasks and functions is determined by the Property Manager/ Property User.

Utilization Cooperation Model

a. Motive of Utilization of Cooperation Utilization

Utilization Cooperation Model can be used if the object is land/building, part of land/building and other than land/building. Regarding the scope of utilization objects, the utilization cooperation model is more flexible than BGS/BSG because it includes objects other than land and buildings. The cooperation model has advantages in terms of the maximum utilization period of 30 (thirty) years from the signing of the KSP agreement and can be extended.

b. Characteristics of the cooperative utilization model

The characteristics of utilization cooperation are as follows:

- a). Land, buildings, buildings, facilities, and facilities built by KSP partners become BMD since they are handed over to the government in accordance with the agreement or at the end of the agreement
- b). KSP preparation costs incurred by Property Manager or Property User s.d. The appointment of KSP Partners is charged to the APBD
- c.) KSP preparation costs that occur after the determination of the KSP Partner are charged to the KSP partner and are not taken into account in profit sharing
- d.) KSP partners are determined through tenders, except for special BMD
- e) Parties that can become partners are BUMD and Private except individuals

Contribution types are:

There are two types of contributions, namely:

- Fixed contribution Calculation of fixed contribution = Percentage of fixed contribution x fair value of KSP object
- Revenue sharing KSP Calculation of profit sharing = Calculation of Profit Sharing x Amount of Profit from KSP Implementation Contributions can be in the form of buildings
- Cooperation in the Utilization of State/Regional Property in the form of land and/or buildings, part of the permanent contribution and profit sharing can be in the form of buildings and their facilities which are built in a single planning unit but are not included as objects of the Utilization Cooperation.
- The amount of the value of the building and its facilities as part of the fixed contribution and profit sharing contribution of a maximum of 10% (ten percent) of the total fixed contribution receipts and profit sharing during the Cooperation period. is State/Regional Property.

Contributions in the form of buildings can be designated for the construction of public facilities and infrastructure and are not tied to development in order to support tasks the principal and functions of certain SKPD as required in the BGS and BSG In the end, either the BGS/BSG or the Utilization Cooperation will be handed over to the regions at the end of the contract period. Each form of cooperation has advantages and disadvantages and is a trade off so that the choice of model is highly dependent on the motives of the local government in tourism development. If the urgency lies in adding facilities for the implementation of tupoksi but the local government does not yet have sufficient funds, the form of utilization can be directed to the BGS/BSG. However, if the urgency lies in increasing PAD, the form of utilization can be directed to utilization cooperation.

In principle, regional development must be a stimulus for the community to improve the economy in the Thousand Islands Regency area. With the development of the tourism sector, it is hoped that it will provide a trickle down effect on increasing PAD. The government's role, apart from being a regulator, also acts as a stimulator. Funds owned by local governments can be used as a stimulant to direct private/public investment in the direction desired by the local government. To attract tourists to visit the Thousand Islands Regency, it can be done through several aspects such as the tourism sector, culture, and the creative industry.

CONCLUSION

Utilization of Regional Property (BMD) is the utilization of BMD that is not used for carrying out the duties and functions of regional work units and/or optimizing Regional Property without changing its ownership status. Utilization of BMD provides opportunities for regions to increase their PAD and improve public facilities. There are types of use of borrow-to-use, BGS/BSG, Lease, Cooperation in utilization that can be carried out in the form of non-infrastructure utilization, while in the form of infrastructure, the forms of utilization that can be selected are lease, cooperation. utilization and cooperation in the provision of infrastructure. In the context of increasing regional original income, each method of asset utilization (except borrowing and use) has its own form of contribution that is able to increase regional income and or increase regional assets.

Each form of cooperation has advantages and disadvantages and is a trade-off, so the choice of model is highly dependent on the motives of the local government in tourism development. If the urgency lies in adding facilities for the implementation of tupoksi but the local government does not yet have sufficient funds, the form of utilization can be directed to BGS/BSG. However, if the urgency lies in increasing PAD, the form of utilization can be directed to utilization cooperation. In addition, the selection of the asset utilization method should be based on the regional vision and mission as well as the method that has the greatest impact on regional economic growth.

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