**QUESTION FOR WRITTEN REPLY**

**NATIONAL ASSEMBLY**

**511. Mr H C C Krüger (DA) to ask the Minister of Small Business Development:**

1. **Whether there are any vacancies in her department; if so, (a) which vacancies are key positions and (b) what effect do the vacancies in the specified key positions have on the execution of her department’s mandate;**
2. **whether there are any small business industrial parks and/or small business incubators in the (a) Dr J S Moroka Local Municipality and (b) Thembisile Hani Local Municipality; if so, what is the (a) status, (b) location and (c) number of small businesses that are assisted by her department in the specified municipalities;**

**(3) (a) what is the total number of regulatory measures (Red Tape) that were removed or adjusted to ease the environment for small businesses in municipalities because of her department’s roll out of the red tape strategy for municipalities and (b) what are the further relevant details in this regard?**

**NW568E**

**REPLY:**

(1) The structure of the Department of Small Business Development (DSBD) currently shows 20 vacancies. Following the review of the first draft of the Strategic Plan and Annual Performance Plan submitted on 30 August 2016, the DSBD received feedback on 22 November 2016 from the Department of Planning, Monitoring and Evaluation (DPME) and the National Treasury which required a fundamental review of the DSBD Strategy. The DSBD could not fill the Line Function posts due toj the methodology of “structure follows strategy”. The proposed structure (prepared for consultation with the DPSA) developed during 2016 had to be discarded. A business case for the new structure (in alignment with the revised strategy) will be prepared during the 2017/2018 financial year.

(a) The current structure shows the following funded vacant key positions:

(i) Deputy Director General (DDG): Enterprise Development & Entrepreneurship.

(ii) Deputy Director General: Co-operatives Development and Enterprise Competitiveness Support.

Kindly note that the designation of the two (2) funded DDG’s is likely to change.

(b) The Minister has appointed two Senior Managers to act in the above mentioned vacant DDG posts. The vacancies have, therefore, not severely impacted the functioning of the Department in terms of the execution of its mandate.

(2)(a)&(b) The pilot phase of the Enterprise Incubation Programme (EIP) ending 31 March 2017 has not received submissions from small business incubators in Dr J S Moroka Local Municipality and the Thembisile Hani Local Municipality. The has been no incubation from the Small Enterprise Development Agency (SEDA) nor any industrial park through the Department of Trade and Industry (thedti) in Dr J S Moroka Local Municipality and the Thembisile Hani Local Municipality

(c) The Informal and Micro Enterprise Development Proramme (IMEDP) has supported 43 businesses in Dr JS Moroka and 30 in the Thembisile Hani, to a total of 73 informal businesses in these two municipalities combined.

(3) (a) The DSBD is currently conducting the Red Tape Reduction programme in partnership with the Department of Cooperative Governance and Traditional Affairs (CoGTA), the South African Local Government Association (SALGA) as well as the International Labour Organisation (ILO) focusing on red tape reduction as experienced by small, micro and medium enterprises (SMMEs) and Co-operatives within the different municipalities. The regulatory and administrative burdens which are being addressed and removed are linked to the following seven indicators and associated legislation and regulations:

(i) Effectiveness of the complaints notification system as governed by the Municipal Systems Act;

(ii) Communication of relevant business information by municipalities to SMMEs and Co-operatives as governed by the Promotion of Access to Information Act;

(iii) Municipal building plan approval processes as governed by the National Building Standards Act, Spatial Planning and Land Use Management Act as well as Municipal Services Charter;

(iv) Lengthy and inefficient supply chain management processes (which ultimately affects the 30-day payment system) relevant legislation would be the Preferential Procurement Policy Framework Act (PPPFA), Municipal Finance Management Act (MFMA) and Preferential Procurement Regulations;

(v) Municipal business registration and permits relevant legislation includes: Business Act, National Health Act, National Building Regulations and Building Standards Act including various by-laws that are relevant to the business licensing process, e.g. municipal by-law on food or tourism regulations;

(vi) Development and enforcement of municipal by-laws that promote business development, some of the relevant legislation include the Municipal Systems Act and Local Government Transition Act; and

(vii) Assessment of percentage spent in procurement from SMMEs and Co-operatives aligned to the PPPFA and MFMA and preferential procurement regulations.

Each of the above mentioned indicators has a specific number of legislation and regulations of which each municipality is responsible for assessing and ultimately removing as per specific municipal context and action plan.

(b) The DSBD is also conducting a national study on legislative and regulatory protocols impeding on SMMEs and Co-operatives, and the key focus areas of the study are: (i) registration and reporting under tax, company registration and labour laws; (ii) state procurement; (iii) construction; and (iv) broad-based black economic empowerment. The draft report will be finalised by the end March 2017.