**QUESTION FOR WRITTEN REPLY**

**NATIONAL ASSEMBLY**

**“514. Ms D Kohler (DA) to ask the Minister of Small Business Development:**

**(1) Since her reply to question 767 on 5 April 2016, (a) what is the current status of the plan to reduce red tape in the Ephraim Mogale Local Municipality in Limpopo, (b) what is the total number unnecessary (i) policies, (ii) by-laws and (iii) regulations that were rescinded during the process to reduce red tape in the specified municipality and (c) what total amount of administration costs will the specified intervention save businesses in the specified municipality;**

**(2) can she list three or more examples of the red tape that was cut because of the specified intervention in the specified municipality?”**

**NW571E**

**REPLY:**

(1) (a) Since April 2016, the Department of Small Business Development (DSBD) programme in partnership with Department of Cooperative Governance and Traditional Affairs (CoGTA) and the South African Local Government Association (SALGA), begun the process of assessing the implementation of the Red Tape Reduction (RTR) guidelines by municipalities. This process is also supported by the International Labour Organisation (ILO). The assessment is based on reducing the regulatory and administrative burdens as experienced by small, micro and medium enterprises (SMMEs) and Co-operatives within the different municipalities. The assessment is based on the following seven indicators and associated legislation/regulations:

1. Effectiveness of the complaints notification system as governed by the Municipal Systems Act;
2. Communication of relevant business information by municipalities to SMMEs and Co-operatives as governed by the Promotion of Access to Information Act;
3. 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;
4. Lengthy and inefficient supply chain management processes (which ultimately affects the 30-day payment system). Relevant legislation would be PPPFA, MFMA and Preferential Procurement Regulations;
5. Municipal business registration and permits relevant legislation includes: Business Act, National Health Act, National Building Regulations and Building Standards Act including various by-laws those which 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;

1. Assessment of percentage spent in procurement on SMMEs and Co-operatives aligned to the PPPFA and MFMA and preferential procurement regulations.

(b) In terms of **Ephraim Mogale Local Municipality** the total number of unnecessary (i) policies, (ii) by-laws, and (iii) regulations including associated administrative burdens considered for review regarding red tape reduction as guided by the above mentioned indicators and associated legislation/regulations are as follows: (i) the reviewing of the informal sector by-laws: (ii) the non-payment of invoices within 30 days as per national treasury regulation 8.2.3, and (iii) reviewing of the building plan approval process .

(c) The total amount of administration costs is determined by each municipality, however the examples mentioned under point (2) outline how the red tape reduction intervention by DSBD has supported the municipality. The total value of these administrative interventions have not been calculated by the municipality.

(2) The examples that outline improvement since April 2016 are as follows (i) the municipality has been able to review informal sector by-laws approved by Council which among others” includes the processes and procedures for the establishment of hawkers and informal traders associations in the area. The informal traders associations will assist the municipality to have an accurate database on the numbers of hawkers in the area and also for the development of target driven programmes for business development and to support hawkers towards formalisation. (ii) The delegation of powers has been amended to allow divisional managers to authorise payments in order to fast track the processing of invoices to SMMEs and Co-operatives within 30 days or less.(iii) the building plans of less than 500 square meters are now assessed within 10 days of receipt.