**QUESTION FOR WRITTEN REPLY**

**NATIONAL ASSEMBLY**

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

1. **Since her reply to question 768 on 5 April 2016, (a) what is the current status of the plan to reduce red tape in the Elias Motsoaledi 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in Limpopo, (b) what is the total number unnecessary (i) policies, (ii) by-laws and (iii) regulations that were rescinded during the process to reduce red tape in the specified municipality and (c) what total amount of administration costs will the specified intervention save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 municipality;**
2. **can she list three or more examples of the red tape that was cut because of the intervention in the municipality?**

**NW572E**

**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:

(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 PPPFA, 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 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;

(vii) 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 **Elias Motsoaledi 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; (i) the building plans approvals processes has been developed and land use by-laws has also been reviewed which aligned with both the National Building Regulations and building Standard Act and Spatial Land Use Management Act).(ii) Additional staff was allocated within supply chain unit on contract basis. (iii) Poor communication of relevant business information to SMMEs and Co-operatives.

(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 reviewed the building regulation and land use by-laws which positively contributed to commercial land being accessible for local SMMEs and Co-operatives and also to fast track building plan approvals for small businesses and co-operatives.(ii) The additional staff which were previously employed on contract basis, they are now placed permanent within the finance unit which assisted the municipality to pay creditors twice in the month. (iii) The municipality pay its creditors twice in the month including SMMEs and Co-operatives in order to comply with 30 days payment policy.