

Impact of Municipal Regulations on SMMEs

H. van Nieuwenhuyzen
Senior Public Sector Analyst
AFReC (Pty) Ltd



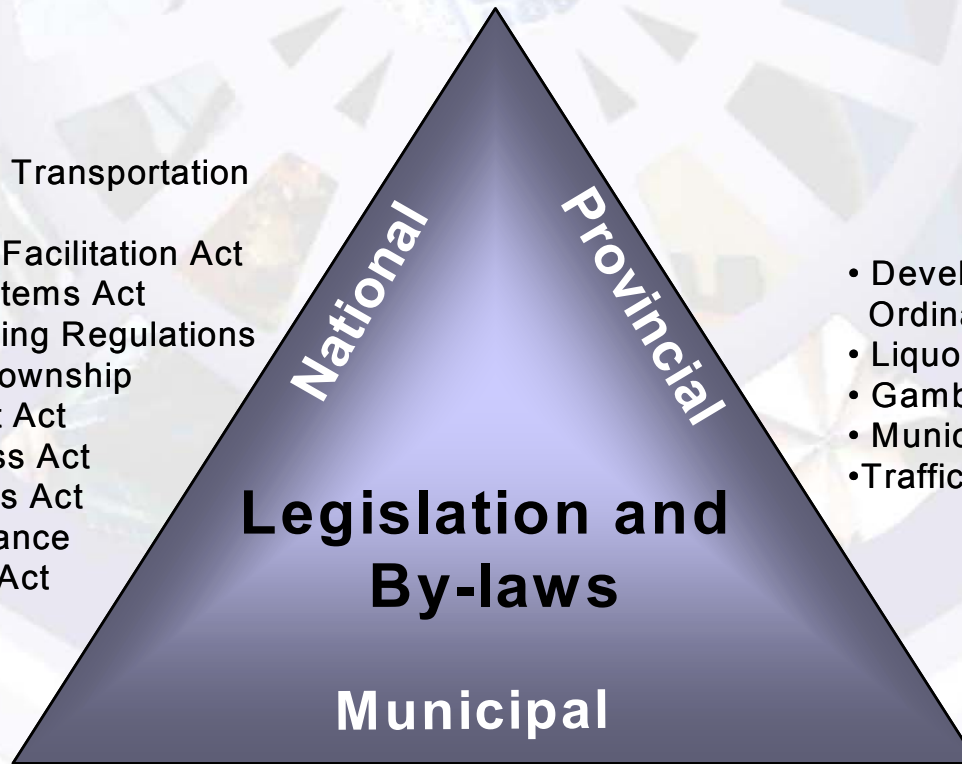
Introduction

- SMME Environment
- Financial Regulations
- Non-Financial Regulations
- Regulatory Recommendations
- Business Support Recommendations
- Service Delivery Recommendations
- Future Challenges

SMME Environment

- Creation of New Jobs
- Small Business Act
- National Small Business Council
- Ntsika Enterprise Promotion Agency
- Small Enterprise Development Agency

- National Land Transportation Transition Act
- Development Facilitation Act
- Municipal Systems Act
- National Building Regulations
- Less Formal township Establishment Act
- Small Business Act
- Property Rates Act
- Municipal Finance Management Act

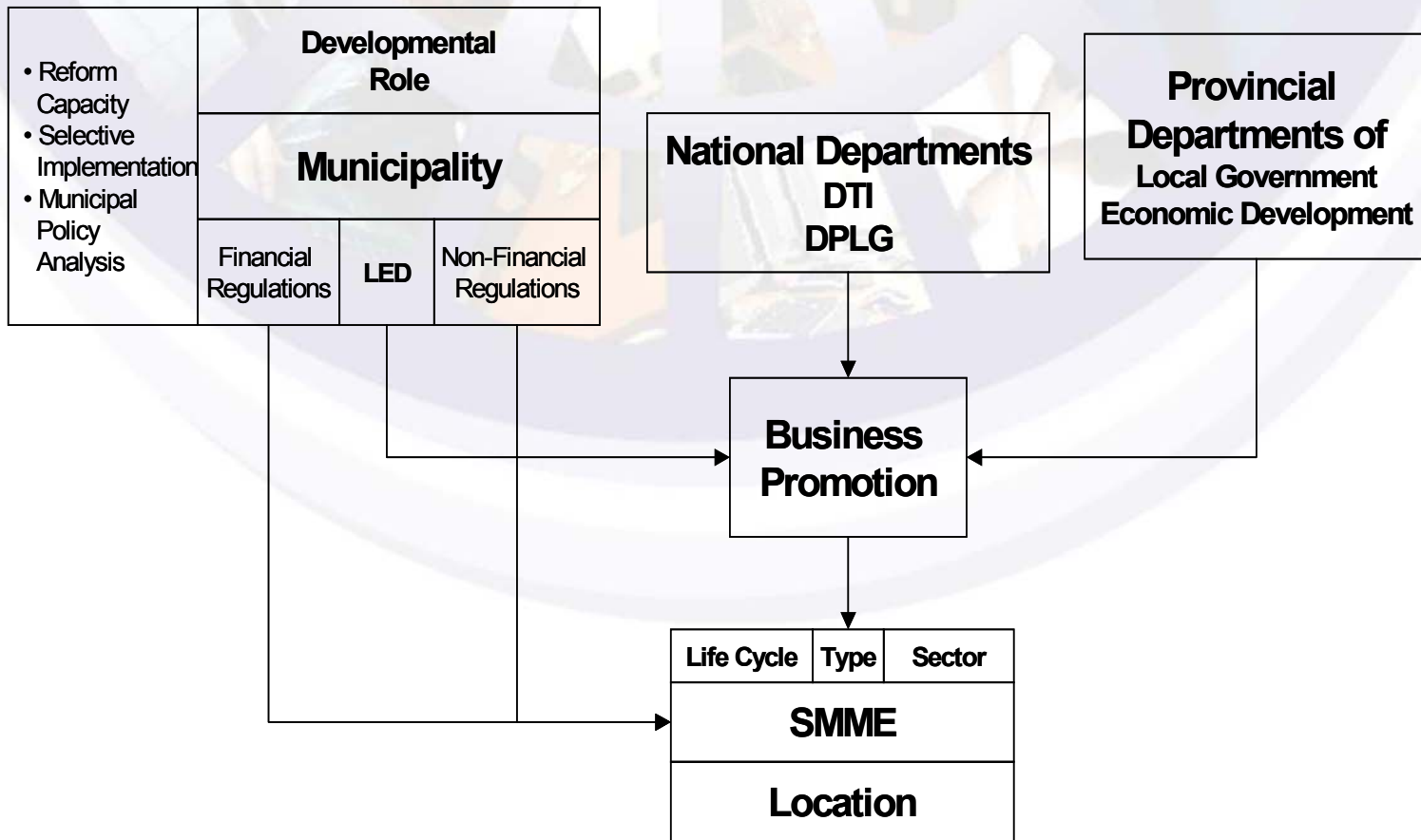


- Development and Planning Act/ Ordinances
- Liquor Act
- Gambling Act
- Municipal Ordinances
- Traffic regulations

- Land Use Management Systems
- Zoning Schemes
- Trading by-laws
- Shebeen policy
- Noise and Pollution policy
- Business Licensing
- Property Rates Policy
- Supply Chain Management Policy
- Debt / Credit control policies
- User rates/charges policy

Type	Number of employees (max.)	Annual turnover (Rm) (max.)	Gross asset value (excl. fixed property, Rm) (max.)
Micro - Survivalist	0	Varying	0
Micro – Non Survivalist	5	0.2	0.1
Very Small	20	6	2
Small	50	32	6
Medium	200	64	23

SMME Integrated Business Environment



Financial Regulations

- Property Rates
- Levies and User Charges
- Debt Collection
- Debt and Credit Control
- Supply Chain Management

Non-Financial Regulations

- Town Planning/ Land use management
- Business Licensing
- Informal Trading

Recommendations for Municipalities

- Regulatory Framework
- Business Support
- Service Delivery

Regulatory Recommendations

- Differentiated Approach to SMMEs
- National Guidelines pertaining to Informal Sector
- Improved Consultation with Local Business
- Streamlined Registration & Permit Application Processes

Regulatory Recommendations

- Conduct Regulatory Impact Assessments
- Coordination between Municipal Departments
- Establishment of Business Incubators & Empowerment Zones

Business Support Recommendations

- Tailor-made Support Strategies
- Greater Intergovernmental Coordination
- Development of Micro-Businesses
- Supply Chain Management Policies
- Technical Support & Capacity Building
- Direct Assistance with Regulatory Compliance

Service Delivery Recommendations

- Improving Operating Environment
- Consistent and Clear Policy Implementation
- Customer Care & Responsiveness
- Accurate Billing
- Greater Transparency
- Short Payment Cycles

Future Challenges

- RSC Levies & Establishment of REDs
- Municipal Revenue Sources Shrinking
- Alternative Revenue Sources potential Impact on SMME Development



End