

NATIONAL ASSEMBLY
QUESTION FOR WRITTEN REPLY
QUESTION NUMBER: 1424 [NW1637E]
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1424. Mr D C Ross (DA) to ask the Minister of Finance:

Does the National Treasury have a Regulatory Burden Reduction strategy in place; if not, why not; if so, what are the relevant details of the strategy?

NW1637E

REPLY:

No, the National Treasury does not have a Regulatory Burden Reduction Strategy in place, as one cannot generalise all regulations to be a burden, particularly since most regulations have broader public interest objectives. For example, regulations to make the financial sector safer are necessary to ensure customers are treated fairly, ensure that our financial institutions remain financially sound and meet international standards like Basel III that enable them to operate in other countries.

The Treasury is also not responsible for sector regulations like health or environmental regulations, which also deal with broader public interest objectives. While certain regulations may increase compliance costs, there are many good reasons for having regulations in place, and for most regulations, the benefits exceed the costs. Where feasible, the government does see the need to harmonise and simplify different sets of regulations in order to minimise costs for those affected.

The National Development Plan identifies the need for reducing the regulatory costs as a fundamental element in growing the economy and creating employment. Given that regulations are issued and administered by various departments and agencies, and not by one department, the mandate for assessing the impact of regulations resides with the Presidency. In line with the National Development Plan, National Treasury's general approach has been to reduce regulatory burden and the cost of doing business in areas within the sphere of its operations and legislative mandate, to promote investment, stimulate economic growth and to maintain a stable financial system. Treasury also continually comments on regulatory proposals made by other departments, with a view to reducing costs and duplication, and to better harmonise between various types of regulations.