



2025 - 2026 ANNUAL PERFORMANCE PLAN

INNOVATING TECHNOLOGIES. IMPROVING SYSTEMS.
ENHANCING SERVICE DELIVERY.



stateinformationtechnologyagency

ACCOUNTING AUTHORITY STATEMENT

The national socio-economic and public service delivery landscape is proof of the urgency, for information communication technology (ICT) to be leveraged to create a new and improved reality for government and the lives of citizens. This new reality must also be framed by a national service delivery agenda, that bases its formulation and implementation on the core values that defined the South African democracy. Equity and efficiency when designing and delivering public services, must be premised on upholding the pillars of transparency, accountability and good governance. This must be the SITA mantra, as it moves into the next five years.

Technology currently has the unique ability to change the South African service landscape. Given this profound responsibility and ability, it must be used judiciously by ourselves in SITA, as we embrace change and we harness technology to also uphold, the fundamental principles of our democracy.

It is time to stand firm, as we deliver qualitative services, with the highest integrity and confidence. Often raised customer and public expectations, limited resources, time pressures, skills deficiencies and fluctuating partnerships, can become the Achilles heel that allows us the space, to compromise and erode, the most fundamental principles that should be built into our service delivery agenda and lifecycle. We know that public services work best when they are qualitative and responsive to citizen needs; whilst also carrying mechanisms for accountability and transparency, in its execution.

The same basic truth also holds value for the sustainability and success of SITA, as the entire organisational community is entrusted with the highest responsibility – that its policies, processes and programmes application and implementation - must stay true to those values that our South African democracy was founded on.

Good governance, transparency and accountability are critical for the efficient functioning of a modern economy and modern institutions. In SITA many powers are delegated to leaders, authorities, managers and employees. Some assurance must then be provided to the delegators – that is society at large – that this transfer of power is being used effectively, efficiently and professionally: without misuse and/or abuse. Transparency also ensures that the available resources; whether financial, human, organisational assets and/or infrastructure are used judiciously. In that sense, transparency serves to achieve accountability, so that delegated authorities throughout the SITA value chain, are held responsible for their actions. Our South African SITA journey has taught us that without good governance, transparency and accountability, trust is sacrificed in our state-owned institutions; as it thoroughly breaks down both customer and employee relations. It is critical that SITA initiatives embarked upon in this era, lead to positive reforms and improvements, which builds trust and confidence in the organisational ability.

As the Board, as we speak about good governance, we are also painfully aware that corruption is often expediently ignored and can be counted as the national reality of our time – however unpalatable it may be. We are also sensitive to the reality that corruption is often perpetrated through deep seated public and private sector networks, from people in high and low places. But the loss of trust, the denigration of resources and assets, the undermining our democracy and the rule of law, cannot be left untouched as it erodes service delivery and fuels non-performance and instability in organisations, SITA included.

Furthermore, the impact of corruption devastates organisations and people's lives. Corruption in our service delivery exacerbates poverty and inequality by increasing the price of public services, lowering their quality and affecting the allocation of resources and demoralising employees and citizens. And this cannot be allowed in a crucial organisation such as SITA.

As we work to build renewed confidence in SITA, its environmental assessment, indicates that SITA must fundamentally change the way it conducts and thinks about its business. Delivering services in an efficient and cost-effective way that is

aligned to the principles within the PFMA, whilst providing value for money, creating new sustainable models of business operations, improving service delivery, and enhancing citizen experience, is high on the SITA transformation agenda.

In essence, SITA is the leading authority in the ICT bridge that links improved service delivery to citizens. Citizen-centred services however are one of the key pillars that uphold the bridge, and demands accessible, cost-effective, personalised and relevant services, which enhance the democratic relationship between the state and citizens. And SITA's leadership in the ICT space, is key. Another pillar in this ICT bridge, is the standardised practise of good governance, transparency and accountability, becoming the hallmarks of an integrated and collaborative service delivery lifecycle, between SITA, government departments and the citizenry.

As the SITA Board, we are aware that this road taken will not be an easy one. The obstacles to honour our obligations of instituting proper intervention mechanisms to meet these challenges, are huge. But at this historical juncture, the time has come to work and mobilize resources, establish partnerships and leverage ICTs in a way that allows South Africans to turn away from the face of poverty and under-development, through the resources and expertise that we have as SITA. At the same time, as we do this, internally the organisation must become rejuvenated in its purpose and performance. Furthermore, and as we walk and turn away from missed opportunities, unrealised development and poor governance, our walk must be with integrity and professional honour.

As we move forward in the next five years, our SITA ICT transformation walk and journey will remain true to the ideals of a healthy and democratic society. Situating SITA work in the heart of the founding principles of the South African democracy, will make our work no ordinary vision. Our ability to deliver on the needs and expectations of government and citizens, on these terms, will determine the character of the future.

The days ahead for the SITA will be challenging, as there will be parallel and at times intersecting transformation agendas - converge or run corresponding paths. As SITA drives a national digital transformation agenda, the organisation will also be working to fundamentally transform its own systems, programmes, processes and practices. This is no easy task, especially as the fundamentals such as SITA's financial sustainability, revenue growth, customer and employee satisfaction continue remain in prime position, in this strategic framework.

Our role as the Board over the next year will be to ensure that we comprehensively strengthen the SITA environment. Whilst this may seem like a daunting task for the organisation, it is however, a necessary season. We believe that the SITA leadership, management and employee community has the drive and commitment, to ensure that its objectives are realised as we shape a new digital transformation agenda for the organisation and government.



Ms Sedzani Mudau

Chairperson of the Board of Directors

ACCOUNTING OFFICER STATEMENT

The provision of quality and relevant public services is critical to the success of organisations. This is particularly necessary for the South African government, which has consistently promised its citizenry a better future and improved quality of life. Our responsibility as SITA is to drive efficient and effective public service delivery through ICT expansion to enable government departments to meet their promises.

This means that in a new era of relevant and quality service delivery, we, together with government as a whole, need to approach service delivery in a new and transformed way, using alternative business approaches that lead to improved service delivery outcomes. This would include leveraging technology, partnerships and innovation to enhance access to and the quality of services.

The broad digital transformation landscape has also expanded to include the adoption of emerging technologies such as the Internet of Things, big data analytics and artificial intelligence. Our South African public service delivery landscape continues to reflect some growth and strength in certain areas, but the challenges remain, creating highly unequal socio-economic circumstances.

The growth in the use of digital and mobile services provides fertile ground for SITA to lead the charge for technology to bridge service delivery tensions. However, SITA will have to transform itself and its way of operating at all levels of the organisation if it is to achieve the objectives it has set for itself. Within this context, SITA has adopted six strategic themes as a response to its vision for the future: (1) Customer experience, (2) Innovation and partnership, (3) Digital services and infrastructure, (4) Revenue growth and financial sustainability, (5) Operational efficiency, and (6) Governance.

There are also key programmes that have been elevated to align with the six thematic changes to contribute to an improved service delivery environment, both externally and internally. The envisioned advancements are strategically aligned to digital enhancements to create a new customer service experience. This programme includes the continued digitalisation of government services in an environment that is secure, efficient and dependable. We also commit to expanding the range of e-government as we work with government departments to modernise their ICT infrastructure. New e-government platforms, upgraded digital infrastructure and improved government cybersecurity measures will take centre stage in SITA in support of a national digital transformation agenda.

Internally, we will continue to ensure sustainable financial and organisational growth and prudent fiscal management. The internal transformation that SITA must drive includes the need to implement a new employee value proposition to inspire its work force, whilst breaking away from a dysfunctional corporate culture that enables workplace inequality and inefficiency to prosper, corrupt practices to thrive and sinister ICT agendas to flourish.

The digital transformation outcomes that SITA is driving include a completely revolutionised customer experience (CX) across all our customer segments; enhanced government operations and services through innovative products and services; and embedding stable government systems and infrastructure that are reliable, secure and efficient. Internally, SITA's outcomes from our five-year programme include an improved triple bottom line (growth, profit, and ESG), improved operational efficiencies and agile internal processes, functioning in an environment that is strengthened in the areas of transparency, accountability and compliance.

Our esteemed stakeholders are pivotal in the life and work of SITA. We express our profound gratitude to our Shareholder Minister, the Honourable Solly Malatsi, supported by his Deputy Minister, Mr Mondli Gungubele and the Department of Communications and Digital Technologies' Director-General Ms Nonkqubela Jordan-Dyani, for the support they provide in ensuring the successful evolution of SITA.




Mr Gopal Reddy
Acting Managing Director

OFFICIAL SIGN-OFF

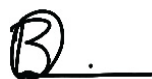
It is hereby certified that this APP

- (a) was developed by the management of the State Information Technology Agency (SITA), under the guidance of the Board and in consultation with the Department of Communication and Digital Technologies;
- (b) considers all relevant policies, legislation and other mandates for which SITA is responsible; and
- (c) accurately reflects the outcomes and outputs that SITA will endeavour to achieve during the 2025/26 financial year.



Mr Sidima Ntsangani

Executive: Application Development and Maintenance



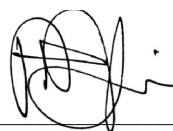
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Acting Executive: Service Management



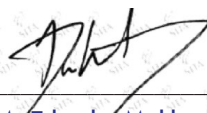
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Mr Molatlhegi Kgauwe

Chief Financial Officer



Mr Xola Lingani

Executive: Internal Audit



Mr Gopal Reddy

Acting Managing Director



Ms Sedzani Mudau

Chairperson of the Board

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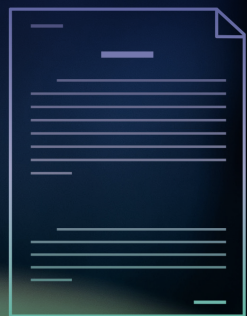
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REFERENCES

- (a) DPME Revised Framework for Strategic Plans and Annual Performance Plans 2020
- (b) Medium-Term Development Plan 2025-2030
- (c) DCDT 2020-2025 Strategic Plan
- (d) SITA Strategic Plan 2020-2025
- (e) SITA Annual Performance Plan 2024-2025
- (f) SITA Annual Report 2023-2024
- (g) National Development Plan 2030
- (h) DCDT National Policy on Data and Cloud
- (i) Digital Transformation Strategy for Africa 2020-2030
- (j) Draft Citizen-centric Digital Transformation Strategy
- (k) GTAC Report - Possible Futures for SITA, 2024
- (l) DCDT National Policy on Data and Cloud





PART A: OUR MANDATE

Table 12 – Programme 6 quarterly targets

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1. UPDATES TO THE RELEVANT LEGISLATIVE AND POLICY MANDATES

The success of SITA's strategic plan for the period 2025-2030 hinges on its alignment with key national policies, legislative mandates and developmental priorities. As SITA transitions from an Information and Communication Technology (ICT) provider to a state digital agency, this plan is structured to respond to the growing demand for efficient, secure and accessible digital services that contribute to the socio-economic growth of the nation.

SITA's strategic direction is shaped not only by constitutional mandates but also by the broader vision set out in the National Development Plan (NDP) 2030, the Medium-Term Development Plan (MTDP) and other critical government initiatives. These strategies guide SITA in supporting inclusive growth, job creation and an ethical, capable public service. Furthermore, SITA is expected to implement technologies that enhance service delivery, improve governance and drive the digital transformation agenda in the public sector.

As depicted in the figure below, the constitutional, legislative and policy mandates, along with various regulations, form the foundation of SITA's strategic mandate. Operating within a highly regulated environment, SITA is guided in its actions by a comprehensive set of legal and policy frameworks that empower the organisation to lead the country's digital transformation agenda, ensuring that the ICT services delivered to both the government and citizens are secure, efficient and aligned with national priorities.

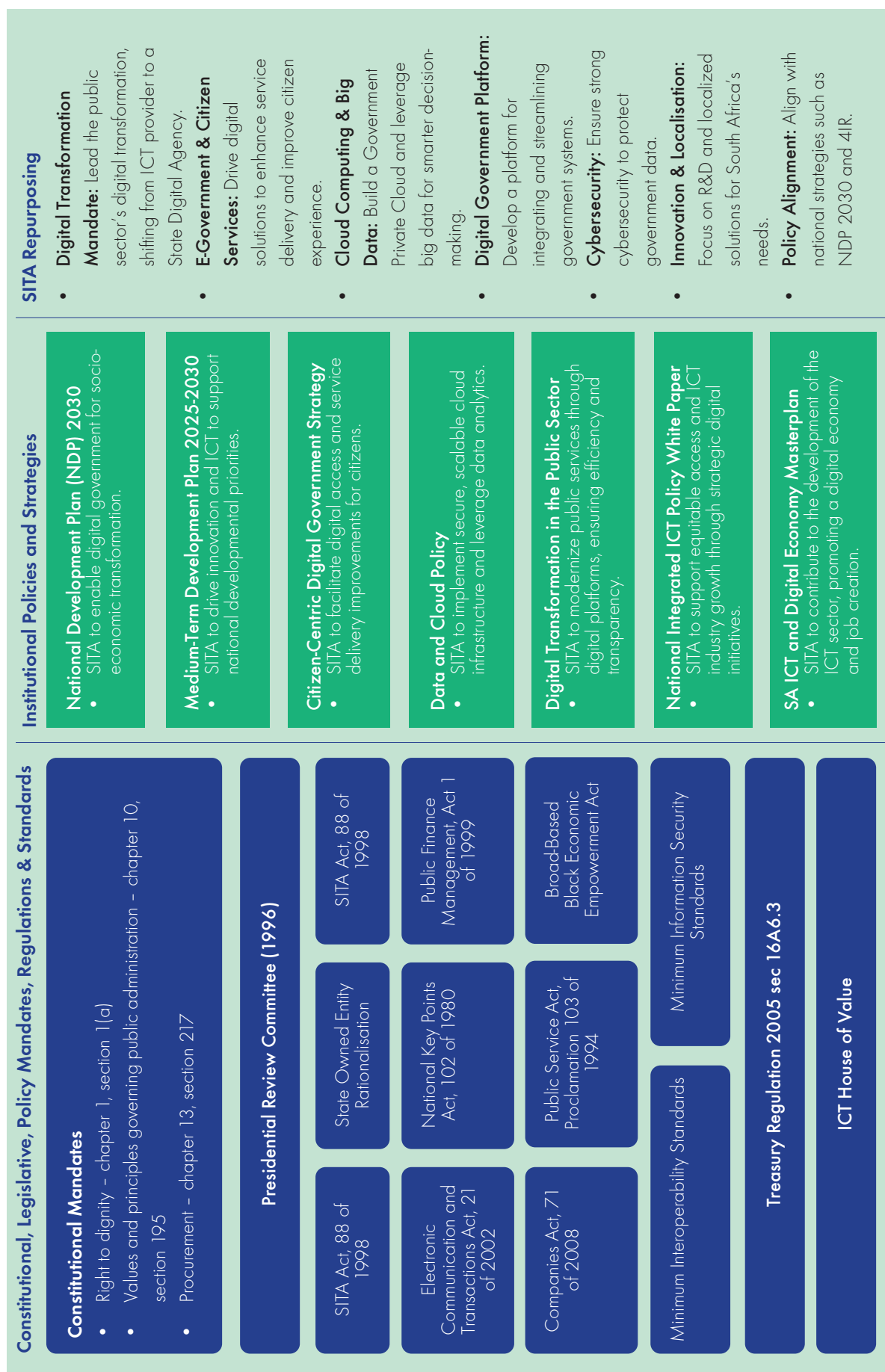


Figure 1 – Constitutional mandates, policy frameworks and strategic alignment for digital transformation

SITA is expected to take a leadership role in driving the public sector's digital transformation, evolving from a traditional ICT provider into a fully-fledged state digital services agency. By leveraging technology, SITA must implement initiatives that not only enhance service delivery but also improve overall government efficiency. This includes fostering digital inclusion, where all citizens have access to public services through digital platforms.

Furthermore, SITA is tasked with building secure, interoperable systems that safeguard public data while enhancing cybersecurity resilience. This is crucial to protect government information and maintain public trust. As part of its strategic direction, SITA must also ensure that its efforts align with broader national policies such as the NDP 2030 and the Fourth Industrial Revolution (4IR) Strategy. By doing so, SITA will support innovation, the localisation of ICT solutions, and the realisation of South Africa's long-term development objectives.

2. UPDATES TO INSTITUTIONAL POLICIES AND STRATEGIES

2.1 Institutional policies

In the 2024/25 financial year, SITA conducted a comprehensive review and update of its institutional policies to ensure alignment with its evolving business objectives and its corporate strategy. This process included a series of workshops aimed at refining existing policies and developing new frameworks that enhance operational efficiency, regulatory compliance and risk management. The updated policies are designed to support SITA's commitment to digital transformation, governance, data privacy and security, while also addressing emerging challenges in the technology landscape. These policies are key to ensuring that SITA remains adaptable and well-positioned to meet its strategic goals and deliver value across the public sector.

2.2 Institutional strategies

SITA has developed the following implementation strategies to enable the implementation of its 2020-2025 corporate strategy and provide for the period beyond the end of the Medium-Term Strategic Framework:

- (a) The Data and Analytics Strategy aims to build digital capability that focuses on data governance and provides insights to enable timely evaluation of the impact of actions and the capacity to act wisely and decisively.
- (b) The Information Security Strategy defines the information security improvement programme to achieve information security excellence as well as cyber-resilience.

3. UPDATES TO RELEVANT COURT RULINGS

There are no court rulings impacting the mandate and strategic direction of SITA.



PART B: OUR STRATEGIC FOCUS

4. UPDATED SITUATIONAL ANALYSIS

4.1 Strategic overview

4.1.1 Vision

The vision of SITA is as follows: **“To be a leading customer centric digital services agency”**.

4.1.2 Mission

The mission of SITA is as follows: **“To render customer-driven digital products and services through cost-effective and secure digital capabilities and reliable partnerships”**.

4.1.3 Values

In a quest to achieve its mission and vision, SITA has adopted and seeks to promote the following values:

- (a) **Customer-centricity:** Exceed customer expectations by providing the best appropriate services and solutions.
- (b) **Innovation:** Pursue innovation by demonstrating thought leadership and proactive behaviour on the use of ICT to enhance public service delivery.
- (c) **Integrity:** Conduct our business with integrity at all times to inculcate a culture of honesty, respect and accountability among all our employees.
- (d) **Agility:** Be adaptive and responsive in an evolving environment to maintain relevance and competitive advantage.
- (e) **Collaboration:** Cooperate with and support each other in pursuit of our shared goals to achieve synergies and greater productivity.
- (f) **Empathy:** Understand and support each other in our different perspectives.

4.2 External environment analysis

4.2.1 Global and continental digital priorities and indicators

4.2.1.1 African Union Strategy

There is a congruence between the vision and aims of this policy document and the strategic approach that SITA intends to pursue. The primary objective of the strategy is to promote the integration of an inclusive digital society and economy in Africa. This will result in an improvement of the standard of living for Africans, the consolidation of existing economic sector, the facilitation of diversification and development, and a guarantee of continental ownership. Furthermore, Africa will be well-positioned as a producer rather than a consumer. Africa's long-term aim of peace, prosperity and sustainable development is aligned with the method that is being followed.

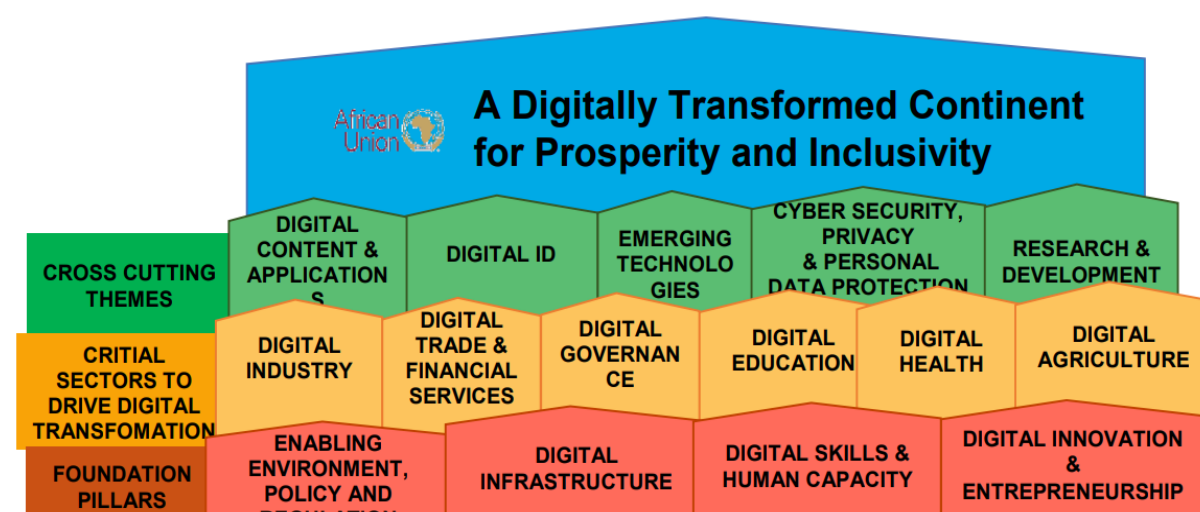


Figure 2 – Digital Transformation Strategy for Africa

Similar to SITA's initiative to establish a unified business platform, the strategy aims to fortify the African Continental Free Trade Area (AfCFTA) through improved commerce, industrialisation and infrastructure development. The African Union Strategy aims to enhance Africa's economy, integration and stability through the following core priorities:

- (a) **Digital infrastructure development:** Build a robust and inclusive digital infrastructure across the continent, ensuring that all African countries have access to high-speed broadband, reliable telecommunications networks and modern IT facilities.
- (b) **E-governance and digital services:** Promote e-governance and the use of digital platforms to enhance transparency, efficiency and service delivery in public administration
- (c) **Cybersecurity and data protection:** Strengthen cybersecurity frameworks and promote data protection across the continent to safeguard digital infrastructure and protect citizens' privacy.
- (d) **Innovation and technology hubs:** Establish innovation hubs, tech parks and centres of excellence to promote research and development (R&D) in technology, encourage entrepreneurship and support start-ups.
- (e) **Digital skills development:** Invest in digital literacy and skills training for African citizens, particularly for youth and women, to enable their full participation in the digital economy.
- (f) **E-commerce and digital economy:** Promote e-commerce, digital financial services and the broader digital economy to drive economic growth, create jobs and reduce poverty.
- (g) **Smart and sustainable cities:** Develop smart cities that leverage technology for efficient urban planning, resource management and sustainable development.
- (h) **Regional integration and ICT connectivity:** Enhance regional integration through ICT connectivity, enabling seamless cross-border communications, trade and cooperation.

- (i) **Digital inclusion:** Ensure that marginalised and underserved communities, including rural areas, have access to digital tools and services.
- (j) **Digital identity and e-passport:** Implement digital identity systems and the African e-passport to facilitate easier movement of people across borders and access to services.

4.2.1.2 UN Developmental Goals Investment Framework

The figure below showcases the 17 United Nations sustainable development goals (SDGs), a global framework designed to address pressing challenges such as poverty, inequality, climate change and environmental sustainability by 2030. These goals are integral to fostering inclusive economic growth, social equity and environmental protection worldwide.



Figure 3 – UN developmental goals

SITA as a government technology enabler can drive digital transformation that supports these goals. By modernising ICT infrastructure and promoting innovations like e-government platforms, SITA can help reduce inequalities (goal 10), support industry and innovation (goal 9), improve education and healthcare delivery (goals 3 and 4), and promote sustainable cities and communities (goal 11). Furthermore, SITA's role in ensuring secure, inclusive and efficient IT solutions can help drive progress toward peace, justice and strong institutions (goal 16) while contributing to responsible consumption and sustainable development (goals 12 and 13).

4.2.2 South Africa's digital priorities and indicators

South Africa's digital priorities correspond with its objectives for economic growth, social inclusion and technical progress, as delineated in national frameworks such as the NDP 2030 and the 4IR plans. These initiatives seek to expedite the nation's digital transformation and guarantee that digital technologies are utilised for equitable development.

The following are some of the most important fundamental digital priorities on the agenda for digital transformation:

- (a) the entrepreneurial state (and its institutions and entities) as a catalyst for rapid and equitable growth in the digital economy;
- (b) creating an optimal infrastructure for a burgeoning and inclusive digital economy;
- (c) enhancing the security capacity of the physical network infrastructure, and strengthening cybersecurity capabilities to promote individual trust;

- (d) supporting the manufacturing sector through a state-led research agenda that is focused on advanced manufacturing and new materials;
- (e) building a globally competitive, inclusive and shared digital economy by purposefully including the marginalised;
- (f) digitally empowering and connecting cities and towns to be the engines of equitable economic growth and development;
- (g) promoting digital inclusion by dismantling structural barriers to connecting using initiatives driven by multiple stakeholders;
- (h) ensuring that all South Africans have the necessary skills to create and participate in the digital economy; and
- (i) improving the quality, cost-efficiency and reach of public services through a digital government.

4.2.3 SITA's strategic alignment with national policies

4.2.3.1 Alignment to Medium-term development plan

SITA's strategic initiatives are fully integrated with national priorities, contributing to a secure, efficient, and citizen-centric digital government. The figure below illustrates the alignment between South Africa's National Development Plan (NDP) goals, the Medium-Term Development Plan (MTDP) strategic priorities, DCDT priorities and SITA's strategic initiatives. The NDP's focus areas, namely; eradicating poverty, reducing inequality, building social cohesion, reducing unemployment, and driving economic growth are directly mapped to MTDP's three strategic priorities: Inclusive Growth and Job Creation, Reducing Poverty and Tackling the High Cost of Living, and Building a Capable, Ethical, and Developmental State.

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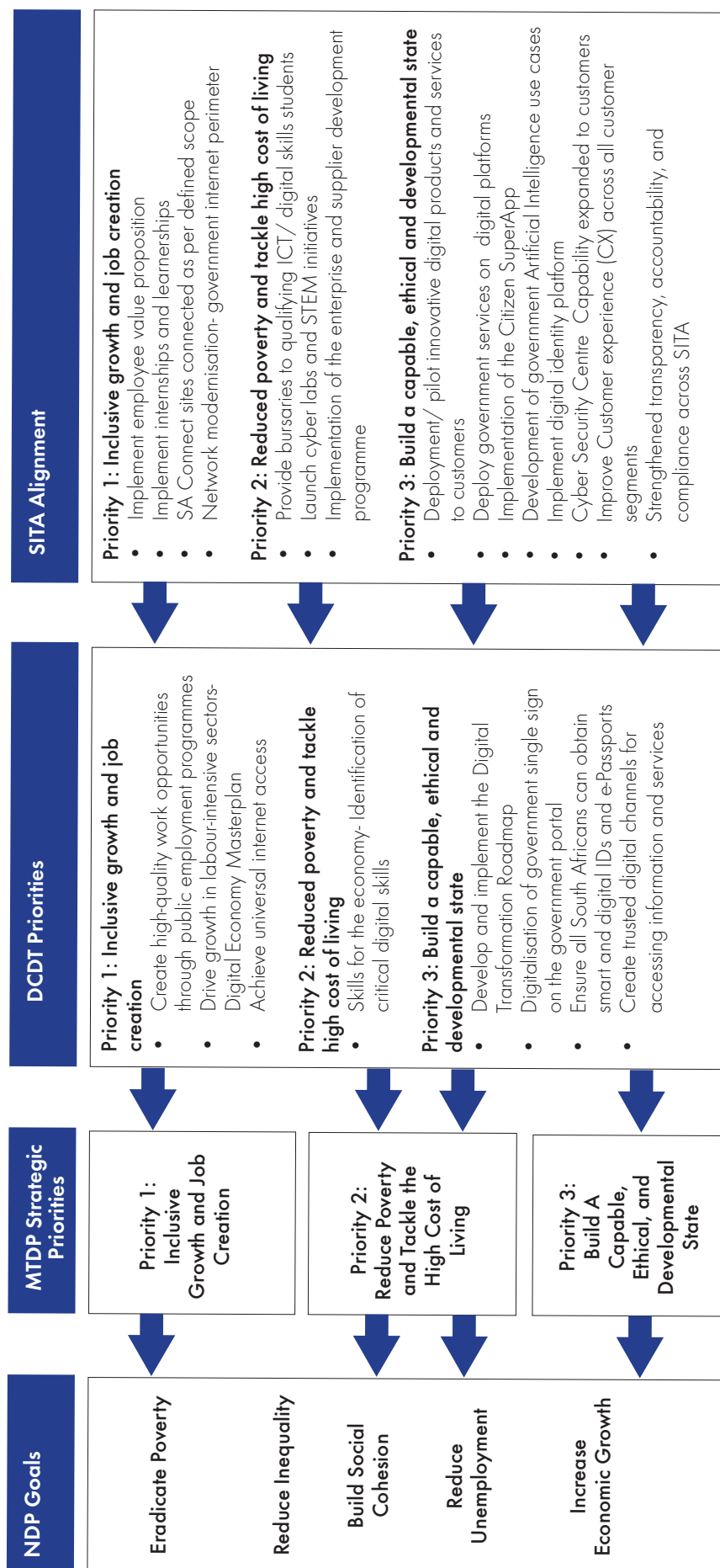


Figure 4 – Mapping of the NDP goals, GNU outcomes, MDTP strategic priorities and SITA alignment

SITA's strategic initiatives are deliberately structured to support and implement these national priorities. Under Priority 1, SITA contributes by driving job creation through internships, learnerships, and modernizing digital infrastructure like SA Connect and network perimeter services. For Priority 2, SITA focuses on reducing poverty by offering ICT bursaries, launching digital skills initiatives, and advancing enterprise development. Under Priority 3, SITA emphasizes strengthening digital governance by deploying innovative digital solutions, supporting AI and digital identity initiatives, expanding cybersecurity services, and improving customer experience while enhancing compliance and accountability mechanisms.

Through this alignment, SITA ensures its programs directly contribute to broader government socio-economic objectives, positioning itself as a key enabler of South Africa's digital transformation and development agenda.

4.2.3.2. Alignment to Interdepartmental working group

SITA plays a pivotal role in advancing South Africa's national digital transformation agenda by aligning its strategic objectives with key national policies, frameworks, and developmental goals. This alignment ensures that SITA remains a central driver of digital innovation, improved public service delivery, and inclusive socio-economic development. The Interdepartmental Working Group (IDWG) Roadmap for the Digital Transformation of Government Strategic Priorities is still in draft form and has not yet been finalised. Currently, funding has not been confirmed, and the priority list of services is still being determined. SITA's envisioned impact is aligned to strategic priorities of the IDWG roadmap as depicted in the figure below, in particular on the data exchange for service delivery, including digital channels for accessing government services.

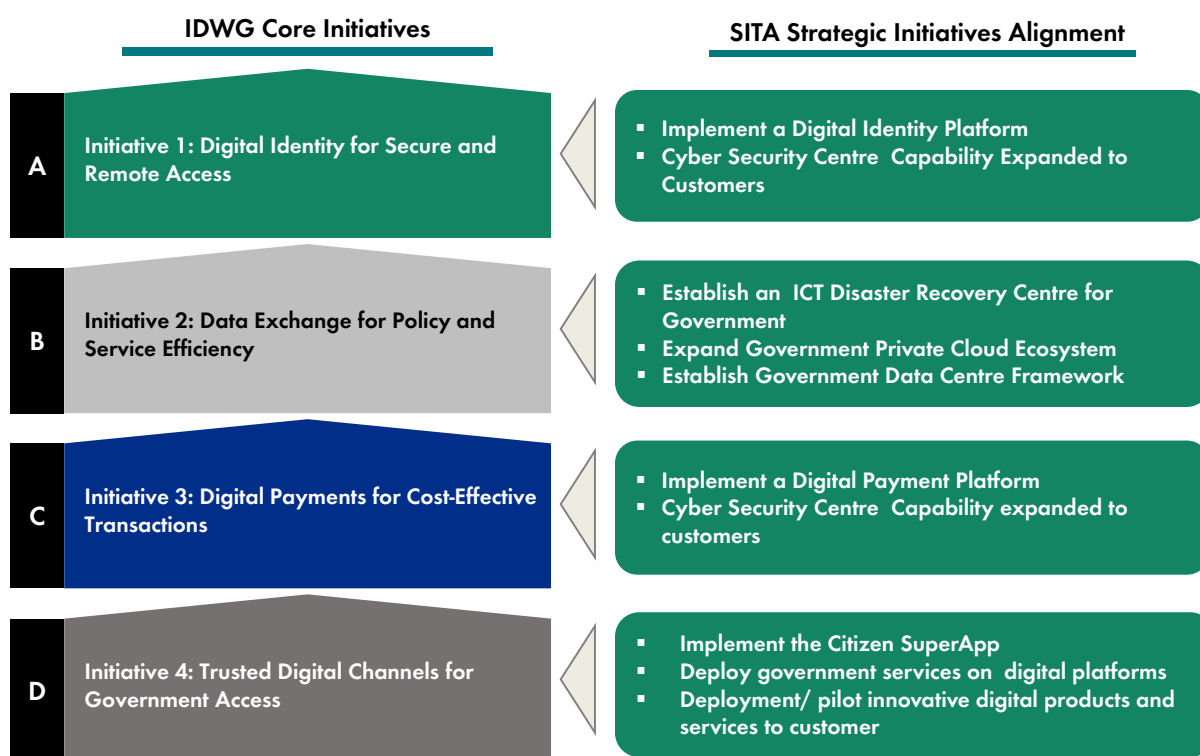


Figure 5: Alignment between SITA Strategic Initiatives and IDWG Core Initiatives

The above figure demonstrates the alignment between the IDWG (Inter-Departmental Working Group) Core Initiatives and SITA's Strategic Initiatives. These alignments ensure that SITA's digital transformation efforts directly support the government's broader objectives for secure, efficient, and trusted digital services.

Initiative 1: Digital Identity for Secure and Remote Access

SITA will support this through the implementation of a Digital Identity Platform, enabling secure authentication and access to government services. Furthermore, the Cyber Security Centre (CSC) capability will be expanded to customers, ensuring robust protection of digital identities.

Initiative 2: Data Exchange for Policy and Service Efficiency

To facilitate efficient data exchange, SITA will establish an ICT Disaster Recovery Centre, expanding the Government Private Cloud Ecosystem and creating a Government Data Centre Framework. These initiatives ensure reliable, secure, and scalable infrastructure for seamless data sharing across government entities.

Initiative 3: Digital Payments for Cost-Effective Transactions

SITA will align with this initiative by implementing a Digital Payment Platform to streamline government transactions. The Cyber Security Centre capability will also be expanded to ensure the security and integrity of payment systems.

Initiative 4: Trusted Digital Channels for Government Access

SITA advances this through the implementation of the Citizen SuperApp, deployment of government services on digital platforms and piloting innovative digital products. These initiatives will enhance service accessibility, foster trust and improve the overall citizen experience.

4.2.3.3. Alignment to National Citizen-Centric Digital Government Strategy 2025–2030

SITA's envisioned impact is aligned to the goals and objectives of the GITOC National Citizen-Centric Digital Government Strategy 2025–2030. This strategy adopts a whole-of-government approach and whole-of-society approach to digital transformation by including all spheres of government, citizens, business and civil society as depicted in the figure below. Through the modernization of government IT systems and a commitment to efficiency and accessibility, SITA supports the national agenda for inclusive development across all sectors. The agency's strategy emphasizes the priority areas described below. The agency's strategy emphasizes the priority areas described below.

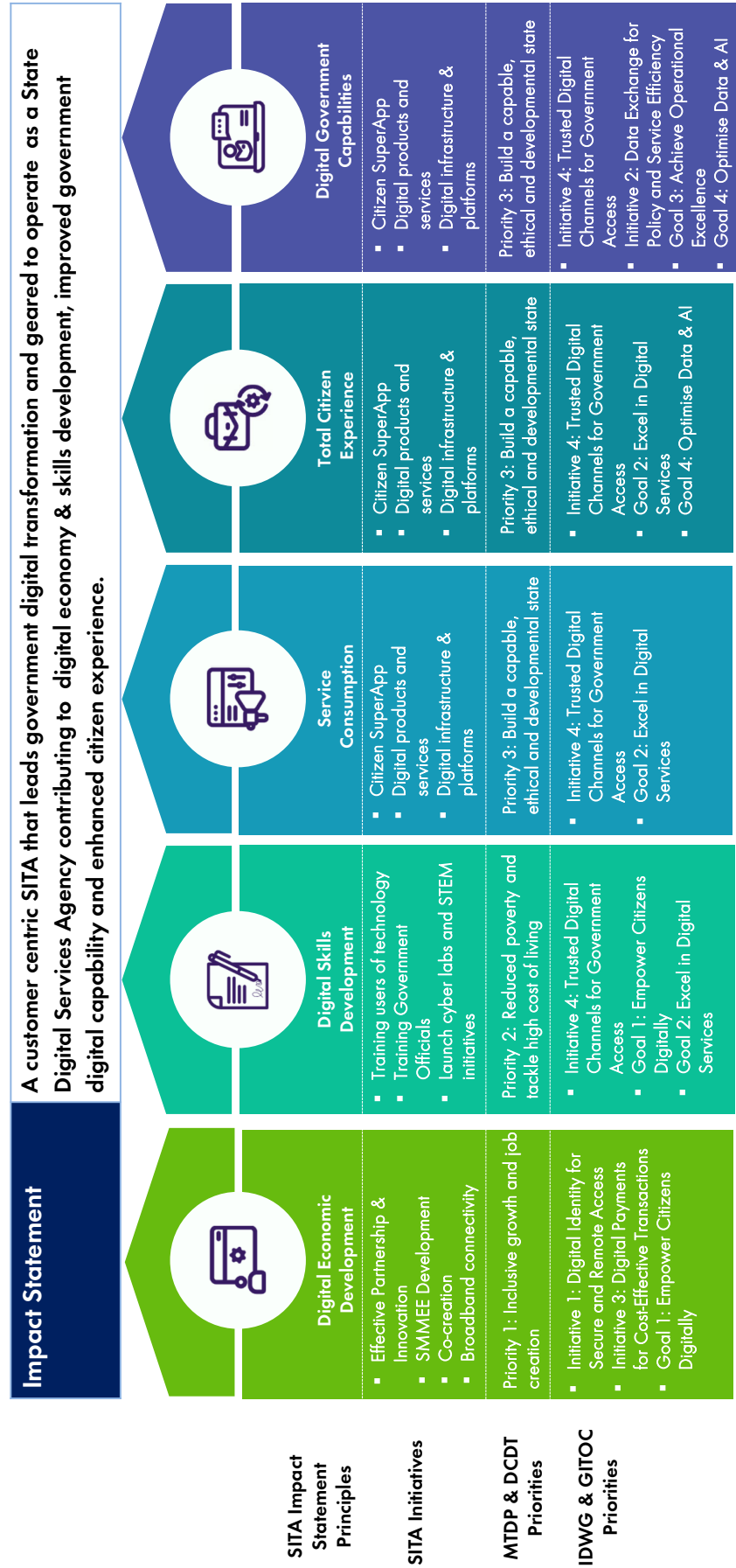


Figure 6 – Impact statement and strategic principles

(a) Digital infrastructure development

SITA remains a key player in the development and maintenance of South Africa's digital infrastructure, a foundational element for economic growth, inclusive development and public sector efficiency. By expanding broadband connectivity, deploying innovative digital platforms and modernising IT systems and applications, SITA ensures that the government operates on a robust and secure digital backbone. The agency continues to build scalable and secure digital platforms to expedite the transformation of public services, ultimately improving accessibility and operational efficiency across government departments.

(b) Efficient service delivery through technology

Modernising government systems and enhancing service delivery efficiency remain central to SITA's strategic focus. Through the deployment of advanced e-government platforms and innovative digital solutions, SITA has streamlined government operations, reduced service delivery delays and improved transparency. The agency has also made strides in achieving the deployment of digital transformation and platform ecosystems, enabling citizens to access government services seamlessly. Strategic partnerships with technology providers ensure the deployment of cutting-edge solutions, further enhancing the reach and impact of digital public services.

(c) Bridging the digital divide

Addressing the digital divide is a priority for SITA, with a strong focus on ensuring universal access to high-quality communication services, particularly in rural and underserved areas. The agency continues to prioritise digital equity by developing accessible online platforms, improving connectivity and implementing digital literacy initiatives. These efforts aim to empower marginalised communities, enabling their participation in the digital economy and ensuring that no citizen is left behind in South Africa's digital transformation journey.

(d) Digital skills development

SITA recognises that digital transformation requires a workforce equipped with the necessary skills to navigate a rapidly evolving technological landscape. To this end, SITA invests in comprehensive digital skills training programmes for its employees that aim to build competencies in emerging technologies, fostering a culture of innovation and adaptability aligned with the 4IR. This commitment supports the NDP's vision of a workforce capable of driving economic growth and technological advancement.

(e) Cybersecurity and data protection

In an era of increasing cyber threats and data breaches, SITA remains steadfast in its role as the custodian of digital government systems and data. The agency ensures compliance with national laws such as the Protection of Personal Information Act (POPIA) while strengthening cybersecurity frameworks to safeguard digital infrastructure and protect sensitive government data. By deploying advanced cybersecurity measures and promoting a culture of data protection, SITA enhances the resilience and trustworthiness of the government's digital services.

(f) Innovation and economic growth

SITA actively fosters innovation as a driver of economic growth and improved competitiveness. Through the adoption of emerging technologies, including Artificial Intelligence (AI), big data, and cloud computing, the agency empowers government departments and state-owned entities to optimise decision-making processes, enhance productivity and deliver smarter services. Public-private partnerships are leveraged to create collaborative ecosystems that promote knowledge transfer, co-create innovative solutions and accelerate South Africa's digital transformation agenda.

(g) Sustainable development and green IT

SITA is committed to promoting environmentally sustainable ICT practices across government operations. By increasingly adopting energy-efficient technologies, reducing data centre energy consumption, utilising environmentally friendly hardware and shifting away from paper-based processes, the agency aligns with national goals for sustainable development. These efforts not only reduce its environmental impact but also contribute to long-term operational cost savings and resource efficiency.

(h) Intergovernmental collaboration

SITA plays a critical role in fostering collaboration across national, provincial and local government departments. By promoting interoperable IT systems and facilitating seamless integration, the agency enhances the effectiveness and coherence of public service delivery. Additionally, strategic partnerships with private sector stakeholders strengthen the ICT ecosystem, enabling scalable and innovative solutions to address complex government challenges.

(i) Alignment with Medium-Term Development Plan

SITA aligns its digital transformation agenda with the priorities set out in the MTDP. This includes focusing on sustainable economic development, enhancing accessibility to public services and expanding digital infrastructure. Through the modernisation of government IT systems and a commitment to efficiency and accessibility, SITA supports the national agenda for inclusive development across all sectors.

(j) Data and Cloud Policy

SITA supports the implementation of the Data and Cloud Policy by building secure cloud infrastructure, managing data platforms and ensuring compliance with regulatory standards. These efforts enhance public sector efficiency, data security and innovation, enabling government departments to leverage cloud technologies for improved service delivery and data-driven decision-making.

(k) National Integrated ICT Policy White Paper

Guided by the National Integrated ICT Policy White Paper, SITA focuses on expanding digital services to underserved communities and promoting digital inclusion. Through public-private partnerships and scalable digital solutions, the agency ensures that ICT services are equitably distributed across urban and rural areas, bridging the digital divide and fostering national connectivity.

(l) ICT and Digital Economy Masterplan for South Africa

SITA contributes to the implementation of the **ICT and Digital Economy Masterplan** by advancing digital infrastructure, driving innovation and promoting digital skills development. SITA fosters the use of emerging technologies like AI, big data and the Internet of Things (IoT) to drive innovation, improve service delivery and boost productivity. SITA also promotes digital skills development to enhance economic outcomes.

(m) National e-Government Strategy

SITA supports the implementation of the **National e-Government Strategy** by developing secure and user-friendly digital platforms that improve citizen access to government services. These platforms enhance transparency, reduce inefficiencies and streamline service delivery, ensuring that citizens can interact with government services efficiently and securely.

4.2.4 Voice of the customer

4.2.4.1 Customer segments

SITA is organising its customer segments based on government clusters, ensuring coherence with national development priorities and service delivery frameworks, as depicted in the figure below.

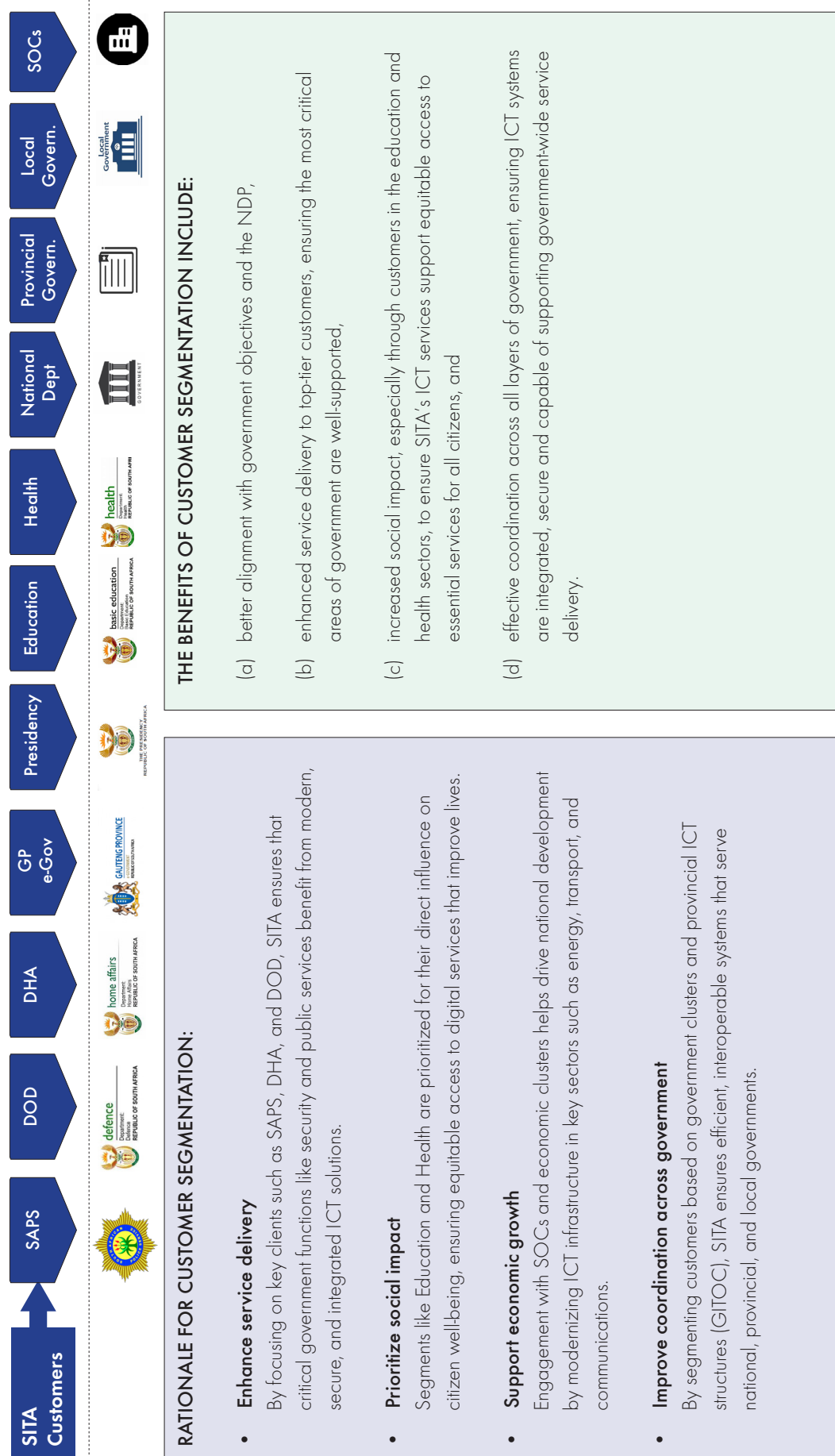


Figure 7 – Customer Segments

SITA's customers fall into several key cluster segments, each representing a significant part of government services, namely:

(a) Social Protection, Community, and Human Development

For this segment, the focus falls on customers in the education and healthcare sectors. These sectors carry the highest social impact, as they deliver essential services that affect the most vulnerable sections of society.

(b) Justice, Crime Prevention, and Security

Key customers include the South African Police Service (SAPS) and the Department of Defence (DOD), which are critical for maintaining national security and safety. These entities require robust, secure, and integrated ICT systems to enhance their service delivery.

(c) Economic Sectors, Investment, Employment, and Infrastructure Development

This segment includes customers that drive national economic growth, focusing on infrastructure, investment, and employment creation. SITA's services to these sectors support initiatives related to digital transformation in government service delivery.

(d) Governance, State Capacity, and Institutional Development

The Presidency, Parliament, and Provincial Government form part of a governance structure segment that needs to be supported through improved digital services that enhance decision-making, transparency, and governance.

(e) International Cooperation, Trade, and Security

This segment involves facilitating cross-border cooperation and digital services that support South Africa's international obligations and trade facilitation.

In addition to the government cluster-based segmentation, SITA further refines its customer segmentation into the following primary categories based on revenue and social impact:

(a) Top 5 Customers

These customers are prioritized due to their significant revenue generation for SITA. This includes SAPS, Department of Home Affairs (DHA), DOD, Gauteng Province e-Gov and the Presidency. These entities require highly customized ICT solutions, including cloud services, modernization of infrastructure, and cybersecurity, due to the size and complexity of their operations.

(b) High Social Impact Customers (Education and Health)

Education and Health are designated as high social impact sectors due to their direct influence on the quality of life for millions of citizens. The shift toward digital education platforms, telehealth, and other digital initiatives in these sectors is central to improving access to services and bridging the digital divide.

(c) GITOC

The Government Information Technology Officers' Council (GITOC) represents provincial government ICT structures, ensuring alignment and consistency across all levels of government service delivery. GITOC is a critical customer segment for ensuring the interoperability of ICT systems across national, provincial, and local government entities.

(d) State-Owned Companies (SOCs)

SITA's engagement with SOCs extends its support to key sectors such as energy, transport, and communications, ensuring that these critical industries benefit from modernized ICT infrastructure, secure systems, and reliable digital platforms. These companies play a vital role in supporting the government's overall socio-economic objectives and SITA's services help enhance their operational efficiency and service delivery.

In addition, the National Citizen-Centric Digital Government Strategy 2025-2030 adopts a whole-of-government approach and whole-of-society approach to digital transformation by including all spheres of government, citizens, business and civil society as depicted in the figure below.

The strategy calls on SITA to contribute as follows:

- (a) establish and deploy digital platforms, e.g. a national digital experience platform that presents all public services from a single platform;
- (b) develop and deploy digital services that are in line with the end-to-end service journeys of citizens, customers and employees, thereby providing a seamless digital experience;
- (c) contribute towards digital skills development through various programmes such as cyber-labs, science, technology, engineering and mathematics (STEM), enterprise development, etc.;
- (d) enable a digital government ecosystem through high-speed connectivity, secure systems, robust infrastructure, reliable and dependable modern technologies, and effective application portfolio management;
- (e) provide training to the government workforce on digital technologies deployed by SITA; and
- (f) integrate government services and access to services through the optimal use of data and AI.

4.2.5 Technology trends

The technology trends shaping SITA's Strategic Plan 2030 as outlined by Gartner include AI-driven decision intelligence, digital platform agility, adaptive security, and data management, all of which are crucial for public sector transformation as outlined in the figure below.

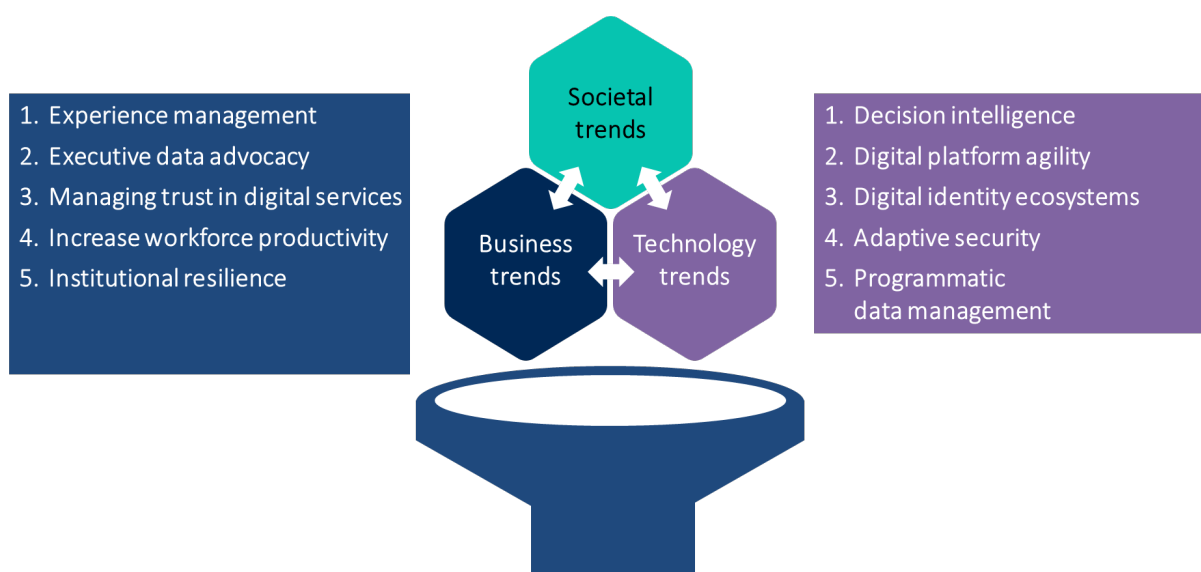


Figure 8 – Business and technology trends

The top technology trends for government in 2025 and what they mean for SITA are summarised below:

- (a) **AI for decision intelligence:** AI will play a crucial role in improving administrative and operational decision-making, which aligns with SITA's mission to optimise government processes and deliver efficient digital services. By 2026, over 70% of government agencies are expected to use AI, which supports SITA's goal of becoming a leading digital services agency.
- (b) **Digital platform agility:** Governments are increasingly adopting digital platforms to enhance service delivery, streamline operations and provide scalable, flexible solutions. SITA's strategy to lead the digital transformation of government aligns with this trend, emphasising modernisation and the use of hyperscale cloud services.

- (c) **Adaptive security:** The rise of adaptive security solutions is essential for managing cybersecurity risks as governments continue to digitise their services. SITA's role in providing secure IT solutions to the public sector is reinforced by this trend, ensuring the protection of government data and infrastructure.
- (d) **Data management and trust:** Managing trust in digital services and promoting responsible data use are critical to maintaining citizen confidence. As SITA continues to drive e-government initiatives, prioritising data protection and compliance will be essential for achieving its future state of secure and efficient service delivery.
- (e) **Workforce productivity:** The integration of AI and other emerging technologies to enhance productivity aligns with SITA's focus on building digital capabilities and supporting government departments in leveraging modern technology for better outcomes.

These trends position SITA to not only meet its current mandate but also transform into a digital services leader by 2030, enhancing the efficiency, security and overall quality of public sector IT services.

4.2.6 Competitive analysis

The figure below depicts a summary of key competitive forces impacting SITA strategic posture and should be considered to enable the realisation of SITA's strategic direction.

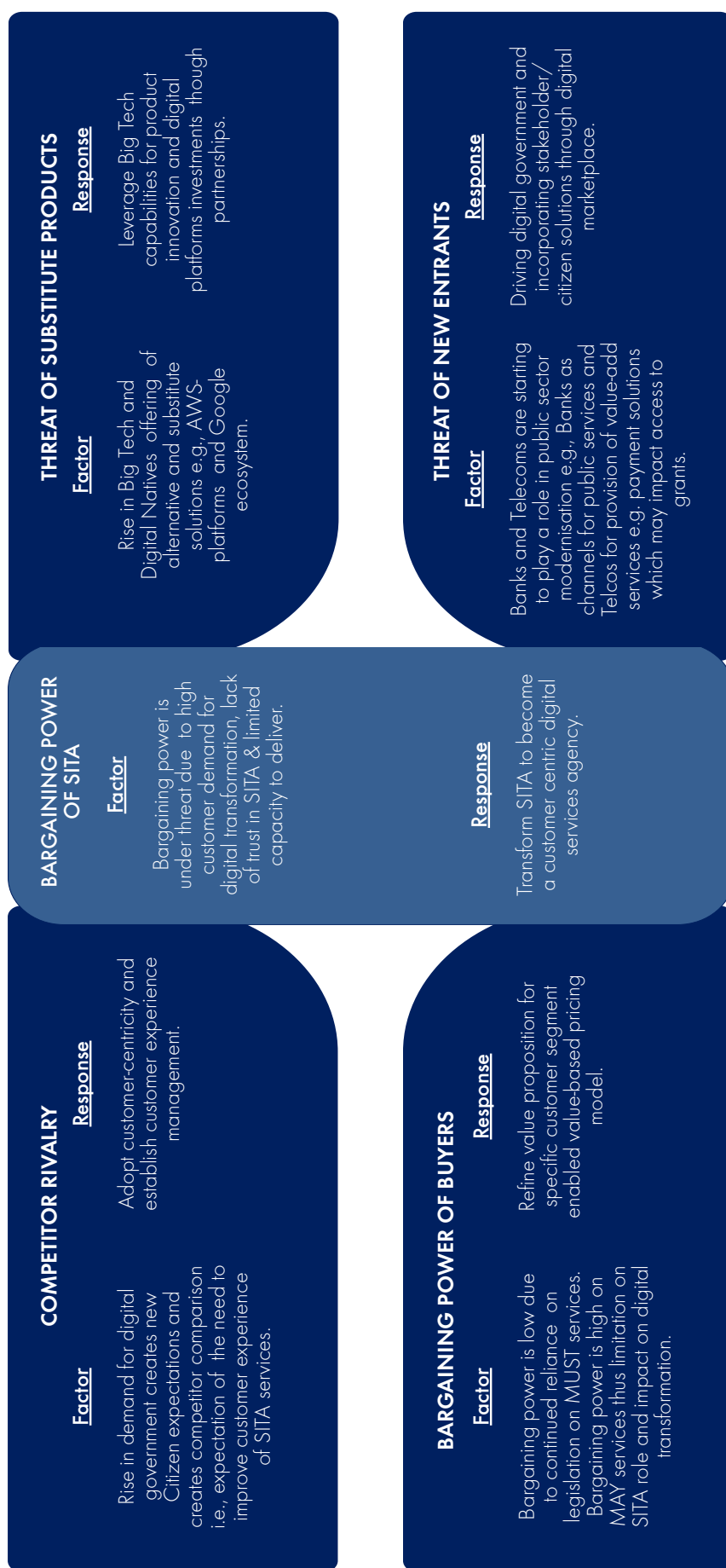


Figure 9 – Competitive analysis

4.2.7 PESTLE analysis

The figure below depicts a summary of key external factors that should be considered for SITA's strategic positioning.

	Factors	Response
Political	<ul style="list-style-type: none"> Renewed sense of focus and urgency to digitise Trade disruptions: Geopolitical tensions may lead to trade barriers, tariffs which could disadvantage SITA. Technologies and solutions, affecting SITA's selected technology stack and ability to deliver innovative services. 	<ul style="list-style-type: none"> Reposition SITA to make visible socio-economic impact through digital government transformation. SITA to conduct review of existing contracts with OEMs, with emphasis on clauses related to force majeure, sanctions, and export controls. SITA to accelerate and create platforms for SMMEs to showcase solutions, foster innovation via Innovation Centres, and strengthen partnerships for SMME growth and collaborative solution development.
Economical	<ul style="list-style-type: none"> Drive to enable and respond to digital economic environment. Rising national debt - Deepening government debt risks austerity measures and may decrease in Government spending, which may negatively impact digital transformation and reduce opportunities for investment and innovation with adverse impact on SITA revenue. High unemployment rates - as of the third quarter of 2024 unemployment rate was 32.1%. 	<ul style="list-style-type: none"> Implement digital platforms and marketplace. Proactively manage finances, adjust budgets, and cut costs. Explore new revenue streams and partnerships to maintain operations. Improved provision of ICT bursaries, learnerships and IT skills training programs for unemployed youth, including partnerships with educational institutions, OEMs and industry to provide free online courses. Engage unemployed youth in experiential learning programmes and Hackathons to contribute to building a skilled workforce.
Social	<ul style="list-style-type: none"> Focus on development of digital skills, job creation and SMME empowerment. The rapidly escalating crime rate and violence necessitate SITA to examine opportunities for justice cluster system integration, digitization of processes to promote effective records management through a unified view of all relevant information. Changing lifestyles and consumer preferences can create opportunities or challenges. 	<ul style="list-style-type: none"> Drive digital skills development and ESD programmes to enhance digital capabilities Continue to accelerate the automation and digitization of services, migrating government transactions to user-friendly digital platforms. Focus on cost-effective solutions and adapt to changing consumer habits by prioritizing essential services and exploring innovative, budget-friendly technologies and Zero-rated Apps.
Technological	<ul style="list-style-type: none"> AI technologies are becoming more sophisticated and readily available. Rising Cyber-attack, data breaches lead to disrupted services, operations, damaged brand, business disruption, loss of revenue. Potential for more AI cyber-attacks and state-actors due to geo-political factors. Increased use of advanced technologies by government departments as government departments become more digital, requests for system integration and data sharing will rise. Integrating government apps and systems will promote efficient service delivery and single-platform management of both physical and digital data. 	<ul style="list-style-type: none"> Elevate RDI to drive product innovation, development and commercialisation across SITA customers. Accelerate the provisioning of customers provided with Cyber Security Centre (CSC) Capability. Create data interoperability solutions, utilise modern technologies for public services and enhance partnerships to improve service delivery. SITA to continue and finalise the single view of a record project and expand to other government services.

	Factors	Response
Environmental	<ul style="list-style-type: none"> Increased awareness and commitment to environmental impact. Ensure responsible e-waste to ensure a long-term digital transformation. Water shortages lead to disruptions like office shutdowns, while water quality and flooding threaten infrastructure and projects. Limited energy supply leads to High costs associated with backup generators impact funds for infrastructure and increase emissions. 	<ul style="list-style-type: none"> Implement e-waste recycling, partner with disposal experts, support greenIT purchases and train staff on e-waste management. Continue to implement digital services and products such as leak detection, smart metering, conservation and recycling technologies. Invest in solar panels, energy-efficient equipment, and review energy use for optimisation aligned with green business practices.
Legal	<ul style="list-style-type: none"> Increased concerns about cybersecurity, privacy and data sovereignty. Cabinet approves submission of draft Public Procurement Bill to Parliament repealing PPPFA of 2000 (Act 5 of 200). Potential decreased non-mandatory ICT services and decrease in service revenues. The national cloud and data policy aim to boost state service delivery, enhance policy with data analytics and ensure data sovereignty. 	<ul style="list-style-type: none"> Enhance and embed information & cybersecurity capabilities within all SITA processes, products and services. Ensure procurement activities remain transparent and fair (aligned to Bill). Through ESD and R & I strategies contribute to socio-economic development and transformation. Identify alternative revenue streams to compensate for reduced non-mandatory service. Expand market share in cloud and digital tech, aligning with government goals.

Figure 10 – PESTLE analysis

4.3 Internal environment analysis

4.3.1 Internal Challenges

Throughout the years, SITA has encountered several operational inefficiencies that have hindered its capacity to fulfil its objectives. These challenges are multifaceted, including numerous aspects. The figure below delineates both internal and external unique challenges. SITA has not only documented these issues but has also contemplated the desired future, ideally encompassing the successful execution of the strategic plan 2025/30, and is enacting mitigating steps that will reinforce its standing in 2030. The intended outcome focusses on improved customer centricity, ensuring that SITA customers' service needs are consistently delivered. This strategic initiative will ensure customer retention, recruit new customers, and enhance business development procedures, resulting in elevated customer satisfaction levels.

Moreover, to solve the challenges confronting SITA, the agency aims to thoroughly examine opportunities for partnership with the premier service providers in the industry in order to provide novel ICT solutions, development, and implementation. This program is somewhat closely connected to the market position and perception, wherein SITA has made the decision to effectively communicate the value proposition in order to regain the trust and loyalty of its customers. The SITA partnership model focuses on creating mutually beneficial relationships that drive innovation and revenue growth.

Against this backlog, SITA will persist in conducting market research to remain informed about the latest digital business transformations trends, hence fostering collaborative efforts. This plan is poised to enhance SITA's digital culture. Furthermore, SITA aims to establish itself as the preferred service provider of digital government services, while prioritising improving the quality of services for all its customers.

SITA continues to modernise its digital infrastructure to ensure it is secure, scalable and meets the digital needs of customers. This will help SITA greatly improve its financial standing in various manners, and it will enhance it significantly. There is going to be an entire makeover of SITA's operational flexibility to work around restrictions brought about by our current cost model and tariff structures, to foster agility, accuracy and fair pricing.

The figure below outlines SITA's internal challenges that necessitate focused attention to facilitate the effective implementation of the plan and achieve the targeted desired state.



Figure 11 – SITA challenges

4.3.2 SWOT analysis

The SWOT Analysis provides a concise overview of SITA's internal strengths and weaknesses, as well as the external opportunities and threats it faces. It highlights key factors influencing the agency's ability to deliver on its mandate and drive South Africa's digital transformation agenda. By leveraging its strengths, addressing weaknesses, capitalizing on opportunities, and mitigating threats, SITA aims to enhance public service delivery, foster innovation, and strengthen its role as a strategic enabler of government ICT initiatives.

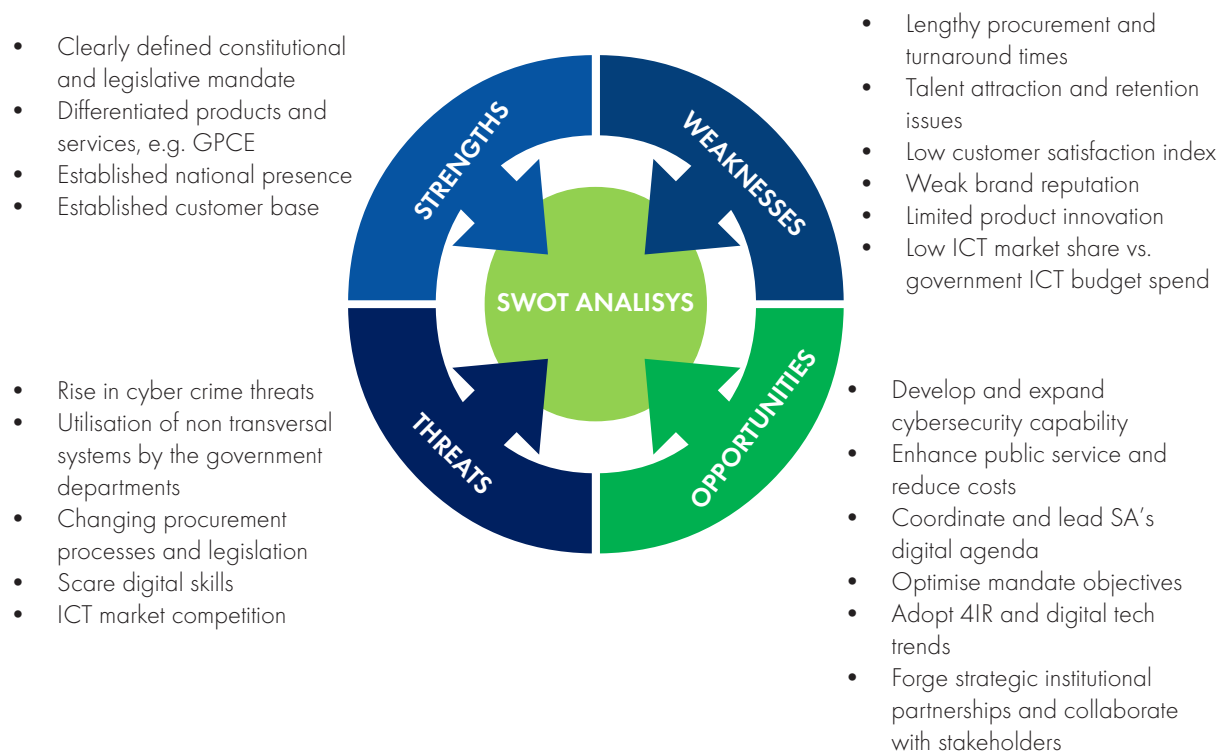


Figure 12 – SWOT

In light of the accelerated technological advancements within this era of extensive digitisation and in alignment with the current situational analysis, SITA is still pursuing a customer-centric strategic approach to fulfil its objective of providing an effective public service. These objectives include prioritising the modernisation of government services, enhancing performance efficiency, and enhancing the digital experience for citizen. Critical to this is reverting to fundamental principles in order to provide value to government departments and promptly ensuring the implementation of all service enhancement strategies.

These inefficiencies frequently originate from outdated government systems, bureaucratic challenges, insufficient digital infrastructure, and sluggish acceptance of emerging technology. Confronting these problems is essential for SITA to successfully meet the requirements of a digital, rapid environment and to conform to the government's objectives of enhancing service delivery and governance.

4.3.3 Organisational structure

A well-balanced workload for both national and provincial customers is achieved through the SITA macro organisational structure. Executives have the ability to specialise in various technology domains, enabling SITA to address significant challenges pertaining to provincial customer management. Moreover, SITA's executives, together with different tiers of management, are able to deliver the required level of service using the best technology.

In light of the accelerated technological advancements within this era of extensive digitisation and in alignment with the current situational analysis, SITA is still pursuing a customer-centric strategic approach to fulfil its objective of providing an effective public service. This objective includes prioritising the modernisation of government services, enhancing performance efficiency, and enhancing the digital experience for people. Critical to this is reverting to fundamental principles in order to provide value to government departments and promptly ensuring the implementation of all service enhancement strategies. The macro organisational structure is aligned to the current operating model and covers the end-to-end service delivery value chain to enable the strategic direction and mandate of SITA. The macro organisational structure is depicted below.

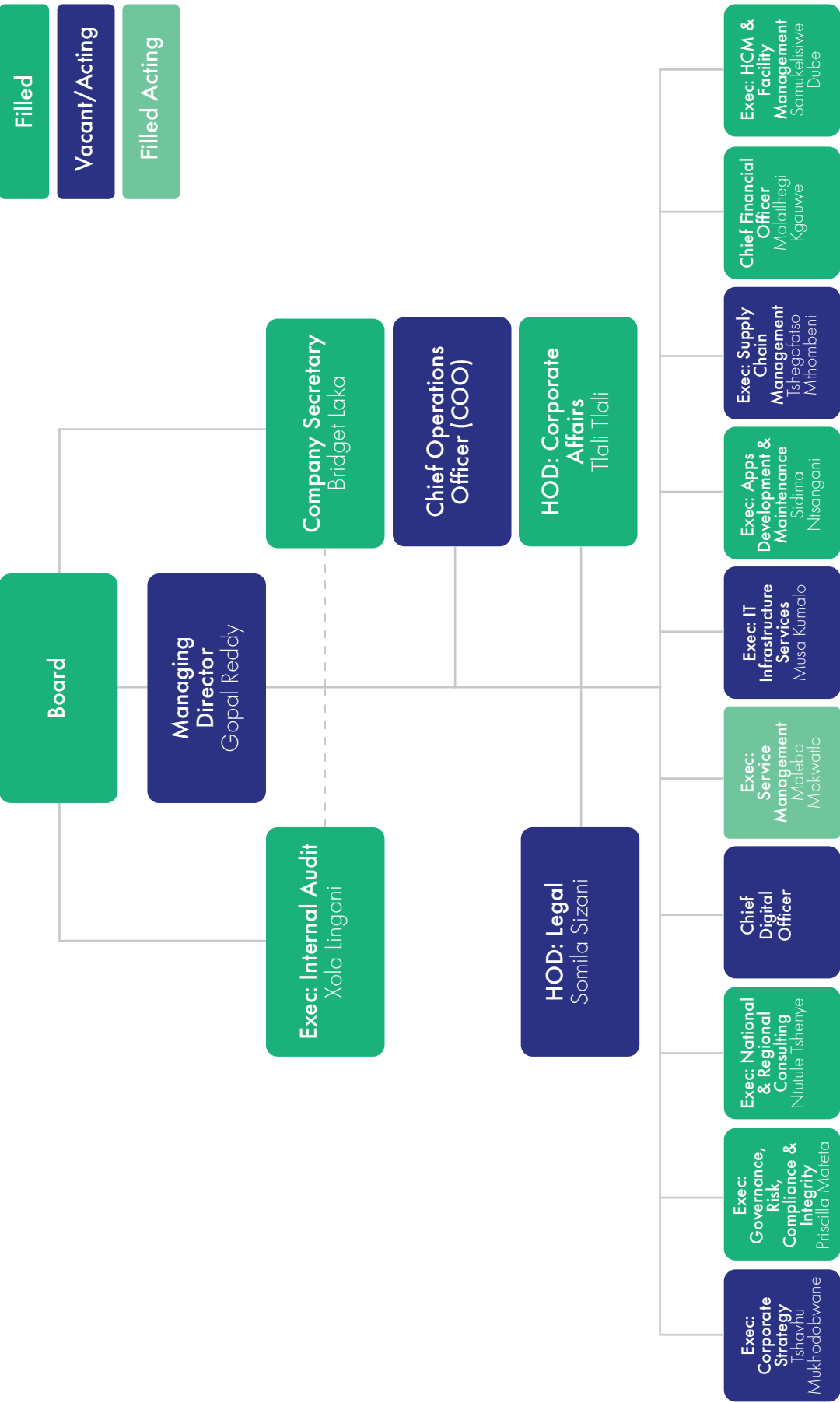


Figure 13 – SITA macro-organisational structure

5. RESPONSE TO SITUATIONAL ANALYSIS

SITA plays a critical role in supporting South Africa's government's digital transformation. As the country's central IT provider for the public sector, SITA's services are vital for the implementation of government policies and initiatives, enabling the smooth running of the country's public service operations. However, recent years have seen a shift in the landscape, as SITA faces increasing pressure from both internal and external challenges.

SITA's traditional role has centred around offering IT infrastructure, services, and solutions for the public sector, but as the digital transformation journey accelerates, the organisation finds itself needing to evolve its offerings and improve its operational capabilities to maintain its relevance in the market. This transformation requires not only technological upgrades but also a deep-rooted shift in leadership, organisational culture, customer engagement, and financial sustainability.

The challenges have been compounded by the rapid advancements in digital technologies, which have made SITA's traditional models of operation increasingly diminishing in effectiveness. These changes are amplified by external pressures from both the private sector, which has grown increasingly competitive in the digital space, and by the rising expectations from government departments, who demand faster, more efficient, and innovative IT solutions.

At the same time, SITA's internal operational structure has been affected by governance issues, leadership instability, and an organisational culture that, at times, has been seen as disconnected from the realities of the market and customer needs. The culmination of these challenges has led to an imperative need for the organisation to refocus its strategy, realign with governmental objectives, and position itself as a leader in the digital space.

The strategic future desired state of SITA is to be a digital services agent that gears the agency towards becoming focused on digital product development and a total service experience for SITA customers and citizens. Realisation of the future state will be through three strategic pillars – customer-centricity, government digital transformation, and SITA digital transformation, as depicted in the figure below. These pillars are instrumental in enhancing the overall service delivery experience through innovative, secure and cost-effective ICT solutions. SITA's focus will be on increasing operational efficiencies, leveraging advanced technologies, and fostering strategic partnerships that drive significant improvements in both internal capabilities and external outcomes.



Figure 14 – SITA as a customer-centric digital services agency

SITA's strategy is anchored on three strategic pillars, each designed to deliver targeted interventions that support both internal transformation and external value delivery to Government and citizens.

(a) Pillar 1: Customer Centricity (Total Service Experience)

This pillar focuses on enhancing the overall customer experience by addressing service pain points, improving responsiveness, and aligning services with customer needs. Key initiatives include service delivery improvements, customer personalisation, customer retention strategies, and proactive advisory services. Additionally, efforts to enhance SITA's brand and reputation form a central part of this pillar, aimed at restoring stakeholder trust and loyalty.

(b) Pillar 2: Transform Government (Digital Government Capability)

This pillar is aimed at driving digital transformation across government. It includes initiatives such as scaling digital innovation, developing AI use cases, and deploying new digital products and services like the Citizen SuperApp. Emphasis is placed on modernising government systems, enhancing network connectivity, expanding cloud and data centre capabilities, and strengthening cybersecurity through a centralised Cyber Security Centre (CSC).

(c) Pillar 3: Transform SITA (State Digital Services Agency)

This pillar focuses on transforming SITA's internal processes to improve efficiency, sustainability, and governance. It covers process improvement and automation, procurement reform, marketplace partnerships, funding and pricing model revisions, and initiatives for financial sustainability. Additionally, it prioritises building a high-performance organisational culture and strengthening corporate governance to ensure accountability and compliance.

(d) Pillar 4: Strengthen Governance (Effective Corporate Governance)

This pillar is focused on embedding sound governance practices to ensure that SITA operates with integrity, transparency, and accountability. It aims to enhance the internal control environment, manage strategic risks proactively, and drive environmental sustainability. Key initiatives include improving oversight mechanisms to achieve clean audit outcomes, implementing a robust enterprise risk management framework, and advancing the Green IT and environmental sustainability strategy. Furthermore, the pillar supports industry transformation through the empowerment of SMMEs and designated groups by improving procurement practices and enhancing SITA's BBBEE performance. This pillar underpins the successful execution of the other three pillars by ensuring that SITA operates efficiently and responsibly while contributing to socio-economic development.





 Pillar 1 Customer Centricity (Total Service Experience)	 Pillar 2 Transform Government (Digital Government Capability)	 Pillar 3 Transform SITA (State Digital Services Agency)	 Pillar 4 Governance (Effective Corporate Governance)
Strategic Initiatives	Strategic Initiatives	Strategic Initiatives	Strategic Initiatives
<p>1 Service Delivery Improvement: implement initiatives to address customer pain points and service improvements to enhance service quality, efficiency, and customer satisfaction.</p> <p>2 Customer Personalisation: improve customer engagement channels and product & service portfolio to meet unique customer needs and expectations.</p> <p>3 Customer Retention: implement initiatives to improve customer loyalty, respond to customer priorities and grow revenue.</p> <p>4 Digital Advisory and Consulting: proactively provide consulting & advisory services such as digital transformation strategy, enterprise architecture & ICT governance to accelerate digital governance</p> <p>5 Brand and Reputation: establish a modern brand identity through a comprehensive rebranding strategy that will create a fresh identity that resonates with stakeholders, aligning SITA's image with its mission and values.</p>	<p>1 Research & Innovation: Develop and scale up new product & service innovation, establish government Artificial Intelligence (AI) agent, develop IA use cases for government services & interoperability and data sharing.</p> <p>2 Digital Products & Services: establish a Citizen SuperApp platform, deploy new government digital products and services, deliver paperless government in Box, rationalisation and modernisation of government systems</p> <p>3 Digital Platforms: establish a payment gateway platform, Internet of Things (IoT) platform and data analytics and AI platform.</p> <p>4 Network Connectivity: implement network modernisation programme (core network & government internet perimeter) and roll broadband connectivity.</p> <p>5 Data Processing: establish government ICT disaster recovery centre, expand Government Private Cloud Ecosystem (GPCE), establish government data centre framework and modernise data centres.</p> <p>6 Cybersecurity centre for of the State: establish centralized Cyber Security Capability (CSC) monitoring of government services, expansion of the CSC capability.</p>	<p>1 Process Improvement & Automation: re-engineer & automate SITA business processes to enhance efficiency & enabling data-driven decision-making.</p> <p>2 Procurement Reform: implement initiatives to improve procurement turnaround delivery to customers, capability improvement and automation.</p> <p>3 Marketplace Platforms & Partnerships: establish partnerships to augment delivery capability, implement the marketplace platform & commercialise Commercialise R&I, Testing & certifications services.</p> <p>4 Funding and Pricing Model: revise pricing model in line value based principles and develop funding model enable execution of the strategy and mandate.</p> <p>5 Financial Sustainability: Implement business development and local government growth strategy</p> <p>6 High Performance Culture: implement employee value proposition initiatives, employees training modernise facilities.</p>	<p>1 Effective Oversight: implement initiatives to improve the internal control environment and achieve a clean audit outcome</p> <p>2 Risk Management: implement strategic risk register to improve the risk posture of the and protect SITA's reputation, assets, and stakeholders.</p> <p>3 Environmental Sustainability: implement the green IT and environmental sustainability strategy..</p> <p>4 Industry Transformation: implement enterprise supplier development initiatives, improve procurement spend through designated entities and improve BBBEE scorecard.</p>

Figure 15 – Strategic Pillars and Strategic Initiatives

Internally, the transformation of SITA will focus on creating an agile organisation that can rapidly respond to technological changes and customer demands, including addressing challenges and pain points. This involves improving the workforce's skillsets, streamlining operations and adopting new technologies. SITA will foster a culture of continuous innovation and growth, with an emphasis on delivering high-quality solutions that align with government priorities and meet national objectives.

Through this 2030 vision, SITA aspires to drive transformative change that is secure, cost-effective and integrated across all government entities. The goal is not only to improve digital service offerings but also to position SITA as a key enabler of the South African government's long-term ICT objectives, contributing to national progress and enhanced public service delivery.

This strategy is underpinned by SITA's commitment to aligning with government directives while fostering innovation and ensuring financial sustainability. By building strong ecosystems, enhancing customer experiences, and leveraging partnerships, SITA will secure its position as the trusted digital partner to the government by 2030.

The realisation of the strategic posture is underpinned by assumptions and benefits for successful execution as depicted on the figure below.

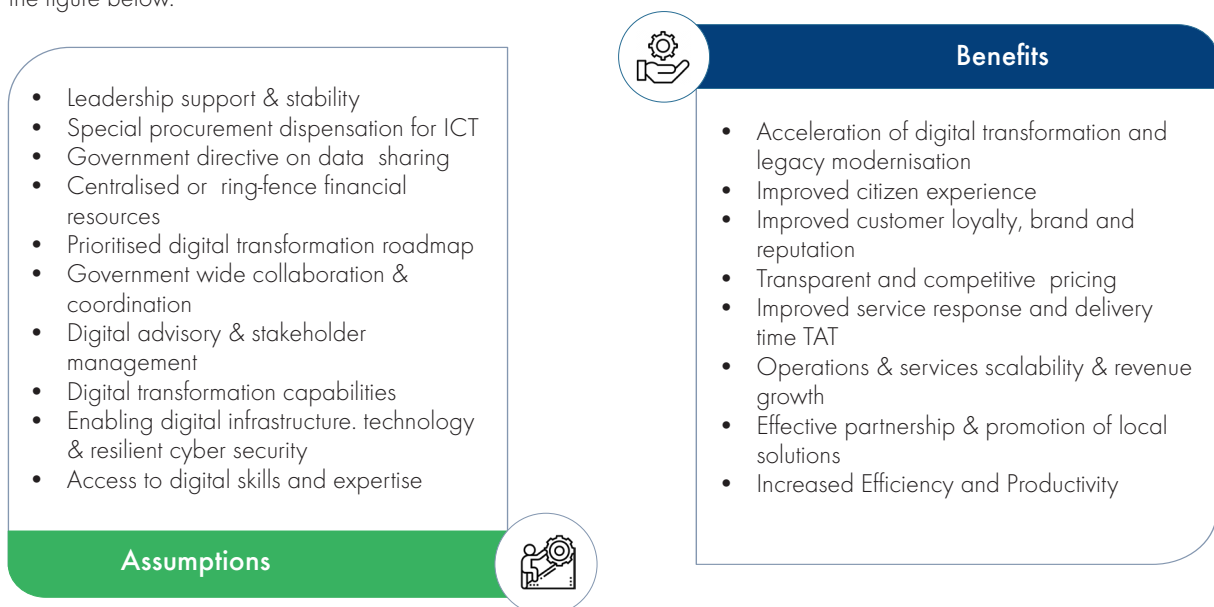


Figure 16 – Assumptions and benefits

5.1 Focal areas for FY2025/26

SITA's efforts are focused on improving customer satisfaction, with an emphasis and commitment to adopting customer-centric approaches that prioritise demands from customers. Customer-centric approaches seek to encourage loyalty by continually recognising and addressing the demands of customers, which leads to increased customer retention and loyalty, as well as improved brand reputation. There are four government digital services that align with the prioritised list of services, as well as increasing digital access to government agencies. The agency's participation in supporting digital transformation is one of its most significant contributions to improving public service delivery overall.

SITA will deploy new digital platforms and enable the utilisation of these platforms by government. Security becomes increasingly vital considering this development, and to strengthen our customers' resilience to cyber threats and secure important information, the cybersecurity centre (CSC) transversal capabilities will be expanded national departments.

In terms of improved connectivity, ensuring connectivity of SA Connect sites is critical for equitable access to digital infrastructure, improved service delivery, operational efficiency, and alignment with national digital transformation goals. SITA will connect 931 SITA as defined by scope and budget. To speed up the adoption of eGovernment, which seeks to improve the experience of citizens through the broadened delivery of public services, SITA intends to increase the number of government departments that use the SuperApp. This enables citizens to effortlessly access essential government services through the Citizen SuperApp. In the context of SITA business continuity, the improved state of a centralised disaster recovery capabilities will help SITA in effectively managing downtime by maintaining a systematic approach to recovery, resulting in minimising disruptions to SITA's overall operations.

To ensure SITA's financial stability, SITA will maintain its upward trajectory of 10% growth in year-to-year service revenue, which will eventually increase SITA's EBITDA to 11%, resulting in considerable financial improvement. To reach this financial goal, SITA intends to complete at least 80% of all procurement requests within the agreed-upon timelines. SITA will fully implement its high-performance culture strategy and the employee value proposition initiative, with the goal of having its workers highly engaged and committed to ensuring that all strategic initiatives defined in the current fiscal year are realised.

In the FY2025/26, SITA will therefore be focusing on the key areas described below.

5.1.1 Improved customer experience

SITA will aim to build a customer-centric culture that creates a superior shared customer and employee experience through the prioritisation of customer needs and continuous service improvement, thereby building a strong brand image and restoring stakeholder trust, loyalty and confidence in SITA.

The customer experience is fundamental to the overall success of SITA. It includes all interactions that the customer has with the agency, from initial contact to post-sale services. Delivering an outstanding customer experience has emerged as a crucial difference in very competitive marketplaces where consumers have unprecedented options.

Furthermore, SITA plans to continuously improve customer experience and will prioritise understanding its customers' requirements and preferences. This will be achieved using feedback channels, surveys and customer analytics that yield insights into the target audiences' expectations.

SITA will prioritise the implementation of digital transformation initiatives that will improve its customer service delivery and overall customer satisfaction. This will be accomplished through performing continuous customer surveys aimed at boosting customer service improvement quality and brand reputation.

5.1.2 Improved government operations and services

Innovation serves as the catalyst for competitive advantage and expansion. In the modern era and rapidly evolving environment, SITA plans to constantly reinvent its products, services and processes for continued relevance. The agency is determined to continue adopting novel technologies, re-engineer its processes and ultimately reconfigure its business operating model for agility purposes.

However, innovation generally necessitates collaboration. SITA aims to collaborate with industry, research institutes and small, medium and macro enterprises (SMMEs) to acquire novel concepts and materials that the agency may not have internally. Collaborations will boost information interchange, speed up the launch of new services, and foster innovation by exposing SITA to varied ideas and techniques.

SITA will prioritise innovation and cultivate partnerships to swiftly respond to market changes and future possibilities. This emphasis on collaboration enables SITA to mitigate risk by distributing it across partners while pursuing transformative technologies that may revolutionise sectors.

A key undertaking to enhance government operations and services will be the development of novel products and services – innovative products and services poised for entry into the market, and the delivery of services via collaborative efforts. Through the implementation of expanded digital platforms, digital infrastructure services, and newly prioritised integrated services that are accessible via digital channels and establishment of the government AI agent, government will be able to facilitate the improvement of its operations and services by providing digital services, platforms and infrastructure that are dependable, secure and efficient.

5.1.3 Improved financial sustainability

Revenue growth and financial sustainability are crucial for SITA looking to achieve long-term success. Revenue growth indicates an agency's capacity to enhance its market presence, product sales and profitability. However, this expansion must be sustainable and in line with SITA's strategic objectives.

To ensure long-term financial health, SITA must strike a balance between investments in innovation, customer experience and operational efficiency, as well as cautious financial management. Diversifying income streams through possible platform business, developing new markets, and constantly improving product or service offerings are all critical techniques for increasing revenue in the current and future SITA context.

5.1.4 Improved operational efficiency

Efficient operations optimise resource utilisation, and reduce time spent on non-value-added tasks, resulting in increased profitability and customer happiness. To achieve operational efficiency, SITA will simplify procedures, embrace automation and constantly look for methods to increase productivity. Lean techniques, process optimisation tools and data analytics may assist in detecting bottlenecks, reduce redundancies and guarantee that operations run smoothly. Furthermore, prioritising efficiency will ultimately improve customer experience.

Operational efficiency will not only lower costs, but also increase SITA's agility, enabling it to adapt more quickly to changes in market circumstances or customer demand. A lean and efficient organisation is better positioned to innovate and expand while being profitable.

Furthermore, improved operational efficiency will be realised by implementing internal procedures that are both efficient and agile. This will be accomplished by aiming to recruit top talent, retain employees, and cultivate an atmosphere of engagement and a high-performing culture through a well-designed enhanced employee value proposition programme and procurement requests are performed within the set dates that have been agreed upon (request to award).

5.1.5 Strengthened accountability and compliance across SITA

Effective governance is the cornerstone of a prosperous, principled and sustainable organisation. SITA plans to continue improving its governance posture to include the regulations, methodologies and procedures governing its direction and oversight. Effective governance will assist SITA to ensure accountability, equity, openness and responsibility in all agency activities.

Since SITA aspires to be a digital lead thought possible platform business, agile governance frameworks will efficiently delineate the duties and responsibilities of the agency's leadership, ensuring that management choices are congruent with stakeholder interests and adhere to legal and ethical standards. These initiatives will include risk management, ensuring

that the organisation is cognisant of and equipped to address any hazards, whether financial, operational or reputational. Effective governance is particularly crucial for SITA to maintain sustaining public trust and ensuring responsible resource management. SITA's robust governance in dealing with its customers will improve the trust and foster sustained financial performance.

SITA's continuous aim of strengthening transparency, accountability and compliance will be delivered by securing an unqualified audit opinion and strengthening SITA's strategic position.

6. THEORY OF CHANGE

A large portion of the population in South Africa is now strongly involved in digital and mobile connections, which has led to the fast adoption of the digital environment in the country. What this does is lay the groundwork for SITA to utilise technology in order to close the gaps in service delivery that have been discovered. The information and communications technology (ICT) landscape has witnessed tremendous improvements in areas such as data analytics, artificial intelligence, and cloud computing on a global scale. These technologies have the potential to revolutionise the delivery of public services, making them more affordable, more responsive to the needs of citizens, and more citizen-centered. The South African public sector is struggling with obsolete information and communications technology (ICT) infrastructure, fragmented systems, cyber-security vulnerabilities, and a huge digital divide, all of which hinder the effective use of these revolutionary technologies. Despite these opportunities, the public sector is struggling with these issues.

There is a direct correlation between the efficiency and effectiveness of the procedures and systems utilised by the government and the delivery of services by the public sector. On the other hand, the public sector of the country continues to struggle with insufficient coordination among government agencies and a dearth of digital procedures that are standardised. In addition, the government's inability to properly harness these disruptive technologies is hindered by its antiquated information and communications technology (ICT) infrastructure, fragmented systems, cyber-security vulnerabilities, and the digital divide. The consequence of this is that residents frequently face challenges while attempting to gain access to important services, such as healthcare, education, and social welfare resources.

6.1 SITA theory of change context

SITA has devoted itself to the ongoing execution of innovative IT projects for bettering government service delivery, efficiency, and effectiveness. This mostly comprises leveraging technology to streamline operations, improve partner-relationships, and enable the public sector in achieving its missions more efficiently. SITA adopted a theory of change in the prior financial year, tailored to the advancements linked with the achievement of the last mile (last implementation phase) of the strategic plan 2020/25. The effort for this this new strategic plan 2030 and this year's APP shift in theory is based on the same strategic foundation which introduces newly established six (6) selected strategic themes, (1) Customer experience, (2) Innovation and partnership, (3) Digital services and infrastructure, (4) Revenue growth and financial sustainability, (5) Operational efficiency, (6) Governance.

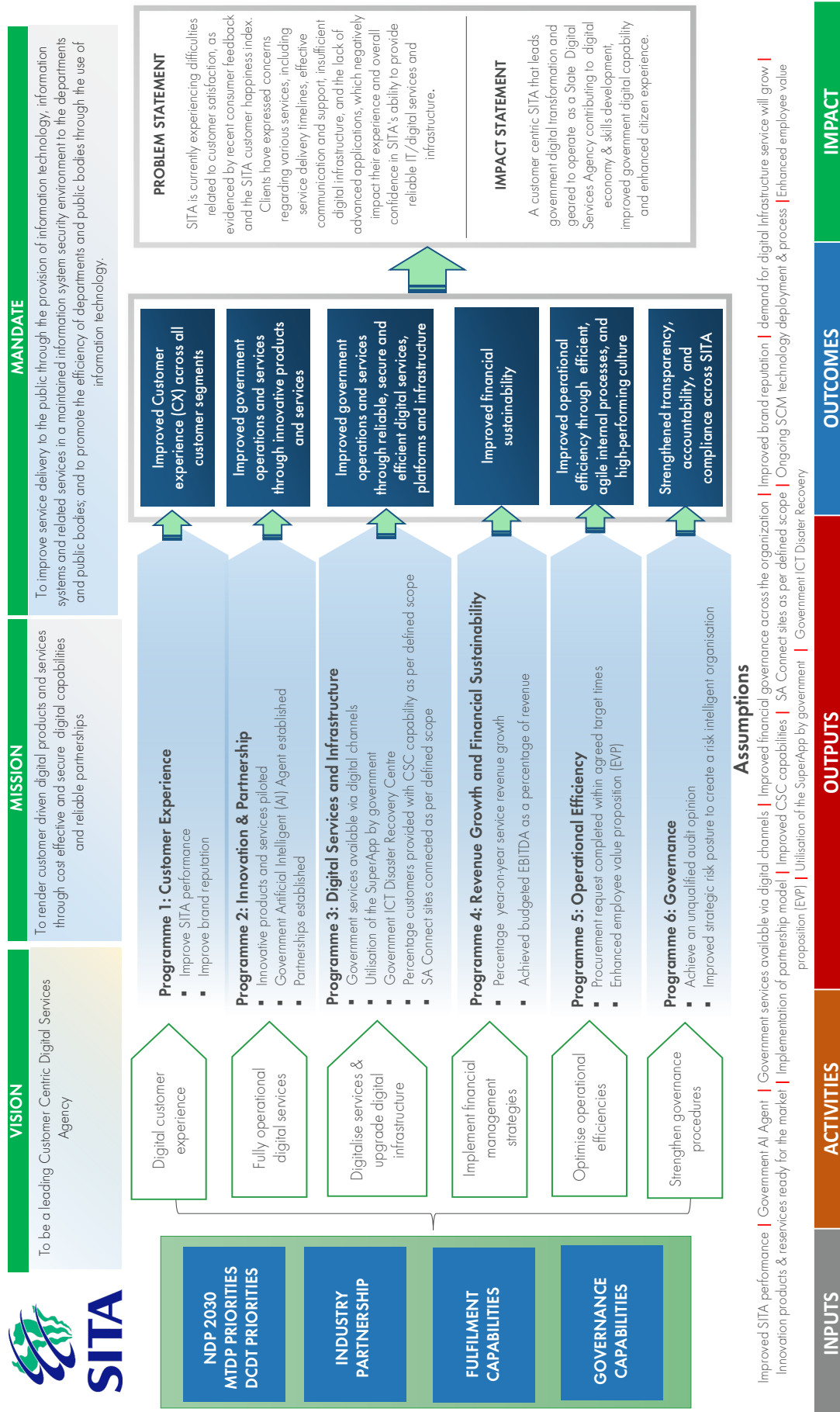


Figure 17: The Theory of Change

6.1.2 Problem statement

SITA is currently experiencing difficulties related to customer satisfaction, as evidenced by recent consumer feedback and the SITA customer happiness index. Clients have expressed concerns regarding various services, including service delivery timelines, effective communication and support, insufficient digital infrastructure, and the lack of advanced applications, which negatively impact their experience and overall confidence in SITA's ability to provide reliable IT/digital services and infrastructure. Conversely, there is a pressing necessity for SITA to re-evaluate its centralised disaster recovery strategy as its services and customer demands escalate. This endeavour, together with other advanced solutions and systems developments, necessitates that SITA re-evaluate its approach to cybersecurity operations to safeguard its applications, systems, and platforms while maintaining effective business continuity. Notwithstanding SITA has devised plans to address existing performance inadequacies to surpass customer expectations through its newly defined six programmes discussed in various sections of this document.

6.1.3 Assumptions

Within the framework of its Theory of Change, SITA has established a number of assumptions. For the purpose of ensuring that there is a mutual understanding in the manner in which change will occur, these assumptions constitute a framework for planning and assessment respectively. The SITA model operates on the premise that customer departments and people will continue to embrace digital services and make appropriate use of these services to achieve improved customer experiences. The digital transformation of the government necessitates the participation of all relevant stakeholders and the provision of access to government data. On the assumption that government departments would collaborate with SITA on all needs for digital programs while providing access to data, it is believed that digital programmes will be implemented.

Various government departments and organisations have demonstrated their dedication to digital transformation and modernisation activities, offering both political and administrative support to the initiatives undertaken by SITA. SITA operates under the assumption that government employees are working to improve their digital skills and capacities in order to successfully support and manage digital activities. The assumption is that the policy and regulatory framework for digital transformation will be examined and enhanced, and that all of the essential actions will be taken to facilitate the execution of digital projects. The government is presumed to be delivering digital efforts, and it is anticipated that interdepartmental fiscal collaboration would be successful.

6.1.4 Inputs

For the purpose of propelling its strategic efforts, SITA makes use of the inputs, which are basic components. The Department of Communications and Digital Technologies (DCDT), MTDP, IDWG priorities and the overall National Development Plan 2030 are included in this group of priorities. SITA is able to successfully carry out its mandate owing to its strong policy and strategic position, and operational advice that is provided by these inputs collectively. These inputs include competences such as governance, finance, procurement, as well as strategic partnerships with industry.

6.1.5 Activities

SITA has identified particular programmes to initiate change within the agency and its services, based on the context described in the input section. This aligns with SITA's ongoing efforts to enhance service delivery. The activities entail the following:

- (a) Improved digital customer service experience: To ensure that government departments and public sector entities have superior IT applications, support and services.
- (b) Continued digitalisation of government services: SITA is committed to digitising government services to promote cost-effectiveness, accessibility, and efficiency.
- (c) SITA is unwavering in its dedication to the ongoing development of digital services that are trustworthy, secure, efficient, and dependable.

- (d) Strategy implementation for financial management: the process of putting financial strategies into action with the goal of ensuring sustainable growth and prudent fiscal management.
- (e) By expanding the range of e-government services it provides, SITA has the opportunity to improve its revenue. In addition to assisting government agencies in modernising their processes, offering supplementary digital platforms and services can provide other revenue streams.
- (f) Digital platforms, directly responds to ICT issues and gaps identified by AGSA within government.
- (g) Government disaster recovery, a centralized Disaster Recovery Centre ensures government business continuity by mitigating risks from system failures, cyber threats & disasters. It enhances service reliability, minimizes downtime, and aligns with best practices for operational resilience. This target directly responds to issues raised by clients and AGSA.

6.1.6 Outputs

- (a) Programme 1 outputs prioritise improved Service performance and brand reputation.
- (b) Programme 2 aims to pilot innovative products and services while fostering the implementation of a partnership model and establishing a government AI agent..
- (c) Programme 3 deliverables prioritise government services available via digital platforms, utilisation of the SuperApp, centralised government disaster recovery capabilities, Cybersecurity Centre (CSC) capability rolled out to customer systems supported by SITA, and SA Connect sites connected as per defined scope.
- (d) Programme 4 aims to improve year-to-year service revenue growth, budgeted EBITDA as a percentage of revenue.
- (e) Programme 5 deliverables prioritise procurement requests within the agreed timeframes and the implementation of employee value propositions initiatives aimed at building a high performance culture.
- (f) Programme 6 focuses on achieving an unqualified audit opinion and improved strategic posture.

The above mentioned outputs are expected to lead to the following outcomes:

- (a) Improved Customer experience (CX) across all customer segments
- (b) Improved government operations and services through innovative products and services
- (c) Improved government operations and services through reliable, secure and efficient digital services, platforms and infrastructure
- (d) Improved financial sustainability
- (e) Improved operational efficiency through efficient, agile internal processes, and high-performing culture
- (f) Strengthened transparency, accountability, and compliance across SITA

6.1.7 Impact

Using the theory of change, SITA is able to get a comprehensive comprehension of the manner in which its interventions (such as the provision of IT services, support for digital transformation, and cybersecurity measures) result in the results that are intended. By doing so, the organisation is able to more easily prioritise operations, efficiently distribute resources, and maintain its concentration on initiatives that will have a significant impact.

A customer centric SITA that leads government digital transformation and geared to operate as a State Digital Services Agency contributing to digital economy & skills development, improved government digital capability and enhanced citizen experience.

By implementing its Theory of Constraints in a strategic manner, as described in the preceding narrative, SITA intends to close the gap that exists between the existing difficulties and the ideal state of information and communication technology in the public sector. By concentrating on enhancing procedures, infrastructure, and skills, SITA is dedicated to facilitating a transformational influence on the delivery of public services. This will allow the organisation to realise its goal and move closer to its vision for the future of information and communication technology in government.

A blue pen with a clear barrel and blue accents lies diagonally across the top left of the page. Below it, a document features a bar chart with several blue bars of varying heights. In the foreground, a green-tinted line graph is visible, showing several intersecting lines that fluctuate across the frame. The overall image has a professional, analytical feel with a color palette dominated by blues and greens.

PART C: MEASURING OUR PERFORMANCE

7. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

SITA implements its strategy through the six strategic programmes, outlined in the figure below. The strategic plan is executed annually through the Annual Performance Plan and cascaded throughout the organisation using the Corporate Balanced Scorecard. This approach enables the monitoring and evaluation of performance to ensure that the intended outcomes and impact of the strategy are realised.

					
Customer Experience	Innovation & Partnership	Digital Services & Infrastructure	Revenue Growth & Financial Sustainability	Operational Efficiency	Governance
<p>PURPOSE</p> <p>To build a customer centric culture that creates superior shared customer and employee experience through prioritization of customer needs, continuous service improvement, building a strong brand image thereby restoring stakeholder trust, loyalty and confidence in SITA.</p>	<p>PURPOSE</p> <p>To position SITA as a thought leader that understands its stakeholder's challenges and continuously creates and implements innovative, desired, practical and viable solutions through collaborations with partners.</p>	<p>PURPOSE</p> <p>To develop digital products and services and establish secure, reliable, scalable digital infrastructure and platforms that will enable digital transformation and improve, access and consumption of public services.</p>	<p>PURPOSE</p> <p>To ensure SITA remains self-sufficient while delivering cost-effective services in a sustainable manner by identifying new revenue streams and optimizing existing offerings to maintain its financial health and fund future innovations</p>	<p>PURPOSE</p> <p>To streamline internal processes, reduce costs & improve overall effectiveness of service delivery thereby ensuring that operations are agile, efficient, and capable of meeting the demands of a rapidly changing digital landscape.</p>	<p>PURPOSE</p> <p>To ensure that SITA operates with transparency, accountability, and ethical standards while complying with regulatory requirements to maintain trust with government stakeholders and mitigate risks in service delivery</p>
<p>OUTCOMES</p> <p>Improved Customer experience (CX) across all customer segments</p>	<p>OUTCOMES</p> <p>Improved government operations and services through innovative products and services</p>	<p>OUTCOMES</p> <p>Improved government operations and services through reliable, secure and efficient digital services, platforms and infrastructure</p>	<p>OUTCOMES</p> <p>Improved financial sustainability</p>	<p>OUTCOMES</p> <p>Improved operational efficiency through efficient, agile internal processes, and high-performing culture</p>	<p>OUTCOMES</p> <p>Strengthened transparency, accountability, and compliance across SITA</p>

Figure 18 – Strategic programmes

Each strategic theme is further elaborated upon below, describing the mechanisms that SITA plans to utilise to achieve its strategic plan and enable the organisation to reach its long-term objectives.

7.1 Customer experience

SITA's Strategic Plan 2030 prioritizes customer experience as the foundation for enabling digital transformation within government. The customer experience programme is designed to build a customer-centric culture, enhance service delivery, and rebuild stakeholder trust. This initiative addresses historical challenges like inefficiencies, poor service perceptions, and misaligned value propositions, aligning with the Board's vision for a proactive, innovative SITA. To ensure successful customer retention and the onboarding of potential customers, SITA will consistently perform extensive Customer Satisfaction Index surveys to evaluate customer satisfaction with SITA's products and services. SITA remains dedicated to resolving customer challenges and elevating the service delivery experience. By bolstering our consulting capabilities and reforming supply chain management, we aim to directly tackle the primary issues our customers face. Commitment to these service improvements is underpinned by actionable plans and a collaborative approach with our customers to meet their business needs effectively. Furthermore, to gauge progress and ensure alignment with customer expectations, SITA will conduct an annual Customer Satisfaction Index (CSI) survey.

The Service Improvement Plan, rooted in the NRC business strategy, aims to optimize processes and enhance service quality through actions like automating workflows, implementing real-time reporting dashboards, and setting measurable quarterly performance targets. These steps, alongside efforts to tailor services to client needs using market intelligence, address inefficiencies and transition SITA to a customer-centric organization. By segmenting clients, forecasting trends, and aligning offerings to expectations, SITA strengthens its ability to meet diverse demands effectively.

Digital advisory and consulting services position SITA as a trusted advisor for digital transformation. Through expert consulting in cloud adoption, cybersecurity, and data governance, and by partnering with private stakeholders, SITA drives innovative solutions and affirms its role as a thought leader in the ICT sector. This complements a customer retention strategy that refines SITA's value proposition to emphasize unique capabilities, address client pain points proactively, and offer competitive pricing and flexible contracting to rebuild trust and loyalty.

SITA will also launch Voice of the Customer campaigns to gather actionable feedback from clients and stakeholders, guiding continuous service improvements. Concurrently, efforts to rebuild SITA's image as a leading digital transformation agency will include targeted media campaigns, digital marketing enhancements, and showcasing achievements to mitigate reputational risks and strengthen trust.

The customer experience programme underpins SITA's transformation into a trusted enabler of digital government. By addressing historical challenges and aligning with the Board's vision, these initiatives will drive improved service delivery, client satisfaction, and sustainable relevance in the digital age.

7.2 Innovation and partnership

Innovation and partnerships are critical to SITA's digital transformation goals. This programme focuses on fostering innovation, building strategic collaborations, and driving impactful outcomes. SITA will modernize legacy systems and introduce advanced digital platforms by investing in technologies such as AI, cloud services, and data analytics. These efforts aim to align innovative concepts with public sector needs, driving modernization and improving service delivery.

Through open innovation, SITA will collaborate with academia, research organizations, and private sector partners to accelerate the commercialization of groundbreaking ideas. Co-creation of solutions and the transition of research into market-ready products will enhance SITA's ability to address government priorities effectively. To further this goal, a centralized research and knowledge hub will be established, serving as a repository for best practices, case studies, and frameworks.

The hub will identify emerging trends, promote cross-disciplinary collaboration, and generate actionable insights to support innovation and informed decision-making.

Additionally, a formalized partnership framework will strengthen collaborations with strategic stakeholder entities and encourage the co-creation of solutions, leverage global best practices, and enhance SITA's capacity to deliver impactful digital transformation initiatives. By focusing on scalable innovation, collaboration, and knowledge sharing, the innovation and partnerships programme addresses strategic imperatives while ensuring SITA remains at the forefront of digital transformation in South Africa's public sector.

7.3 Digital services and infrastructure

Digital services and infrastructure are the backbone of SITA's mission to modernize government operations and deliver secure, efficient, and accessible digital solutions. This programme is designed to enhance the digital capabilities of the South African government through cutting-edge technology and strategic investments in critical infrastructure, aligning with an emphasis on resilience, scalability, and efficiency.

SITA will deploy innovative digital products and services to address the evolving needs of government departments and improve public service delivery. This includes accelerating application modernization to replace outdated systems with agile, cloud-native solutions and creating use cases that demonstrate tangible value for clients. The deployment will be complemented by the establishment of a marketplace platform to streamline access to digital products and services, fostering a robust ecosystem that drives collaboration and innovation.

Advanced technologies such as AI and analytics will be integrated into service delivery, providing actionable insights for decision-making and enhancing operational efficiency. By leveraging data-driven strategies, SITA aims to enable predictive analysis, improve resource allocation, and support evidence-based policymaking across government functions.

Key infrastructure initiatives include expanding broadband connectivity to underserved areas, ensuring reliable and equitable access to digital services. SITA will also modernize state data centers, enhancing their capacity, resilience, and energy efficiency to support the growing demand for digital services. The development of a secure government private cloud ecosystem will provide scalable and cost-effective storage and computing solutions, adhering to the highest standards of data sovereignty and security.

In order to strengthen cybersecurity, SITA will enhance its Cyber Security Centre (CSC) capabilities and implement comprehensive measures to safeguard government IT systems. This includes proactive threat detection, real-time monitoring, and rapid incident response to protect critical infrastructure and sensitive information.

By integrating these strategic initiatives, the digital services and infrastructure programme ensures that SITA delivers world-class digital solutions that empower government and benefit citizens. This programme underscores SITA's commitment to driving digital transformation and building a resilient, connected, and secure digital future for South Africa. Moreover, SITA aims to serve as a data governance centre of the state to enable data exchange for efficient data processing in line with the SITA Act. Furthermore, to enable data sharing capabilities, that include data quality, data Centricity (Single Source of Truth), legal considerations and profitability to SITA

7.4 Revenue growth and financial sustainability

Revenue growth and financial sustainability are pivotal to SITA's strategic plan 2030, ensuring the agency's competitiveness and resilience. This programme emphasizes market expansion, innovative commercial models, and robust financial mechanisms to support SITA's role as a driver of digital transformation.

SITA will expand into untapped markets, focusing on local government growth through enhanced partnerships with municipalities and broadband connectivity in underserved areas. This approach will deepen engagement, drive digital solution adoption, and create new revenue streams.

Innovative commercial models will reshape client and partner engagements. Key initiatives include a marketplace platform for seamless transactions, dynamic pricing, and collaboration with SMMEs and the private sector. This fosters a robust digital ecosystem, generating scalable and sustainable revenue streams.

A strong financial model will optimize costs, enhance governance, and diversify funding. This includes advanced financial management systems, capital investment frameworks for ICT projects, and alternative funding mechanisms such as public-private partnerships. These measures aim to achieve service revenue growth, meet EBITDA targets, and secure unqualified audit opinions, reflecting SITA's commitment to transparency and accountability.

Moreover, this programme strengthens SITA's financial position, enabling it to lead digital transformation and deliver value to government and citizens.

7.5 Operational efficiency

Operational efficiency is the cornerstone to SITA's strategic plan 2030, emphasizing streamlined processes, enhanced governance, and resilient organizational capabilities. Procurement reforms will improve transparency, reduce turnaround times, and boost supplier diversity by automating supply chain processes and partnering with SMMEs and OEMs. In order to enhance agility, SITA will reengineer business processes, optimize workflows, and adopt digital tools, enabling faster decision-making and flexibility.

Human capital investment is key, focusing on a competitive employee value proposition, leadership development, and a high-performance culture. Facility modernization will create productive workspaces through hybrid models, optimized space use, and environmentally friendly infrastructure. SITA's commitment to sustainability includes adopting Green IT strategies, reducing emissions, and aligning social responsibility efforts with government priorities.

IT governance will be strengthened by implementing robust frameworks, enhancing data management, and adopting international cybersecurity standards to secure critical systems. Corporate governance will be reinforced through ethical leadership, regulatory compliance, and stronger oversight mechanisms, fostering trust and accountability.

This programme positions SITA as an agile, efficient, and sustainable enabler of digital transformation, addressing operational challenges while aligning with the Board's vision for excellence in service delivery and resilience.

7.6 Governance

Governance is a foundational pillar aimed at fostering accountability, transparency, and compliance across the organization. This programme strengthens environmental and social sustainability, IT governance, and corporate governance to ensure SITA delivers value to its stakeholders and aligns with the Board's vision for ethical and sustainable operations.

SITA is committed to environmental and social sustainability by integrating responsible practices into its operations. This includes adopting a Green IT strategy to reduce carbon emissions and implementing sustainable initiatives that minimize environmental impact. Social responsibility programs, such as community development projects and e-waste management, further reinforce SITA's dedication to bridging the digital divide and contributing to broader societal goals.

IT Governance is a critical component of SITA's digital transformation agenda. The agency will implement robust IT governance frameworks to enhance compliance, cybersecurity, and data protection. By adopting international standards

and best practices, SITA will ensure secure and resilient IT systems, mitigate risks, and enable informed decision-making. These measures will safeguard government information assets and support the delivery of reliable digital services.

Strengthening corporate governance is essential to building stakeholder trust and organizational integrity. SITA will enhance oversight mechanisms, enforce compliance with regulatory requirements, and promote ethical leadership across all levels. Internal audit and risk management functions will play a pivotal role in evaluating and improving the effectiveness of controls, governance, and risk management processes. By fostering a culture of accountability, SITA ensures alignment with its strategic objectives and adherence to best practices in governance.

Overall, this programme underpins SITA's efforts to achieve operational excellence, environmental stewardship, and ethical leadership, aligned with a transparent, accountable, and future-ready organization.

8. IMPACT STATEMENT

The overall strategy of SITA aims to achieve the impact defined by the impact statement and strategic principles represented in the figure below. In line with SITA's role as a key driver of government digital transformation, the new medium-term strategic plan focuses on positioning the agency as a customer-centric digital services provider. This strategy is geared towards fostering digital economic and skills development, enhancing the government's digital capabilities, and delivering an improved citizen experience.

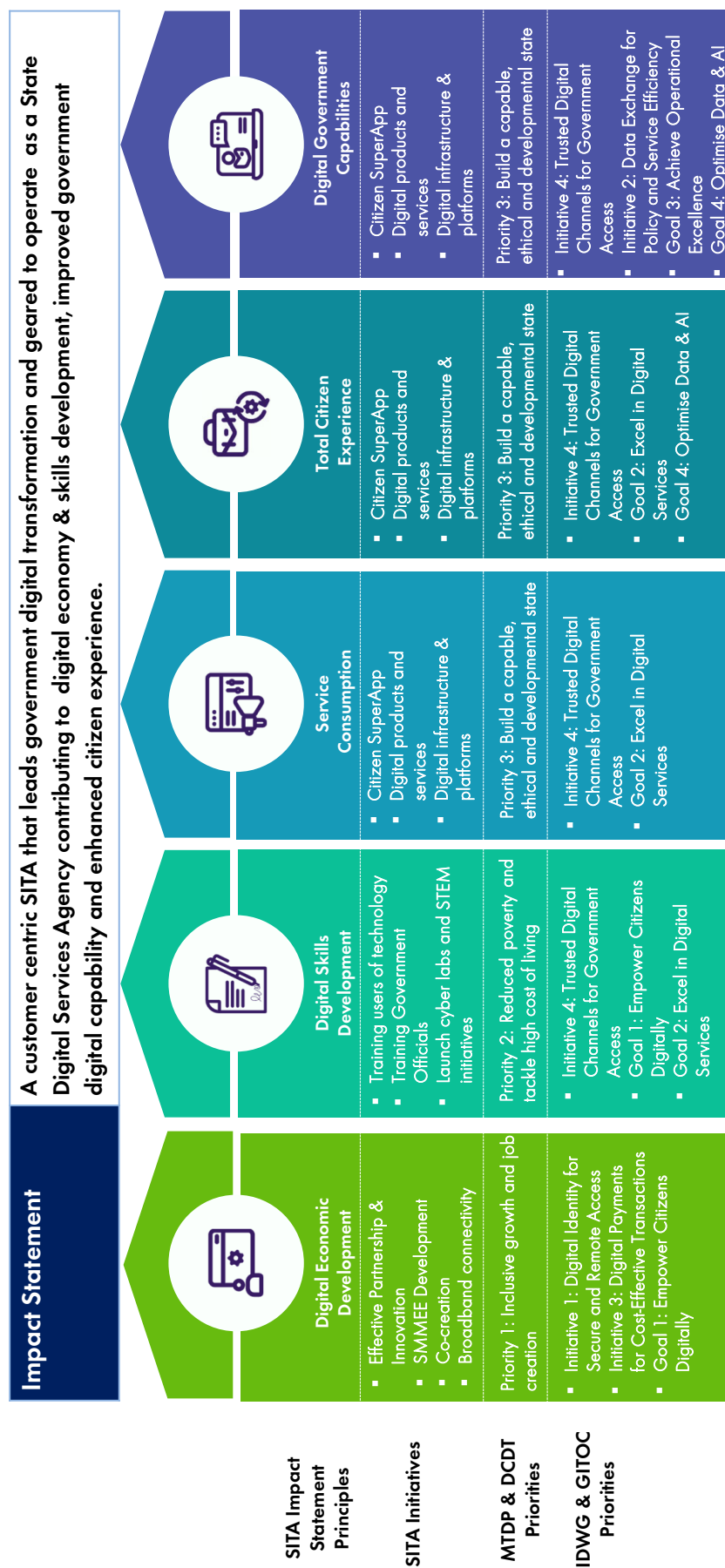


Figure 19 – Impact statement and strategic principles

As depicted in the figure above, SITA aims to realise its impact through fostering digital economic growth, enhancing digital skills, improving the government's digital capability and enriching the citizen experience. Through a focused approach, SITA aims to deliver enhanced value by supporting digital transformation across government, improving the efficiency of public services and enabling broader societal benefits.

Importantly, SITA's envisioned impact is aligned with the goals outlined in the GITOC Citizen-centric Digital Transformation Strategy and the DCDT strategy. Our focus is to support the nation's digital strategy by fostering innovation, expanding digital skills and delivering citizen-centered services that improve access to government services.

The strategic principles driving SITA's impact are structured around five core areas that contribute to South Africa's digital transformation journey, namely:

- (a) **Digital economic development:** SITA aims to boost the digital economy by fostering partnerships, promoting innovation, and supporting the growth of SMMEs and emerging businesses. This collaboration with industry helps drive economic development through digitalisation and supports local economies.
- (b) **Digital skills development:** SITA focuses on closing the digital skills gap by providing training for government officials and technology users. These skills development programmes will enable government departments to adopt and implement digital technologies more effectively.
- (c) **Service consumption:** SITA seeks to increase the usage of its digital platforms by government entities, ensuring the successful adoption of efficient, reliable and scalable digital solutions that meet public sector needs.
- (d) **Total citizen experience:** SITA is committed to improving citizen access to government services by integrating digital channels into a unified system. This approach creates a seamless experience for citizens interacting with government services.
- (e) **Digital government capabilities:** SITA strengthens the digital capabilities of government through secure, scalable digital products, services and infrastructure. This ensures effective service delivery across all government levels while maintaining data privacy and cybersecurity.

These strategic principles will guide SITA's actions in the upcoming fiscal year, ensuring that the agency remains a pivotal enabler of government digital transformation aligned with national objectives. Through partnerships, innovation and citizen-focused solutions, SITA will continue to build a future-ready digital infrastructure that empowers government departments and enhances the overall citizen experience.

8.1 Programme 1: Customer experience

8.1.1 Programme purpose

The purpose of this programme is to build a customer centric culture that creates superior shared customer and employee experience through prioritization of customer needs, continuous service improvement, building a strong brand image thereby restoring stakeholder trust, loyalty and confidence in SITA.

8.1.2 Outcomes, outputs, performance indicators and targets

Table 1 – Programme 1 performance indicators and medium-term targets

Outcomes	Outputs	Output indicators	Baseline	Medium-term targets		
				FY2025-2026	FY2026-2027	FY2027-2028
Improved customer experience (CX) across all customer segments	Improved Service performance	Percentage customer satisfaction level	48% customer satisfaction level	100% implementation of service improvement plan	65% customer satisfaction level	100% implementation of service improvement plan
	Improve brand reputation	Brand reputation index	44% brand reputation index	47% brand reputation index	50% brand reputation index	53% brand reputation index

8.1.3 Output indicators: Annual and quarterly targets

Table 2 – Programme 1 quarterly targets

Output indicators	Annual target 2025-2026	Quarterly targets			
		Quarter 1	Quarter 2	Quarter 3	Quarter 4
Percentage customer satisfaction level	100% implementation of service improvement plan	25% implementation of service improvement plan	50% implementation of service improvement plan	75% implementation of service improvement plan	100% implementation of service improvement plan
Brand reputation index	47% brand reputation index	-	-	-	47% brand reputation index

8.2 Programme 2: Innovation and partnership

8.2.1 Programme purpose

The purpose of this programme is to position SITA as a thought leader that understands its stakeholder challenges and continuously creates and implements innovative, desired, practical and viable solutions through collaborations with partners.

8.2.2 Outcomes, outputs, performance indicators and targets

Table 3 – Programme 2 performance indicators and medium-term targets

Outcomes	Outputs	Output indicators	Baseline	Medium-term targets		
				FY2025-2026	FY2026-2027	FY2027-2028
Improved government operations and services through innovative products and services	Innovative products and services piloted	Number of innovative products and services piloted	New indicator	2 innovative products and service piloted	4 innovative products and service piloted	6 innovative products and service piloted
	Government Artificial Intelligence (AI) Agent developed	Number of government artificial intelligence use cases developed	New indicator	1 Government AI agent developed within SITA ¹	Government AI agent developed with 2 government departments	2 AI use cases developed
	Partnerships established	Number of partnerships established	New indicator	4 partnerships established	4 projects implemented through partnerships	6 projects implemented through partnerships

8.2.3 Output indicators: Annual and quarterly targets

Table 4 – Programme 2 quarterly targets

Output indicators	Annual target 2025-2026	Quarterly targets			
		Quarter 1	Quarter 2	Quarter 3	Quarter 4
Number of innovative products and services piloted	2 products and services piloted	-	Memorandum of agreement for 2 innovative products and services established	1 innovative products and services piloted	2 products and services service piloted
Number of government artificial intelligence use cases developed	1 Government AI agent developed within SITA	-	-	-	1 Government AI agent developed within SITA
Number of partnerships established	4 partnerships established	Partnership framework established	1 partnership established	2 partnerships established	4 partnerships established

¹. The intention of the output is to develop AI use cases emanating from the utilisation of the government AI agent. Therefore year 1 and 2 targets focuses on establishing the government AI agent to enable the development of use cases.

8.3 Programme 3: Digital services and infrastructure

8.3.1 Programme purpose

The purpose of this programme is to develop digital products and services and establish secure, reliable, scalable digital infrastructure and platforms that will enable digital transformation and improve, access and consumption of public services.

8.3.2 Outcomes, outputs, performance indicators and targets

Table 5 – Programme 3 performance indicators and medium-term targets

Outcomes	Outputs	Output indicators	Baseline	Medium-term targets		
				FY2025-2026	FY2026-2027	FY2027-2028
Improved government operations and services through reliable, secure and efficient digital services, platforms and infrastructure	Government services available via digital platforms	Number of government services available via digital platform	19 government services available via digital platform	4 government services available and accessible via digital platform	5 government services available and accessible via digital platform	6 government services available and accessible via digital platform
	Utilisation of the SuperApp by government	Number of government departments utilising the SuperApp as per defined scope	New indicator	2 government department utilising the SuperApp as per defined scope	4 government departments utilising the SuperApp as per defined scope	6 government departments utilising the SuperApp as per defined scope
	Government ICT Disaster Recovery Centre	Percentage implementation of Government ICT Disaster Recovery Centre	New Indicator	100% implementation of Government ICT Disaster Recovery Centre Phase 1 plan	100% implementation of Government ICT Disaster Recovery Centre Phase 2 plan	100% implementation of Government ICT Disaster Recovery Centre of Phase 3 plan
	Customers provided with Cyber Security Centre (CSC) Capability	Percentage of customers provided with Cyber Security Centre (CSC) Capability as per defined scope	Security Operations Centre (SOC) Transversal Capability expanded to 39 National Departments	100% Customers provided with CSC capability as per defined scope	100% Customers provided with CSC capability as per defined scope	100% Customers provided with CSC capability as per defined scope
	SA Connect sites connected as per defined scope	Number of SA Connect sites connected as per defined scope	6 761 cumulative sites migrated on the NGN	931 SA Connect sites connected as per defined scope	2 100 SA Connect sites connected as per defined scope	2 396 SA Connect sites connected as per defined scope

8.3.3 Output indicators: Annual and quarterly targets

Table 6 – Programme 3 quarterly targets

Output indicators	Annual target 2025-2026	Quarterly targets			
		Quarter 1	Quarter 2	Quarter 3	Quarter 4
Number of government services available via digital platforms	4 government services available via digital platforms	1 government service available via digital platforms	2 government services available via digital platforms	3 government services available via digital platforms	4 government services available via digital platforms
Number of government departments utilising the SuperApp as per defined scope	2 government departments utilising the SuperApp as per defined scope	-	-	-	2 government departments utilising the SuperApp as per defined scope
Percentage implementation of Government ICT Disaster Recovery Centre	100% implementation of Government ICT Disaster Recovery Centre Phase 1 plan	Approved proposal for Government ICT Disaster Recovery Centre Phase 1 plan	30% implementation of Government ICT Disaster Recovery Centre Phase 1 plan	60% implementation of Government ICT Disaster Recovery Centre Phase 1 plan	100% implementation of Government ICT Disaster Recovery Centre Phase 1 plan
Percentage Customers provided with Cybersecurity Centre (CSC) capability as per defined scope	100% Customers provided with CSC capability as per defined scope	20% Customers provided with CSC capability as per defined scope	50% Customers provided with CSC capability as per defined scope	75% Customers provided with CSC capability as per defined scope	100% Customers provided with CSC capability as per defined scope
Number of SA Connect sites connected as per defined scope	931 SA Connect sites connected as per defined scope	100 SA Connect sites connected as per defined scope	377 SA Connect sites connected as per defined scope	654 SA Connect sites connected as per defined scope	931 SA Connect sites connected as per defined scope

8.4 Programme 4: Revenue growth and financial sustainability

8.4.1 Programme purpose

The purpose of this programme is to ensure SITA remains self-sufficient while delivering cost-effective services in a sustainable manner by identifying new revenue streams and optimizing existing offerings to maintain its financial health and fund future innovations

8.4.2 Outcomes, outputs, performance indicators and targets

Table 7 – Programme 4 performance indicators and medium-term targets

Outcomes	Outputs	Output indicators	Baseline	Medium-term targets		
				FY2025-2026	FY2026-2027	FY2027-2028
Improved financial sustainability	Achieved growth in service revenue	Percentage year-on-year growth in service revenue on the FY2024/25 baseline	7% year-on-year growth in service revenue	10% year-on-year growth in service revenue on the FY2024/25 baseline	11% year-on-year growth in service revenue on the FY2025/26 baseline	12% year-on-year growth in service revenue on the FY2026/27 baseline
	Achieved budgeted EBITDA as a percentage of revenue	Percentage EBITDA as a percentage of revenue	9% EBITDA as a percentage of revenue	11% EBITDA as a percentage of revenue	11% EBITDA as a percentage of revenue	12% EBITDA as a percentage of revenue

8.4.3 Output indicators: Annual and quarterly targets

Table 8 – Programme 4 quarterly targets

Output indicators	Annual target 2025-2026	Quarterly targets			
		Quarter 1	Quarter 2	Quarter 3	Quarter 4
Percentage year-on-year growth in service revenue on the FY2024/25 baseline	10% year-on-year growth in service revenue on the FY2024/25 baseline	-	-	-	10% year-on-year growth in service revenue on the FY2024/25 baseline
Percentage EBITDA as percentage of revenue	11% EBITDA as a percentage of revenue	-	-	-	11% EBITDA as a percentage of revenue

8.5 Programme 5: Operational efficiency

8.5.1 Programme purpose

The purpose of this programme is to streamline internal processes, reduce costs & improve overall effectiveness of service delivery thereby ensuring that operations are agile, efficient, and capable of meeting the demands of a rapidly changing digital landscape.

8.5.2 Outcomes, outputs, performance indicators and targets

Table 9 – Programme 5 performance indicators and medium-term targets

Outcomes	Outputs	Output indicators	Baseline	Medium-term targets		
				FY2025-2026	FY2026-2027	FY2027-2028
Improved operational efficiency through efficient, agile internal processes, and high-performing culture	Procurement requests completed within agreed target times	Percentage of procurement requests completed within agreed target times	56.50% procurement requests completed within agreed target times	80% of procurement requests completed within agreed target times	85% of procurement requests completed within agreed target times	90% of procurement requests completed within agreed target times
	Enhanced employee value proposition (EVP)	Number of employee value proposition initiatives implemented	New indicator	4 employee value proposition initiatives implemented	6 employee value proposition initiatives implemented	8 employee value proposition initiatives implemented

8.5.3 Output indicators: Annual and quarterly targets

Table 10 – Programme 5 quarterly targets

Output indicators	Annual target 2025-2026	Quarterly targets			
		Quarter 1	Quarter 2	Quarter 3	Quarter 4
Percentage of procurement requests completed within agreed target times	80% of procurement requests completed within agreed target times	80% of procurement requests completed within agreed target times	80% of procurement requests completed within agreed target times	80% of procurement requests completed within agreed target times	80% of procurement requests completed within agreed target times
Number of employee value proposition initiatives implemented	4 employee value proposition initiatives implemented	1 employee value proposition initiatives implemented	2 employee value proposition initiatives implemented	3 employee value proposition initiatives implemented	4 employee value proposition initiatives implemented

8.6 Programme 6: Governance

8.6.1 Programme purpose

The purpose of this programme is to ensure that SITA operates with transparency, accountability, and ethical standards while complying with regulatory requirements to maintain trust with government stakeholders and to mitigate risks in service delivery

8.6.2 Outcomes, outputs, performance indicators and targets

Table 11 – Programme 6 performance indicators and medium-term targets

Outcomes	Outputs	Output indicators	Baseline	Medium-term targets		
				FY2025-2026	FY2026-2027	FY2027-2028
Strengthened transparency, accountability, and compliance across SITA	Achieve an unqualified audit opinion	Unqualified audit opinion	Disclaimer audit opinion	Unqualified audit opinion	Unqualified audit opinion	Unqualified audit opinion
	Improved strategic risk posture to create a risk intelligent organisation	Percentage implementation of mitigations for the strategic risk register	79.49% implementation of mitigations for the strategic risk register	100% implementation of mitigations for the strategic risk register	100% implementation of mitigations for the strategic risk register	100% implementation of mitigations for the strategic risk register

8.6.3 Output indicators: Annual and quarterly targets

Table 12 – Programme 6 quarterly targets

Output indicators	Annual target 2025-2026	Quarterly targets			
		Quarter 1	Quarter 2	Quarter 3	Quarter 4
Unqualified audit opinion	Unqualified audit opinion		Unqualified audit opinion	-	-
Percentage implementation of mitigations for the strategic risk register	100% implementation of mitigations for the strategic risk register	25% implementation of mitigations for the strategic risk register	50% implementation of mitigations for the strategic risk register	75% implementation of mitigations for the strategic risk register	100% implementation of mitigations for the strategic risk register

9. EXPLANATION OF PLANNED PERFORMANCE OVER THE MEDIUM-TERM

SITA's strategic programmes for the medium-term period are focused on achieving critical outcomes related to improving customer experience that will to a greater extent ensure continuous service improvement, innovation and partnership, digital services and infrastructure, revenue growth and financial sustainability, operational efficiencies, and proper governance. All these identified programmes have been designed to address specific areas that contribute to the success of SITA's strategic objectives, as well as broader national goals for service delivery and innovation. Below is an explanation of the planned performance for each programme, outlining the expected outcomes, outputs and targets for the next three fiscal years.

9.1 Programme 1: Customer experience

The goal of this programme is to build a customer-centric culture within SITA, ensuring superior shared customer and employee experiences. The targets set for 2025/26 financial year under the customer experience programme are foundational to achieving the long-term strategic outcomes outlined in the strategic plan 2025-2030. A robust service improvement plan is necessary for improving SITA's overall performance from its current baseline of 48% with an objective to achieve 65% by the financial year 2026/27. A key aspect of this plan is conducting customer surveys to identify and address any performance challenges. Work on a service improvement plan remains in progress to help SITA expedite its efforts towards improving its customer satisfaction ratings. While the industry benchmark suggests that a customer satisfaction index of 85% or higher is ideal, SITA's performance challenges and maturity level has multiple facets which require immediate reinforcement. As a result, SITA keeps improving its customer satisfaction posture by concentrating on meeting the needs and demands of its customers while resolving their identified pain points.

Against a compelling need to improve brand reputation, SITA through the continual evaluation and refinement of its brand strategy, informed by customer feedback and market trends will improve its brand image and reputation, which is currently sitting at 44%. Moreover, SITA intends to continually deliver superior products or services to re-establish trust and satisfaction among its customer. In this context, a thorough rebranding plan would establish a new identity that appeals to stakeholders, integrating SITA's image with its goal and values. These envisioned improvements will serve as the foundation for more substantial gains in customer satisfaction and brand reputation in the subsequent years, aligning with the strategic vision of a customer-centric culture.

9.2 Programme 2: Innovation and partnership

This programme positions SITA as a leader in anticipating stakeholder challenges by fostering innovation and establishing strategic partnerships. SITA aims to increase the number of innovative products and services delivered, while also promoting collaboration with industry partners to develop solutions that meet the evolving needs of the public sector. The APP FY2025/26 will measure the number of innovative products and services piloted as part of SITA's strategy to position itself as a technology leader. With regard to the successful pilot of two (2) identified innovative products and services that are intended to lay a foundation for the development of AI-related solutions, SITA intends to achieve this outcome through the utilisation of a "pull" market development strategy. This strategy will be utilised for the development of the new product or service, as well as for the pilot and scaling of the business. There will be a list of innovative items that have been offered based on market research that will be included in the agenda for the strategic implementation that is targeted at enhancing customer satisfaction level. Collaborating with industry partners who have vast and pertinent experience is something that SITA will do.

The construction of a government artificially intelligent (AI) agent is something that SITA intends to get started on. The purpose of the output is to produce artificial intelligence use cases emerging from the utilisation of the government's artificial intelligence agent. As a result, the current financial year, as well as those for the following year, are centred on the establishment of the government AI agent in order to facilitate the development of implementation scenarios. To put it

succinctly, the output is intended to be the production of innovations through partnerships; however, the year target will concentrate on the establishment of the partnership framework and the onboarding of partners.

Moreover, in the 2025/26 financial period, SITA will concentrate on enhancing its partnerships to facilitate the delivery of new and existing products and services in collaboration with approved partners, aiming to expedite digitisation and enhance capabilities and investment.

To put it succinctly, the output is intended to be the production of innovations through partnerships; however, the year target will concentrate on the establishment of the partnership framework and the onboarding of partners.

9.3 Programme 3: Digital services and infrastructure

SITA intends to continue delivering innovative governmental services through digital channels and new digital platforms. In spite of the fact that the implementation of new digital platforms and channels has become necessary, it is of the utmost importance to cultivate information security service provisioning to protect SITA customers. The implementation of four government services that are accessible through digital platforms is in accordance with the prioritised list of services that was compiled by the GITOC and the demand from customers. Additionally, the development and implementation of the supper app will contribute to the streamlining of government service delivery and improve accessibility to digital products and services. In addition, SITA plans to significantly improve its security operations across a variety of capacities in order to ensure the safety of almost all government departments by establishing mechanisms to educate and empower customers. Alongside this awareness, SITA will establish mechanisms to enhance its customer's resilience against cyber threats and protect critical information. At the same time, SA Connect will continue to be an important program that SITA will lead as the strategic implementation arm that will be responsible for ensuring the connectivity and upkeep of all authorised sites. In order to improve SITA's service and solution offerings, all of these projects will continue to be carried out over the course of the future years, with the primary focus being on strengthening all of the mentioned advancements and deployments.

As a result of the establishment of the SuperApp, the delivery of government services will be streamlined, and accessibility to digital products and services will be improved. SITA plans on implementing this App during its current fiscal year in order to foster digital access and efficient service delivery. The complex deployment of systems, applications, and sophisticated ICT solutions necessitates adequate digital infrastructure, highlighting the urgent need for SITA to improve its responsiveness in order to quickly recover from unexpected interruptions and maintain operations with little or no downtime. Centralised disaster recovery (DR) is significant for SITA because it provides a consistent, effective, and trustworthy method of restoring critical systems and data during a disaster. Adopting a centralised disaster recovery (DR) solution allows for faster restoration of critical systems as all strategies, data, and backup methods are managed from one location. Improving this capacity will help SITA IT teams identify and address issues before they cause substantial disruptions.

9.4 Programme 4: Revenue growth and financial sustainability

Achieving financial sustainability is a fundamental goal for SITA. In the short term, SITA will concentrate on broadening its revenue sources and enhancing its service offerings to secure the financial resources required for future advancements. In the current financial year, SITA targets an increase in revenue of 10%, supported by ongoing investments in digital services that facilitate a consistent growth trajectory, allowing SITA to maintain competitiveness in the dynamic ICT landscape of the public sector. This will generate new revenue streams and ensure service relevance, hence assuring financial sustainability through innovation. This growth is anticipated to increase further in the subsequent years. SITA aims to attain an EBITDA of 11%, which is projected to increase consistently in the forthcoming strategic years.

9.5 Programme 5: Operational efficiency

Operational efficiency is critical to meeting the increasing demands for digital transformation in the public sector. Over the next three years, SITA will focus on streamlining its internal processes to reduce costs and improve service delivery efficiency. A primary objective for 2025/26 financial year is to achieve a 80% increase in the completion of procurement requests within the established time and scope, consequently enhancing the end-to-end procurement turnaround times from customer request to award. This initiative aims at increasing the overall efficiency of the SCM process and customer experience. This programme and others necessitate the implementation of unique benefits, experiences & opportunities to employees, aiming to attract and retain top talent and foster a sense of engagement and a high performing culture.

9.6 Programme 6: Governance

This programme ensures that SITA operates with transparency, accountability and adherence to ethical standards, while simultaneously maintaining regulatory compliance to mitigate risks in service delivery. The governance programme will focus on achieving an unqualified audit opinion for the Annual Financial Statements (AFS) by FY2025/26. SITA also plans to implement 100% of its strategic risk register by FY2025/26, further strengthening the organisation's risk management and compliance frameworks. These actions will bolster confidence in SITA's governance structures and ensure alignment with regulatory and stakeholder expectations.

Moreover, SITA's strategic programmes over the medium term are aimed at driving digital transformation, enhancing service delivery, ensuring financial sustainability and maintaining good governance standards. These efforts will contribute to SITA's mission of becoming a trusted partner in enabling public sector digital government transformation.

10. FINANCIAL RESOURCES

10.1 Overview of the 2025/26 budget and MTEF estimates

10.1.1 Revenue

Revenue for FY2025/26 is estimated at R8.4bn. This will be an overall revenue increase of 5% as compared to the budget for FY2024/25 and a 13% increase on the latest forecast. The increase in revenue will be achieved through continued efforts to build on SITA's business development strategies for revenue growth, harnessing more value and achieving a larger share of the current approved ICT spend. It is anticipated that the revenue growth will be achieved through the following mechanisms:

- (a) improving customer satisfaction;
- (b) maintaining and improving current "STARS" products/services;
- (c) introducing new services that respond to modern government demands;
- (d) retaining current business/customers;
- (e) extending full incorporation to national and provinces;
- (f) growing business in strategic departments and provinces;
- (g) growing business at local government level; and
- (h) focusing on the digitalisation strategic roadmap and linking SITA's service offerings accordingly.

Any unplanned increase in revenue will result in a corresponding increase in cost of sales in order to sustain this revenue.

10.1.2 Cost of sales and operational expenditure

Cost of sales increased by 9% when compared to the FY2024/25 forecast, to R5.9bn for FY2025/26, which takes into account an inflationary increase and limited vacancies.

Operational expenditure (Opex) is expected to increase by 7%, from a budget of R1.872bn for FY2024/25 to an estimated R1.994bn in FY2025/26. This increase is due to a general rise in the cost of products and services due to inflation and other related factors, including the upgrade and maintenance of facilities and computer equipment. This is aligned with cost maintenance.

The human capital components of the budget are purely for budget purposes and do not represent a commitment of any sorts. Actual results and various other factors will determine the translation of the budget into actual transactions, including increases, filling of vacancies, etc.

10.1.3 EBITDA

A more concerted and defined effort to manage the components of EBITDA will enable an increase in the operating surplus, which will allow for more money to become available to finance Capex.

10.1.4 Capital expenditure

The FY2025/26 capital expenditure budget is expected to be capped at R1bn. Prioritisation of the capital expenditure will be provided once finalised.

10.2 Budgeted statement of financial performance

Description	Actual	Actual	Actual	Forecast	Budget	Medium Term Budget		
	2021/22 (Restated)	2022/23 (Restated)	2023/24	2024/25	2024/25	2025/26	2026/27	2027/28
Total Revenue:	5 809 816	6 458 272	6 991 184	7 387 822	7 990 412	8 372 183	9 293 124	10 408 298
Service Revenue	5 132 247	5 698 514	6 041 711	6 134 600	6 792 703	7 477 834	8 300 396	9 296 444
Agency Revenue	677 568	759 759	949 473	1 253 222	1 197 710	894 349	992 727	1 111 855
Total Cost of Sales:	3 935 304	4 702 596	4 846 000	5 359 628	5 725 071	5 860 631	6 509 820	7 290 998
Agency Cost of Sales	638 112	701 889	920 410	1 229 727	1 129 115	863 447	962 946	1 078 499
Direct Labour	942 406	1 078 669	1 159 949	1 264 372	1 221 449	1 403 437	1 557 815	1 744 753
Service Delivery Expenses	2 197 990	2 683 334	2 591 364	2 673 251	3 085 042	3 311 557	3 675 828	4 116 927
Direct Depreciation	156 795	238 703	174 277	192 278	289 465	282 190	313 231	350 818
Gross Margin - overall	1 874 512	1 755 676	2 145 184	2 028 194	2 265 342	2 511 553	2 783 304	3 117 300
Gross Margin % - overall	32%	27%	31%	27%	28%	30%	30%	30%
Gross Margin - services	1 835 056	1 432 763	1 877 603	1 990 259	1 990 259	2 109 675	2 236 255	2 236 255
Gross Margin % - services	36%	30%	35%	33%	32%	33%	33%	33%
Gross Margin - agency	39 456	35 560	67 340	71 380	71 380	75 663	80 203	80 203
Gross Margin % - agency	6%	8%	3%	2%	6%	3%	3%	3%
Other Income	16 843	88	65 291	73 396	53 253	78 952	87 636	98 153
Total Operating Expenses:	1 504 843	1 503 627	1 788 637	1 607 269	1 871 926	1 994 093	2 193 502	2 412 853
Indirect Labour	979 082	998 894	1 006 393	1 059 667	1 174 806	1 217 648	1 339 412	1 473 353
Marketing expenses	-	-	0	6 789	62 712	66 112	72 723	79 996
Indirect Depreciation	19 907	24 548	31 135	21 269	63 300	45 997	50 597	55 656
Other Indirect Costs	505 853	480 185	751 109	490 803	522 490	577 047	634 752	698 227
Research and Development	-	0	0	1 500	3 218	17 500	19 250	21 175
Performance Bonus	-	0	0	0	0	10 000	11 000	12 100
Training	-	0	0	27 241	45 400	59 789	65 768	72 345
Operating Surplus	486 512	339 679	421 838	494 321	446 669	596 411	677 438	802 601
Net Finance Income	70 077	138 781	172 648	175 934	-	109 513	114 441	119 591
Profit Before Tax	556 589	478 460	594 486	670 255	446 669	705 925	791 879	922 192
Income tax payable	(120 089)	(27 941)	(176 130)	(180 969)	(120 601)	(190 600)	(213 807)	(248 992)
Net Profit	436 500	450 518	418 356	489 286	326 068	515 325	578 072	673 200

10.3 Budgeted statement of financial position

Description	Actual			FY 2024/25 Forecast	FY 2024/25 Budget		FY 2025/26 Budget		FY 2026/27 Estimates		FY 2027/28 Estimates	
	FY 2021/22 (Re-Styled)	FY 2022/23 (Re-Styled)	FY 2023/24 Actual									
ASSETS												
CURRENT ASSETS	3 420 849	3 969 669	4 555 768	4 761 033	2 582 678	4 548 718	4 708 008	4 902 455				
Cash and cash equivalents	2 227 789	2 437 793	2 219 662	700 694	970 315	1 907 986	1 910 573	1 850 659				
Trade and other receivables	883 601	1 121 203	2 055 017	3 866 805	1 420 795	2 440 827	2 626 752	2 851 890				
Income Tax receivable	136 556	218 982	110 216	0	75 768	0	0	0				
Prepayments	139 165	178 435	157 978	193 534	115 799	199 904	170 681	199 904				
Inventory	33 737	132 56	12895	0	0	0	0	0				
NON-CURRENT ASSETS	1 233 360	1 259 657	1 426 864	1 644 782	2 792 026	2 310 793	2 946 966	3 340 491				
Property, plant & equipment	954 213	1 035 909	1 194 975	1 348 062	2 123 663	1 751 150	2 132 854	2 388 969				
Intangible assets	279 147	222 843	226 336	290 917	668 363	559 643	814 112	951 522				
Non Current Portion of Prepayments	0	905	5 553	5 803	0	0	0	0				
TOTAL ASSETS	4 654 208	5 229 326	5 982 632	6 405 815	5 374 704	6 859 511	7 654 974	8 242 947				
LIABILITIES												
CURRENT LIABILITIES	919 805	962 403	1 253 997	1 250 912	1 117 460	1 188 790	1 405 666	1 322 227				
Creditors	497 610	519 409	790 435	829 778	699 186	889 890	1 108 091	1 022 862				
Other payables	168 817	199 782	157 256	122 309	138 055	0	0	0				
Income received in advance	219 219	221 872	280 856	293 495	276 515	293 495	293 495	293 495				
Post-retirement employee benefits	2 427	2 713	3 324	3 656	2 284	3 656	2 284	4 022				
Finance lease liability	30 341	16 878	20 523	0	0	0	0	0				
Long service award benefit	1 392	1 749	1 603	1 675	1 421	1 751	1 798	1 850				
NON-CURRENT LIABILITIES	248 191	280 648	314 223	251 206	301 569	251 698	252 212	250 424				
Post-retirement medical liability	112 271	118 535	120 959	133 055	122 588	133 055	133 055	133 055				
Finance lease liability	14 359	96 106	75 583	0	0	0	0	0				
Long service award benefit	12 010	10 952	10 467	10 938	13 944	11 430	11 945	10 156				
Deferred tax liability	109 551	55 056	107 213	107 213	165 037	107 213	107 213	107 213				
TOTAL LIABILITY	1 167 996	1 243 051	1 568 220	1 502 118	1 419 029	1 440 488	1 657 878	1 572 651				
TOTAL NET ASSETS	3 486 212	3 986 275	4 414 412	4 903 698	3 955 675	5 419 023	5 997 095	6 670 295				
TOTAL LIABILITIES AND EQUITIES	4 654 208	5 229 326	5 982 632	6 405 816	5 374 704	6 859 511	7 654 974	8 242 946				
NET ASSETS ANALYSED AS FOLLOWS												
Equity contributed	-	627 335	627 335	627 335	627 335	627 335	627 335	627 335				
Non-distributable reserves	627 335	627 335	627 335	627 335	627 335	627 335	627 335	627 335				
Accumulated surplus	2 858 877	3 358 940	3 787 077	4 276 363	4 602 431	4 791 688	5 369 760	6 042 960				
TOTAL NET ASSETS	3 486 212	3 986 275	4 414 412	4 903 698	5 229 766	5 419 023	5 997 095	6 670 295				

10.4 Budgeted cash-flow statement

Description	Actual	Actual	Actual	Actual	Budget		Medium Term Budget			
	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24	FY 2024/25	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	
	R'000	R'000	R'000	R'000	Forecast	Budget	Estimates	Estimates	Estimates	
Cash generated in operations	703 918	519 328	483 011	5 994	(1 113 933)		2 288 379	1 101 954	869 487	
Normal taxation	(91 674)	-	(190 000)	(176 130)	(180 969)		(190 600)	(213 807)	(248 992)	
Finance income	43 911	62 052	-	172 648	175 934		109 513	114 441	119 591	
Cash from operating activities	656 155	594 120	389 418	234 111	(1 118 968)	825 532	2 207 292	1 002 588	740 086	
Cash flows from investing activities	(151 831)	(192 817)	(152 435)	(419 774)	(400 000)	(1 000 000)	(1 000 000)	(1 000 000)	(800 000)	
Cash flow from financing activities	(1 312)	(27 505)	(26 982)	(32 466)	-	-	-	-	-	
Increase/(decrease) in cash and cash equivalents	503 013	373 799	210 001	(218 129)	(1 518 968)	(174 468)	1 207 292	2 588	(59 914)	
Cash and cash equivalents beginning of year	1 350 978	1 853 991	2 227 789	2 437 791	2 219 662	1 144 782	700 694	1 907 986	1 910 573	
Cash and cash equivalents end of year	1 853 991	2 227 789	2 437 791	2 219 662	700 694	970 314	1 907 986	1 910 573	1 850 659	

10.5 Budget per programme

Description	Programme 1	Programme 2	Programme 3	Programme 4	Programme 5	Programme 6	Total
Total Revenue:	2 519 046	-	5 844 478	-	8 660	-	8 372 183
Service Revenue	1 887 419	0	5 581 756	0	8 660	0	7 477 834
Agency Revenue	631 627	0	262 722	0	0	0	894 349
Total Cost of Sales:	1 822 151	0	4 038 445	0	34	0	5 860 631
Agency Cost of Sales	613 801	0	249 646	0	0	0	863 447
Direct Labour	366 329	0	1 037 108	0	0	0	1 403 437
Service Delivery Expenses	829 519	0	2 482 038	0	0	0	3 311 557
Direct Depreciation	12 503	0	269 652	0	34	0	282 190
Gross Margin - overall	696 894	0	1 806 033	0	8 626	0	2 511 553
Gross Margin % - overall	28%	0%	31%	0%	100%	0%	30%
Service Gross Surplus/(Deficit)	679 068	0	1 792 957	0	8 626	0	2 480 651
Service Gross Margin %	36%	0%	32%	0%	100%	0%	33%
Agency Gross Surplus/(Deficit)	17 826	0	13 076	0	0	0	30 902
Agency Gross Margin %	3%	0%	5%	0%	0%	0%	3%
Other income	0	0	0	0	33 952	45 000	78 952
Total Operating Expenses:	392 671	148 433	626 298	96 975	448 795	280 921	1 994 093
Indirect Labour	330 627	95 318	424 449	86 277	160 340	120 636	1 217 648
Marketing Expenses	537	0	0	0	0	65 575	66 112
Depreciation Expenses	975	655	34 120	137	9 574	536	45 997
Other Indirect Costs	60 533	34 959	167 729	10 560	209 842	93 425	577 047
Research & Development	0	17 500	0	0	0	0	17 500
Performance Bonus	0	0	0	0	10 000	0	10 000
Training	0	0	0	0	59 039	750	59 789
Operating Surplus	304 223	-148 433	1 179 735	-96 975	-406 218	-235 921	596 411
Net Finance Income	0	0	0	109 513	0	0	109 513
Profit Before Tax	304 223	-148 433	1 179 735	12 539	-406 218	-235 921	705 925
Income tax payable	0	0	0	0	-190 600	0	-190 600
Net Profit	304 223	-148 433	1 179 735	12 539	-596 818	-235 921	515 325

11. UPDATED KEY RISKS AND MITIGATION

The following table outlines the key risks associated with SITA's strategic outcomes and the corresponding mitigations designed to address these challenges. As SITA drives digital transformation across the public sector, it is essential to anticipate obstacles and implement proactive solutions to achieve its strategic goals. This approach ensures that risks related to customer experience, service delivery, financial performance and operational efficiency are effectively managed. The mitigations are aligned with SITA's long-term vision of delivering secure, innovative and citizen-centric digital solutions while maintaining transparency, accountability, and financial sustainability.

Table 13 – Key risks and mitigations

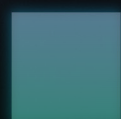
Outcomes	Key risks	Mitigations
Improved customer experience across all customer segments	Increased customer dissatisfaction	<ul style="list-style-type: none"> Conduct regular customer satisfaction surveys and develop and implement service improvement plans. Establish modern brand Identity through revitalizing the SITA brand Develop and implement service level agreement dashboards and other customer feedback mechanisms Develop and communicate SITAs value proposition
Improved government operations and services through innovative products and services	Delayed service delivery through partnerships	<ul style="list-style-type: none"> Build internal capacity for innovation and technology management
Improved government operations and services through reliable, secure and efficient digital services, platforms and infrastructure	Inability to digitalize, modernize and innovate government services and solutions	<ul style="list-style-type: none"> Establish delivery partnerships to support improved government operations and services through innovative product and services Establish new integrated services available via digital channels Establish monetized digital infrastructure services Modernisation of legacy, transversal and unique systems maintained by SITA, government departments Develop a digital product management strategy with an approved list of planned innovative products and services Build ADM internal innovation capacity and capability by investing in training programs
	Inability to continue with operation (Customer or SITA)	<ul style="list-style-type: none"> Investigate the distribution of critical systems across geographic locations (e.g. change the primary sites for some solutions) Investigate alternatives of installing bulk fuel and water storage infrastructure for smaller switching centre sites Develop and implement a power generation strategy that will address service continuity in the event of continuous high stages of load shedding Develop adequate business continuity plans and processes

Outcomes	Key risks	Mitigations
	Impaired network connectivity response times	<ul style="list-style-type: none"> • Implement/provide redundancies to address single points of failure • Design and implement a Photovoltaic (PV) Solar System Plant at the SITA Centurion Premises • Implement critical electrical and mechanical infrastructure upgrades and modernisation of data centres • Redesign and implement the new Internet architecture to provide seamless failover and direct peering to (other) Internet exchange • Expand the capacity of the compute and storage capacity on the SITA CFI to accommodate increasing demand for compute and storage and backup requirements. • Invest in high speed internet connectivity and upgrade the LAN/WAN infrastructure • Implement load balancing technologies and redundancy to ensure continuous network availability
	Information security and privacy risks - Cybersecurity breach	<ul style="list-style-type: none"> • Improve cybersecurity posture of all departments and entities by implementing and recommending security hardening initiatives • Conduct government Information security maturity level assessments and awareness campaigns • Establish and enhance Cyber Security Centre (CSC) Capability across SITA services to government • Fully operationalise the Enterprise Security Steering Committee • Incorporate industry best practices through the information security processes and conduct penetration testing by independent third-party auditor/testers • Impose security requirements to third party service providers • Enhance comprehensive protocols to manage and recover from cybersecurity breaches/incidents • Perform periodic penetration tests
Improved financial sustainability	Unfavourable audit outcomes (qualified, adverse and disclaimer)	<ul style="list-style-type: none"> • Remediation of financial control environment: • Train and upskill all resources in SITA on financial management • Strengthen financial controls • Upgrade financial management systems • Development of business processes and development of SOP support the process • Implementation of audit action plan • Monitor and report on the status of the implementation of the AGSA recommendations • Capacitate Finance environment

Outcomes	Key risks	Mitigations
	Threatened financial sustainability	<ul style="list-style-type: none"> • Develop additional sources of income and new business opportunities i.e. investment in digital services to reduce the reliance on concentrated revenue streams • Obtain approval for revised rates and tariffs from the ministry (DCDT) and National Treasury • Determine appropriate funding/revenue sharing strategies to exploit growth opportunities • Enhance working capital management through effective debtor's management and proactive monitoring of high-risk customers • Implement sustainable and effective cost control measures to minimise cash outflows • Revise the financial framework to mandate the submission of an approved business case and detailed procurement plans before budget allocation. • Introduce incentives for achieving capex budget allocation and consequence management for not utilising allocated capex budget
Improved operational efficiency through efficient and agile internal processes	Slow and inefficient procurement processes	<ul style="list-style-type: none"> • Implement bid specification centre of excellence • Automate the end-to-end SCM process • Implement SCM process and related legislation training for Bid Evaluation Committee (BEC) members and employees • Revise engagement models for RFQs (panels and transversals) to be more responsive and create "call-off" contracts from RFAs • Review and implement SCM policy, SOP and DOA
	Inability to attract, develop and retain qualified key employees to address current and future business demand	<ul style="list-style-type: none"> • Build internal digital skills through OEM/OSM partnerships • Recruit vacant positions to capacitate core, critical and scarce business roles • Define and establish a SITA workplace culture program • Streamline recruitment processes, introducing tools to decrease the time to recruit.

Outcomes	Key risks	Mitigations
	Reduced corporate performance and deteriorating corporate culture	<ul style="list-style-type: none"> • Partner with industry and academia to address capacitation gaps and improve customer service delivery • Build futuristic skills aligned to digital transformation and develop a high-performance workforce • Assess and update skills requirements regularly to align with business goals • Invest in ongoing training and development initiatives to close skill gaps in alignment with WSP • Promote a positive organizational culture through clear values, improving communication and encouraging transparency • Implement employee wellness initiatives to enhance well-being and health management needs of employees • Conduct comprehensive process reviews to identify bottlenecks and inefficiencies and automate repetitive tasks
Strengthened transparency, accountability and compliance across SITA	Governance failure	<ul style="list-style-type: none"> • Stabilize executive and management leadership by filling vacant positions. • Implement robust leadership succession planning and establish targeted retention programmes for HODs • Establish and implement a code of conduct that sets out clear ethical guidelines • Enhance and strengthen governance structures • Establish clear governance frameworks

service users
satisfaction



PART D: TECHNICAL INDICATOR DESCRIPTIONS

12. TECHNICAL INDICATORS

12.1 Percentage customer satisfaction level

Definition	To measure the percentage improvement in customer satisfaction as per identified customers, i.e. consumers of networks, hosting, EUC and SCM services, thereby assessing the impact of customer service improvement plan.
Data/evidence source	Customer satisfaction survey
Method of calculation	As per results of customer survey conducted
Means of verification	Customer satisfaction survey report
Assumptions	(a) The preliminary assessment of improvements implemented in previous financial years will be conducted in quarter 1 (b) Targeted focus for service delivery in high-impact clusters like Social and Security clusters will have a positive spill-over effect on the overall customer satisfaction improvements (c) Supply chain management reforms will be implemented (Procurement request completed within agreed target times)
Disaggregation of beneficiaries (where applicable)	Target for women = N/a Target for youth = N/a Target for people with disabilities = N/a
Spatial transformation (where applicable)	National and provincial
Calculation type	Cumulative (year-to-year)
Reporting cycle	Quarterly
Desired performance	100% implementation of Service Improvement Plan
Indicator responsibility	Executive: National and Regional Consulting Services

12.2 Brand reputation index

Definition	This indicator measures the overall public perception of a brand by taking into account various factors such as brand loyalty, media coverage, social media sentiment, and customer and employee satisfaction to create a comprehensive picture of an organisation's brand's reputation.
Data/evidence source	Brand reputation survey completed both at national and provincial departments
Method of calculation	Brand reputation index (BRI) = customer satisfaction (CS) + brand loyalty (BL) + social media sentiment (SMS) + corporate social responsibility (CSR) + media coverage (MC) + employee satisfaction (ES)
Means of verification	Use several customer satisfaction factors to qualify and quantify customer's brand perception
Assumptions	(a) Brand reputation is dynamic and can vary over time owing to SITA's internal activities (b) Reputation is mostly subjective and determined by external perception (c) SITA continues collecting data from various stakeholders and customers and analysing it to further improve the brand reputation index
Disaggregation of beneficiaries (where applicable)	Target for women = N/A Target for youth = N/A Target for people with disabilities = N/A
Spatial transformation (where applicable)	National and provincial
Calculation type	Cumulative (year-to-year)
Reporting cycle	Annual
Desired performance	47% brand reputation index
Indicator responsibility	HoD Corporate Affairs

12.3 Number of innovative products and services piloted

Definition	This indicator refers to the development of new or improved products or services to pilot them through the application of new technologies or creative solutions.
Data/evidence source	Demonstration of pilot product or service
Method of calculation	Actual number of innovative products and services piloted
Means of verification	Project charter and plan
Assumptions	Increasing the percentage of products and services ready to enter the market will improve SITA's service delivery and overall customer satisfaction.
Disaggregation of beneficiaries (where applicable)	Target for women = N/A Target for youth = N/A Target for people with disabilities = N/A
Spatial transformation (where applicable)	N/A
Calculation type	Cumulative (year-to date)
Reporting cycle	Quarterly
Desired performance	2 innovative products and service piloted
Indicator responsibility	Executive: Corporate and Digital Strategy

12.4 Number of government Artificial Intelligence use cases developed

Definition	This indicator refers to the establishment of a government AI agent aimed at to utilising artificial intelligence to automate tasks, analyse data, and establish use cases aimed at enabling informed decisions within government thereby, improving efficiency and enable improved citizen support.
Data/evidence source	AI Agent platform
Method of calculation	Demonstration of pilot AI Agent platform
Means of verification	Demonstration of pilot AI Agent platform as per the documented system functionalities
Assumptions	Seamlessly integration of existing digital services, APIs, APPs, and databases.
Disaggregation of beneficiaries (where applicable)	Target for women = N/A Target for youth = N/A Target for people with disabilities = N/A
Spatial transformation (where applicable)	N/a
Calculation type	Cumulative (year-to-date)
Reporting cycle	Quarterly
Desired performance	1 AI agent developed within SITA
Indicator responsibility	Executive: Corporate and Digital Services

12.5 Number of partnerships established

Definition	This indicator aims to establish a partner network to augment SITA's delivery capability and accelerate government digital transformation.
Data/evidence source	Partnership framework
Method of calculation	Actual number of partnerships established
Means of verification	Signed partnership document
Assumptions	Industry willingness and buy in
Disaggregation of beneficiaries (where applicable)	Target for women = N/A Target for youth = N/A Target for people with disabilities = N/A
Spatial transformation (where applicable)	N/a
Calculation type	Cumulative (year-to date)
Reporting cycle	Quarterly
Desired performance	4 partnerships established
Indicator responsibility	Executive: Corporate and Digital Services

12.6 Number of government departments utilising the SuperApp as per defined scope

Definition	To enable citizens to easily access key government services via the Citizen SuperApp thereby accelerating adoption of eGovernment which aims to enhance citizens experience through improved delivery of public services.
Data/evidence source	Citizen SuperApp
Method of calculation	Actual number of government departments utilizing the SuperApp
Means of verification	SuperApp utilisation statistics report
Assumptions	(a) Key government stakeholders will be available to collaborate with SITA SuperApp development team (b) Affordable internet access through zero-rating and incentivising the less affording communities will be provided by SITA partners
Disaggregation of beneficiaries (where applicable)	Target for women = N/A Target for youth = N/A Target for people with disabilities = N/A
Spatial transformation (where applicable)	N/A
Calculation type	Cumulative (year-to-date)
Reporting cycle	Quarterly
Desired performance	2 government departments utilising the SuperApp as per defined scope
Indicator responsibility	Executive: Applications Development and Maintenance

12.7 Number of government services available via digital platforms

Definition	This indicator refers to the number of government services accessible through use of communications technologies (including mobile devices), websites, applications and other ICT services and platforms to link citizens and the public sector and facilitate collaborative and efficient governance.
Data/evidence source	eServices platform
Method of calculation	Actual number of digital services
Means of verification	Project charter and plan
Assumptions	Prioritisation of services and allocation of resources
Disaggregation of beneficiaries (where applicable)	Target for women = N/A Target for youth = N/A Target for people with disabilities = N/A
Spatial transformation (where applicable)	N/A
Calculation type	Cumulative (year-to-date)
Reporting cycle	Quarterly
Desired performance	4 government services available via digital platforms
Indicator responsibility	Executive: Applications Development and Maintenance

12.8 Percentage of customers provided with Cyber Security Centre (CSC) Capability as per defined scope

Definition	This indicator refers to the percentage Cyber Security Centre (CSC) Capability rolled out to customer systems visible on the SITA network using SITA's Managed Detection and Response (MDR) service offering which is designed to protect and defend information and technology infrastructures and assets within SITA's control against cyberattacks, intrusions, and loss of credibility and reputation.
Data/evidence source	Project plan dashboard
Method of calculation	Percentage = (Total number of customer systems supported by SITA / Number of customer systems with CSC capability deployed) × 100
Means of verification	(a) Reports from SOC system indicating the percentage of customer systems onboarded. (b) Network monitoring tools tracking SOC implementation on SITA-supported systems. (c) Customer acknowledgment or confirmation of SOC activation.
Assumptions	Minimum required available infrastructure to deploy CSC capability is reliable, and accessible.
Disaggregation of beneficiaries (where applicable)	Target for women = N/a Target for youth = N/A Target for people with disabilities = N/A
Spatial transformation (where applicable)	Not applicable
Calculation type	Cumulative (year-to-date)
Reporting cycle	Quarterly
Desired performance	100% Customers provided with CSC capability as per defined scope
Indicator responsibility	Executive: Service Management

12.9 Number of SA Connect sites connected as per defined scope

Definition	This indicator refers to connectivity of identified government sites at bandwidths of 10Mbps to enable access to digital platforms and services thereby supporting government operations and improving citizen access to e-government services.
Data/evidence source	Completion certificates of connectivity of identified government sites at bandwidths of 10Mbps
Method of calculation	Percentage of sites connected= (Number of connected sites / Total sites in scope) ×100
Means of verification	Completion certificates
Assumptions	Mobile Network Operators (MNO) partnerships will be timeously finalized and sites will be ready for SITA for deployment
Disaggregation of beneficiaries (where applicable)	Target for Women: n/a Target for Youth: n/a Target for People with Disabilities: n/a
Spatial transformation (where applicable)	National, Provincial and Local
Calculation type	Cumulative year-end
Reporting cycle	Quarterly
Desired performance	931 SA Connect sites connected as per defined scope
Indicator responsibility	Executive: IT Infrastructure Services

12.10 Percentage implementation of Government ICT Disaster Recovery Centre

Definition	This indicator measures the percentage of activities completed towards establishing Phase 1 of the Government ICT Disaster Recovery Centre as per the approved plan.
Data/evidence source	Approved project charter and plan
Method of calculation	(Actual milestones completed/planned milestones on the project plan) x 100
Means of verification	Signed off site readiness report and approved proposal
Assumptions	(a) Network connectivity is adequate (b) Timely approval of project proposal. (c) No major delays in procurement processes
Disaggregation of beneficiaries (where applicable)	Target for Women: n/a Target for Youth: n/a Target for People with Disabilities: n/a
Spatial transformation (where applicable)	N/a
Calculation type	Cumulative (year-to-date)
Reporting cycle	Quarterly
Desired performance	100% implementation of Government ICT Disaster Recovery Centre Phase 1 plan
Indicator responsibility	Executive: IT Infrastructure Services

12.11 Percentage year-on-year service revenue growth

Definition	The percentage growth in service revenue is calculated using the previous years' service revenue as per the Annual Financial Statements as the basis and calculating the increase in revenue year-on-year
Data/evidence source	Quarterly Finance reports Annual Financial Statement
Method of calculation	$(\text{Current period service revenue} - \text{service revenue per previous year financial statements}) / \text{service revenue per current year financial statements}$
Means of verification	SITA Enterprise Resource Planning (ERP) system/general ledger data
Assumptions	(a) Synchronisation between national/provincial consulting and units responsible for delivering the actual services (b) Departments will obtain the necessary funding for digitalisation
Disaggregation of beneficiaries (where applicable)	Target for women = N/a Target for youth = N/a Target for people with disabilities = N/a
Spatial transformation (where applicable)	N/A
Calculation type	Non-Cumulative (year-to-date)
Reporting cycle	Annual
Desired performance	10% year-on-year growth in service revenue on the FY2024/25 baseline
Indicator responsibility	Chief Financial Officer

12.12 Percentage Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA) as percentage of revenue

Definition	EBITDA is measured as a percentage of revenue
Data/evidence source	Budgeted income statement, quarterly statement of financial performance, financial statements
Method of calculation	$(\text{Net surplus before tax} + \text{depreciation} + \text{amortisation} - \text{interest received} + \text{interest paid}) / \text{Revenue}$
Means of verification	Financial reports and financial statements
Assumptions	(a) Improved financial governance across the organisation (b) Managing HCM-related cost as well as recoverability rates
Disaggregation of beneficiaries (where applicable)	Target for women = N/a Target for youth = N/a Target for people with disabilities = N/a
Spatial transformation (where applicable)	N/A
Calculation type	Non-cumulative
Reporting cycle	Annual
Desired performance	11% EBITDA as a percentage of revenue
Indicator responsibility	Chief Financial Officer

12.13 Percentage of procurement requests completed within agreed target times

Definition	To establish new framework agreements incorporating structured discounts designed to streamline government procurement by reducing the volume of individual purchase requisitions, thereby optimizing the procurement process.
Data/evidence source	(a) Contract register and/or signed contracts (b) BAC Report
Method of calculation	$(\text{Original OEM listed prices} - \text{discounted OEM listed prices} / \text{original OEM listed prices}) * 100\%$
Means of verification	Framework agreements database report and BAC reports
Assumptions	(a) SITA will implement robust technology to enable commercial contract management and performance tracking (b) Manage the backlog of tenders (c) Adequate capacity (d) Adequate market response (e) Stakeholder participation from the LOB and National Treasury (f) No serious business disruption occurs
Disaggregation of beneficiaries (where applicable)	N/A
Spatial transformation (where applicable)	National and provincial
Calculation type	Cumulative (year-to-year)
Reporting cycle	Quarterly
Desired performance	80% of procurement requests completed within agreed target times
Indicator responsibility	Executive Supply Chain Management

12.14 Number of employee value proposition initiatives implemented

Definition	The ability of an organisation to identify and develop the required skills to meet current and future business needs.
Data/evidence source	Approved SITA training plan
Method of calculation	(Actual number of employees trained/total number of employees as per the SITA training plan) x 100
Means of verification	(a) SITA training plan (b) Training attendance register or training certificates
Assumptions	(a) Employees will undergo digital-specific skills training (b) Training will accurately address the digital-specific skills gaps identified (c) Internal processes will continue to enable the training of employees in line with the required skills
Disaggregation of beneficiaries (where applicable)	Target for women = Yes Target for youth = Yes Target for people with disabilities = Yes
Spatial transformation (where applicable)	National and provincial
Calculation type	Cumulative (year-to-date)
Reporting cycle	Quarterly
Desired performance	4 Employee value proposition initiatives implemented.
Indicator responsibility	Executive: Human Capital Management

12.15 Unqualified audit opinion

Definition	Achieve an unqualified audit opinion from the Auditor-General of South Africa for the 2024-25 financial year.
Data/evidence source	Audit report issued by the Auditor General of South Africa
Method of calculation	Unqualified audit opinion on Annual Financial Statements (AFS) as per the audit report from the Auditor General of South Africa
Means of verification	(a) The final audit report issued by the Auditor General of South Africa for the 2024/25 financial year (b) AFS reflecting compliance with audit standards (c) Correspondence or documentation confirming the completion and submission of AFS to the Auditor General (d) Internal audit reports reviewing the adherence to financial governance procedures prior to submission
Assumptions	The AFS audit will be conducted and concluded within this financial year
Disaggregation of beneficiaries (where applicable)	N/A
Spatial transformation (where applicable)	N/A
Calculation type	Non-cumulative
Reporting cycle	Annually
Desired performance	Unqualified audit opinion
Indicator responsibility	Chief Financial Officer

12.16 Percentage implementation of mitigations for the strategic risk register

Definition	This indicator refers to the percentage of strategic risks that have been identified, managed and mitigated according to the risk register over a given period. This indicator measures the extent to which risk mitigation strategies identified in the strategic risk register have been implemented.
Source of data	Risk management reports, internal audit reports and the strategic risk register
Method of calculation	$(\text{Number of completed mitigations for strategic risks} / \text{total number of mitigations for strategic risks}) \times 100$
Means of verification	Risk management reports, Internal audit reports and strategic risk register update
Assumptions	(a) All risks in the register are actively monitored and addressed within the reporting period (b) Collaboration between risk owners and management is effective in mitigating risks
Disaggregation of beneficiaries (where applicable)	N/A
Spatial transformation (where applicable)	N/A
Calculation type	Cumulative (year-to-date)
Reporting cycle	Quarterly
Desired performance	100% implementation of mitigations for the strategic risk register
Indicator responsibility	Executive: Risk Management

ANNEXURE A: ABBREVIATIONS

APP	Annual Performance Plan
Capex	Capital Expenditure
CSC	Cyber Security Centre
DCDT	Department of Communication and Digital Technologies
DOD	Department of Defense
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
ERP	Enterprise Resource Planning
EVP	Employee value proposition
FY	Financial Year
HCM	Human Capital Management
ICT	Information and Communication Technology
MTEF	Medium-Term Expenditure Framework
NDP	National Development Plan
NT	National Treasury
Opex	Operating Expenditure
SA	South Africa
SaaS	Software-as-a-Service
SAPS	South African Police Service
SCM	Supply Chain Management
SITA	State Information Technology Agency
SLA	Service Level Agreement
SMME	Small, Medium and Micro Enterprises
SOC	State-owned Company

ANNEXURE B: MATERIALITY AND SIGNIFICANCE FRAMEWORK

1. Introduction

- 1.1 SITA, which is classified as a schedule 3A public entity, is governed by the PFMA, Treasury Regulations issued by the National Treasury and by the Companies Act.
- 1.2 In terms of the Treasury Regulation (TR) 28.3.1, SITA's accounting authority must, for purposes of "material" and "significant" in terms of sections 54(2) and 55(2) of the Public Finance Management Act (PFMA), develop and agree a framework of acceptable levels of materiality and significance with the relevant executive authority.
- 1.3 Section 55(2) (b) (i) of the PFMA – "The annual report and financial statements referred to in subsection (1) (d) must include particulars of any material losses through criminal conduct and any irregular expenditure and fruitless and wasteful expenditure that occurred during the year".
- 1.4 Section 54(2) of the PFMA – "Before a public entity concludes any of the following transactions, the accounting authority for the public entity must promptly and in writing inform the relevant treasury of the transaction and submit relevant particulars of the transactions to its executive authority for approval of the transaction:
 - establishment or participation in the establishment of a company;
 - participation in a significant partnership, trust, unincorporated joint venture or similar arrangement;
 - acquisition or disposal of a significant shareholding in a company;
 - acquisition or disposal of a significant asset;
 - commencement or cessation of a significant business activity; and
 - a significant change in the nature or extent of its interest in a significant partnership, trust, unincorporated joint venture or similar arrangement"
- 1.5 In terms of TR 30.1, the accounting authority for a public entity must annually submit a proposed strategic plan for approval by the executive authority to the designated department (Department of Communication and Digital Technologies (DCDT)). In terms of TR 30.1.3 (e), the strategic plan must include a materiality/significance framework.
- 1.6 The King IV Report on Corporate Governance (2016) requires that the governing body should approve management's bases for determining materiality for the purpose of deciding which information should be included in external reports.
- 1.7 This framework was developed taking into account the "Practice Note on Applications under section 54 of the PFMA Act no.1 of 1999 (as amended) by public entities" issued by the National Treasury. The framework will be reviewed annually and updated if necessary.

2. Definition of materiality and significance

- 2.1 The Accounting Standards Board (ASB) defines materiality as "the magnitude of an omission or misstatement in the financial statements, which individually or collectively, makes it probable that a reasonable person relying on those statements would have been influenced by the information or made a different judgement if the correct information had been known".
- 2.2 From an external audit point of view, ISA 320 defines materiality as follows: "Information is material if its omission or misstatement could influence the economic decisions of users taken on the basis of the financial statements. Materiality depends on the size of the item or error judged in the particular circumstances of its omission or misstatement. Thus, materiality provides a threshold or cut-off point (quantitative), rather than being a primary qualitative characteristic which information must have if it is to be useful."
- 2.3 The Concise Oxford Dictionary defines significant as "extensive or important enough to merit attention" and may, therefore, be interpreted as of relative importance to the public entity as a whole. Transactions may be significant based on the monetary value of the transactions or due to the nature of the transactions. Thus, a transaction will be significant if conducting the transaction is vitally important in order to fulfil the public entity's mandate and for it to operate effectively.

- 2.4 "Significant" may also be interpreted as those transactions that in the case of SITA, would require approval from the executive authority or National Treasury and would include, but are not limited to the participation in a significant partnership, trust, unincorporated joint venture or similar arrangement, the acquisition or disposal of a significant shareholding in an organization, the acquisition or disposal of a significant asset and commencement or cessation of a significant business activity.
- 2.5 From the interpretations above, there is a difference between "material" and "significant". Significant is larger than material as a significant transaction impacts the public entity as a whole. An occurrence may be material but not necessarily significant, whereas any occurrence that is significant will be material. This argument is supported by Treasury regulations 28.3.1 which is stated as follows: "For purposes of material [section 55(2) of the Act] and significant [section 54(2) of the Act], the accounting authority must develop and agree a framework of acceptable levels of materiality and significance with the relevant executive authority."
- 2.6 As Treasury Regulation 28.3.1 also has an expectation of qualitative reporting, this framework will be dealt with in two main categories, namely quantitative and qualitative aspects. The policy set out hereunder should be appropriately presented in the Annual Report as required.

3. Determination of the acceptable levels of significance and materiality limits

3.1 Quantitative factors

The guidelines as contained in the National Treasury Practice Note on Applications under section 54 of the PFMA Act no.1 of 1999 (as amended) by public entities will be used as the basis for determining the quantitative materiality and significance. The guideline recommends certain elements of financial statements to be considered as bases purposes of this determination. The table below outlines the financial statement elements and the percentage ranges that can be used.

Table 1: Financial Statement Elements and percentage range to be applied

Element	% range to be applied against R value
Total assets	1%-2%
Total revenue	0.5%-1%
Profit after tax	2%-5%

Total assets have been deemed to be an appropriate basis for which these levels are determined, as it is more reflective of the activities undertaken by the company. This is based on the fact that SITA's main business is the development of ICT infrastructure and provision of ICT services on these infrastructure platforms. The entity is also engaging in the refurbishment of its asset base. The significance amount will therefore be set at R119 million which is 2% of total assets.

SITA has governance structures that are in place and that are fully operational, as a result, the materiality amount will be set at R119 million as well which is 2% of total assets.

Losses in excess of R50,000 arising from criminal conduct are considered to be material and will be disclosed in terms of section 55 of the PFMA.

The 2023/24 audited financial statements have been used to determine the appropriate materiality and significance.

3.2 Qualitative factors

- Materiality is not merely related to the size of SITA and/or the elements of its financial statements. Misstatements may also be material on qualitative grounds. These qualitative grounds include amongst other:
- Unusual transactions entered into that are not of a repetitive nature and are disclosable purely due to nature thereof (due to knowledge thereof affecting the decision making of the user of the financial statements);
- transactions entered into that could result in reputational risk to SITA;
- any fraudulent or dishonest behaviour of an officer or staff of SITA. For example, losses resulting from criminal conduct may be seen as material, based on the public accountability of SITA, regardless of the monetary value of the amount; and
- procedures/ processes required by legislation or regulation.

4. Materiality and significance framework

Section	Requirement	Material/Significant	Underlying principle
Section 50(1)	<p>The accounting authority for a public entity must –</p> <p>(c) On request, disclose to the executive authority responsible for that public entity or the legislature to which the public entity is accountable, all material facts, including those reasonably discoverable, which in any way may influence the decisions or actions of the executive authority.</p>	<p>SITA submits quarterly reports to the executive authority which include all relevant information which may influence the decisions or actions of the executive authority. These reports cover all transactions/ventures not included in the SITA strategic plan and SITA mandate and all other information as requested/required by the Minister.</p>	<ul style="list-style-type: none"> • The PFMA is not intended to affect the autonomy of SITA, but its objectives are to ensure transparency, accountability and sound management of revenue, expenditure, assets and liabilities of the entity to which the Act applies. Therefore, the legislature could not have intended for the public entities to report and seek approval on matters of a daily basis; • The operations of SITA are conducted within the framework of the mandate, objects and powers of the SITA Act, as well as the operational and financial direction set out in the strategic plan; • SITA also has defined accountability and approval structures from the accounting authority, as the stakeholder representative, to the MD and management; • The responsibility for day-to-day management of SITA vests in line management through a defined organizational structure and through formally delegated authorities.

Section	Requirement	Material/Significant	Underlying principle
Section 51(1)(g)	An Accounting Authority for a public entity must promptly inform the National Treasury on any new entity which that public entity intends to establish or in the establishment of which it takes the initiative.	SITA will inform the National Treasury of individual transactions covered by this section irrespective of the materiality or significance of the transaction. The application will be done simultaneously with the section 54 application to the DCDT.	
Section 54(2)	Before a public entity concludes any of the following transactions, the accounting authority for the public entity must promptly and in writing inform the relevant treasury of the transaction and submit relevant particulars of the transaction to its executive authority for approval of the transaction:	<p>1. Quantitative factors</p> <p>1.1 Sections 54(2)(a)-(f): Any specific transaction will be regarded as significant if its rand value exceeds R119 million as determined above. Unless indicated to be excluded based on factors documented below:</p> <p>2. Qualitative factors.</p> <p>The following qualitative factors will be taken into account when determining the significance of transactions:</p> <p>2.1 Any transaction of this nature that causes any interest (equity or loans) to be taken by SITA in the company to be established requires approval from the Executive Authority irrespective of its materiality or significance.</p> <p>2.2 Concerning participation in the establishment of a company, where an interest (equity or loans) is to be taken by SITA in the company to be established, any involvement by SITA in the establishment process will necessitate an application for approval, regardless of the degree of involvement by SITA.</p>	
	(a) establishment or participation in the establishment of a company;		

Section	Requirement	Material/Significant	Underlying principle
		<p>2.3 Flowing from 1 and 2 above, where no interest (equity or loans) is to be held by SITA in the company to be established, for instance, where SITA is only facilitating the formation on behalf of or with other parties in pursuance of a social objective, such participation need not necessitate an application for approval.</p> <p>2.4 The establishment (or participation in the establishment) by SITA of any company that is domiciled outside the Republic of South Africa requires approval from the Executive Authority irrespective of the materiality or significance of the transaction.</p> <p>2.5 For purposes of establishment of an entity as envisaged under section 51(1)(g), the above principles will also apply.</p>	
	(b) Participation in a significant partnership, trust, unincorporated joint venture or similar arrangement;	<p>2.6 Any transaction that entails incorporation under the Companies Act (or similar foreign legislation) should be dealt with under 2.1 to 2.5 above.</p> <p>2.7 For transactions not entailing incorporation, any transaction will be considered as significant -</p> <p>2.7.1 If participation is in any partnership, trust, unincorporated joint venture or similar arrangement that is located outside the Republic.</p>	
	(c) acquisition or disposal of a significant shareholding in a company;	<p>2.8 Transactions are to be regarded as significant where -</p> <p>2.8.1 ownership control is affected; or</p> <p>2.8.2 SITA's right to pass or block a special resolution is affected; or</p> <p>2.8.3 there is a change in shareholding of at least 20%; or</p> <p>2.8.4 for an acquisition, any transaction results in a shareholding of at least 20% in a company.</p> <p>2.8.5 With the approval of the Cabinet, transfer to any person the shares of the Agency in a subsidiary company in accordance with the Companies Act (SITA Act 3A (3a)).</p>	

Section	Requirement	Material/Significant	Underlying principle
	(d) acquisition or disposal of a significant asset;	<p>2.9 Although the acquisition or disposal of shares or of an interest in an unincorporated vehicle, as envisaged by sections 54(2)(b), (c) and (f), would also be an acquisition or disposal of an asset, such transactions are more appropriately dealt with under the guidelines for those sections.</p> <p>2.10 Assets classified as current assets according to GRAP are not regarded as falling under this subsection and therefore are excluded from being considered significant.</p> <p>2.11 The acquisition or disposal of an asset other than those referred to in 2.9 and 2.10 above should be regarded as significant if its rand value falls within the parameters outlined in 1.1 above. The replacement (acquisition and disposal) of assets for operational reasons will be approved by the Board will not be submitted to the Executive Authority as this is intended to maintain, renew, modernise and expand current business operations and not create entirely new streams of revenue or close business operations and related revenue streams. Therefore, such transactions are excluded from being considered significant.</p> <p>2.12 Regarding the acquisition of assets through a finance lease, the principles in 2.11 above will apply.</p> <p>2.13 In line with section 19 (4) of the SITA act, SITA may sell fixed assets only with the approval of the accounting authority, in consultation with the Minister of Communications.</p>	
	(e) commencement or cessation of a significant business activity; and	2.14 The commencement of SITA services as mandated to SITA by section 7 of the SITA Act will not be regarded as falling under this subsection and therefore are excluded from being considered significant	

Section	Requirement	Material/Significant	Underlying principle
	(f) a significant change in the nature or extent of its interest in a significant partnership, trust, unincorporated joint venture or similar arrangement.	<p>2.15 The significance of a change in interest should only be considered if the participation in the partnership, trust, unincorporated joint venture or similar arrangement was originally regarded as significant.</p> <p>2.16 Where the nature changes between any of the vehicles (that is between a partnership, trust, unincorporated joint venture or similar arrangement), this will be regarded as significant.</p> <p>2.17 Any transaction that results in a cumulative interest of at least 20% in the vehicle (partnership, trust, unincorporated joint venture or similar arrangement) is regarded as significant.</p> <p>2.18 Any subsequent transaction that results in an increase of the cumulative interest by at least 10% in the vehicle (partnership, trust, unincorporated joint venture or similar arrangement) is regarded as significant.</p>	
Section 55(2)	The annual report and financial statements referred to in subsection 55(1)(d) must – include particulars of – (i) any material losses through criminal conduct and any irregular expenditure and fruitless and wasteful expenditure that occurred during the financial year.	<p>2.19 Losses in excess of R50,000 arising from criminal conduct are considered to be material and will be reported in accordance with the provisions of section 55(2) of the PFMA.</p> <p>2.20 Any individual transaction arising from irregular expenditure and fruitless & wasteful expenditure will be considered to be material and will be dealt with in accordance with the provisions of section 55(2) of the PFMA irrespective of the rand amount involved.</p> <p>2.21 Amounts (Account balances) will be regarded as being material for disclosure purposes in the financial statements if that amount exceeds R119 million, which is 2% of the total assets of the audited 2023/24 annual financial statements.</p>	<ul style="list-style-type: none"> In line with good business practice, as well as the requirements of the PFMA, SITA is committed to the prevention, detection of and taking appropriate action on all irregular expenditure, fruitless and wasteful expenditure, losses resulting from criminal conduct and expenditure not complying with the operational policies. To this end, SITA's systems and processes are designed and continually reviewed to ensure the prevention and detection of all such expenditure, irrespective of the size thereof.

5. Responsibility for the materiality and significance framework

5.1 Accounting authority

- The accounting authority is responsible for developing and agreeing, with the executive authority, a framework of acceptable levels of materiality and significance.
- The accounting authority has the responsibility to ensure that all material and significant transactions are dealt with in accordance with the prescripts of the relevant legislation.

5.2 Executive committee (EXCO)

The EXCO is headed by the Managing Director (MD) and is accountable to the accounting authority for designing, implementing and monitoring the framework of acceptable levels of materiality and significance and integrating it with the day to day activities of the company.

5.3 Internal Audit

Internal Audit assists management in monitoring the framework of acceptable levels of materiality and significance to ensure compliance with applicable legislation.

6. Abbreviations

6.1 Abbreviations

SITA	: State Information Technology Agency
PFMA	: The Public Finance Management Act
TR	: Treasury Regulations
DCDT	: Department of Communications and Digital Technologies,
Accounting Authority	: Accounting Authority
Executive Authority	: Minister of DCDT (Cabinet member who is accountable to Parliament)



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SITA

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