



ANNUAL PERFORMANCE PLAN FY2026/27

Innovate, Integrate, Deliver: Digitally Transforming Public Services



SITA

state information technology agency



ACCOUNTING AUTHORITY STATEMENT BY THE CHAIRPERSON

By the Chairperson of the Board of Directors



As the Accounting Authority of the State Information Technology Agency (SITA), the Board presents this revised 2026/27 Annual Performance Plan (APP) at a pivotal stage in the organisation's renewal journey. South Africa's digital transformation ambitions require a capable, trusted and high-performing state ICT partner that can enable government modernisation, strengthen digital sovereignty, improve service delivery and support economic growth. The Board remains committed to positioning SITA as that strategic partner by focusing on improved execution, stronger governance, customer-centric service delivery and sustainable organisational performance. The revisions contained in this APP are therefore not a change in strategic direction, but a deliberate refinement of how success is defined, measured and accounted for. Informed by lessons emerging from the audit process and the Board's reflections on organisational performance, the revisions seek to strengthen the linkage between strategy, delivery and measurable outcomes, ensuring that performance indicators provide a more accurate reflection of value delivered to customers, stakeholders and the broader public sector.

The Board commenced its tenure at a critical point in SITA's evolution. Through the Board Induction Programme held under the theme "Building a Trusted Digital State Partner", the Board undertook a comprehensive assessment of the organisation's mandate, operating environment, strategic opportunities and organisational challenges. The induction reaffirmed SITA's strategic importance as government's primary digital transformation partner and highlighted the central role

the Agency must play in enabling an integrated, secure and citizen-centric digital state. At the same time, it provided a candid reflection on the realities confronting the organisation, including customer confidence challenges, financial sustainability pressures, leadership instability, procurement inefficiencies and recurring audit findings. These reflections have informed the Board's strategic priorities and oversight agenda for the period ahead.

A central outcome of these engagements was the recognition that restoring stakeholder trust must be the foundation upon which organisational renewal is built. The Board believes that trust is earned through consistent delivery, ethical leadership, transparency, accountability and demonstrable performance. Accordingly, the revised APP places greater emphasis on performance measures that are objective, auditable and outcome-oriented. The Board is of the view that performance information should do more than demonstrate compliance; it should provide meaningful insight into whether the organisation is delivering value, improving customer experience, strengthening operational effectiveness and advancing government's digital transformation objectives.

The recent audit process reinforced the need for greater precision in the design and measurement of performance indicators. While the organisation's strategic intent remains relevant and appropriate, important lessons were learned regarding the interpretation, measurability and auditability of certain indicators and Technical Indicator Descriptions. As a result, refinements have been introduced to strengthen definitions, clarify methodologies, improve verification requirements and ensure that targets accurately reflect the intended outcomes. These improvements will enhance accountability, enable more informed decision-making and provide stakeholders with greater confidence in the integrity and reliability of reported performance.

Beyond strengthening performance information, the Board remains focused on the strategic themes that emerged from the induction process. These include rebuilding stakeholder confidence, improving service delivery and customer value, strengthening governance and accountability, restoring financial sustainability, accelerating digital transformation initiatives, modernising infrastructure and digital platforms, enhancing cybersecurity resilience and driving operational excellence through automation and process optimisation. Collectively, these priorities provide the foundation for SITA's organisational renewal and long-term sustainability.



ACCOUNTING AUTHORITY STATEMENT BY THE CHAIRPERSON

By the Chairperson of the Board of Directors

The Board further recognises that South Africa's future competitiveness and state capability will increasingly depend on the successful adoption of digital technologies. As the custodian of government's shared digital infrastructure and platforms, SITA has a responsibility not only to provide reliable ICT services, but also to lead the advancement of digital public infrastructure, interoperability, digital sovereignty, cybersecurity and emerging technologies that improve the quality, accessibility and efficiency of public services. The Board will continue to provide strategic oversight to ensure that SITA remains responsive to these evolving demands while maintaining a strong focus on customer needs and value creation.

Our approach to governance and leadership will be guided by the values that emerged as non-negotiable principles during the induction process: integrity, accountability, ethical leadership, transparency, professionalism, service excellence, collaboration and commitment to public service. These principles will continue to shape the Board's oversight responsibilities, decision-making processes and interactions with management and stakeholders.

Looking ahead, the Board's vision is for SITA to be recognised as a trusted, responsive and high-performing digital state partner; an organisation that consistently delivers on its commitments, demonstrates sound governance, effectively manages public resources and creates measurable value for government and society. Through stronger execution, enhanced accountability, continuous organisational improvement and a relentless focus on performance outcomes, we are confident that SITA will continue to strengthen its contribution to South Africa's digital future and the development of a capable state.

Prof Stella Bvuma

Chairperson of the Board of Directors

State Information Technology Agency SOC Ltd



ACCOUNTING OFFICER STATEMENT BY THE MANAGING DIRECTOR

By the Managing Director



As SITA, we remain steadfast in our mandate to enable a digitally transformed public sector through the provision of reliable, secure and innovative ICT solutions that enhance service delivery to all South Africans.

The digital era demands an agile, integrated and resilient state. SITA's strategic direction is anchored in digital transformation, service excellence and infrastructure modernisation. Guided by the Board and reinforced by a commitment to accountability, execution excellence and delivery capability, the Agency is positioning itself to support a responsive and future-ready public service.

Our strategic priorities include the modernisation of ICT infrastructure, cloud enablement and digital platforms, enhanced system interoperability, improved service reliability and responsiveness, as well as strengthened cybersecurity and data protection. These priorities are implemented through four strategic themes: customer-centricity; transforming the public sector; transforming SITA; and governance. Collectively, these themes support SITA's repurposing agenda, which provides a coherent and measurable roadmap to align organisational structures, skills and systems to sustainable improvement and long-term impact.

A key enabler of this transformation is the automation of supply chain management processes, which is improving procurement turnaround times, strengthening transparency and auditability, enhancing supplier engagement and enabling real-time reporting. This initiative represents a critical step towards efficient, ethical and accountable governance. In parallel, SITA continues to use procurement as a lever for inclusive economic transformation, with increased participation by Small, Medium, and Micro Enterprises (SMMEs) and black-owned Exempted Micro Enterprises (EMEs) in line with national development objectives.

Significant investments have been made to strengthen government's digital backbone. SITA has redesigned its core network infrastructure and achieved high levels of availability while transitioning to a software-defined networking architecture. This ensures stable, secure and high-speed connectivity across government. In the same period, the Agency completed information security assessments and implemented cybersecurity awareness initiatives across multiple government departments. This contributes to reinforcing government's overall security posture as services increasingly migrate online.

Internally, SITA is undergoing a deliberate and comprehensive transformation focused on prudent financial management, organisational effectiveness and a renewed employee value proposition. Our culture index has emerged as a key indicator of organisational health, reflecting progress towards leadership alignment, performance discipline and a values-driven culture.

While acknowledging its operational challenges, SITA continues to fulfil its role as a leading digital transformation catalyst for government. The Agency's investments and services have benefited, and continue to benefit millions of South Africans. Lessons drawn from recent audit outcomes have further strengthened our governance, risk management and internal control environment. The Board and Executive Management remain resolute that governance integrity, transparency and disciplined execution are non-negotiable foundations for sustainable performance.

The Agency is also leveraging data as a strategic asset to enhance decision-making, service delivery and innovation. Our digitalisation efforts are guided by international standards and focused on meeting the expectations of government customers



ACCOUNTING OFFICER STATEMENT BY THE MANAGING DIRECTOR

By the Managing Director

and citizens, ensuring that technology investments translate into tangible public value.

Digital transformation is inherently collaborative. SITA continues to strengthen partnerships across government, industry, academia and emerging entrepreneurs to accelerate innovation, localise technology, transfer skills and nurture future ICT talent within the public sector. A particular focus is being placed on AI-driven data analytics and digital solutions that respond to the growing expectations of citizens and stakeholders.

Looking ahead, the next phase of SITA's repositioning will require focus, agility and unwavering commitment to excellence. As a public entity governed by the Public Finance Management Act, SITA remains deeply committed to ethical conduct, compliance and value-for-money outcomes. Our goal is to operate as a high-performing, customer-centric organisation that delivers reliable, secure and affordable digital solutions in support of a capable and developmental state.

The continued transformation journey will modernise SITA's operating model, establish a national digital architecture framework and introduce governance mechanisms that promote accountability, data sovereignty and policy coherence

across government ICT environments. Through this evolution, SITA will increasingly function as the State Digital Services Agency, serving as the primary conduit for government digital procurement and platform delivery, driving whole-of-government digital transformation and ensuring citizens experience seamless, secure and efficient digital services.

With the dedication of our employees, the support of our stakeholders and the trust of our clients, I am confident that SITA will continue to play a defining role in building a modern, connected and capable state. Together, we are enabling the digital future of government.

Mr Magatho Mello
Managing Director

State Information Technology Agency SOC Ltd



OFFICIAL SIGN-OFF

It is hereby certified that this APP:

- (a) was developed by the management of the State Information Technology Agency 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 2026/27 financial year.

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Mr Musa Kumalo

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CONTENTS

Accounting Authority statement	2
Accounting Officer statement	4
Official sign-off	6

PART A: OUR MANDATE 10

1. Updates to the relevant legislative and policy mandates	11
2. Updates to institutional policies and strategies	12
2.1 Institutional policies	12
2.2 Institutional strategies	12
3. Updates to relevant court rulings	12

PART B: OUR STRATEGIC FOCUS 13

4. Updated situational analysis	14
4.1 Strategic overview	14
4.2 External environment analysis	15
4.3 SITA's strategic alignment with national policies and the national priorities	19
4.4 Internal environment analysis	24
5. Strategic response framework	26
6. Theory of change	27
6.1 Theory-of-change context	27
6.2 Problem statement	29
6.3 Assumptions	29
6.4 Inputs	29
6.5 Activities	29
6.6 Outputs	30
6.7 Impact	30

PART C: MEASURING OUR PERFORMANCE 31

7. Impact statement	32
7.1 Programme 1: Customer-centricity (total service experience)	32
7.2 Programme 2: Transform public sector (secure digital government capability)	33
7.3 Programme 3: Transform SITA (State Digital Services Agency)	34
7.4 Programme 4: Governance (effective corporate governance)	35
8. Explanation of planned performance over the Medium-Term period	36
8.1 Programme 1: Customer-centricity	36

8.2 Programme 2: Transform public sector	37
8.3 Programme 3: Transform SITA	37
8.4 Programme 4: Governance	37
9. Financial resources	38
9.1 Overview of the 2026/27 budget and MTEF estimates	38
9.2 Budgeted statement of financial performance	40
9.3 Budgeted statement of financial position	41
9.4 Budgeted cash-flow statement	42
9.5 Budget per programme	43
10. Updated key risks and mitigations	44

PART D: TECHNICAL INDICATOR DESCRIPTIONS 46

11. Technical indicators	47
11.1 Percentage customer satisfaction level	47
11.2 Percentage implementation of brand reputation improvement plan	47
11.3 Percentage government entities adopting SITA digital services	48
11.4 Number of SITA-maintained government legacy systems modernised	48
11.5 Percentage SITA in-house cybersecurity products/services developed	49
11.6 Central Government Data Hub platform architecture	49
11.7 Percentage core network availability	50
11.8 Percentage digital marketplace capabilities established as per defined scope	50
11.9 Number of innovative solutions commercialised	51
11.10 Number of key internal processes automated as per defined scope	51
11.11 Percentage high-performance culture index	52
11.12 Percentage year-on-year total revenue growth on the FY2025/26 baseline	52
11.13 Percentage revenue growth from new business opportunities on the FY2025/26 baseline	53
11.14 EBITDA as percentage of revenue	53
11.15 Audit opinion	54



CONTENTS

Annex A: Abbreviations 55

Annex B: Amendments to the Strategic Plan outcome Indicators and Targets 56

B.1	Measuring outcomes	56
B.2	Revised technical indicator descriptions	57

Annex C: Materiality and Significance Framework 59

C.1	Introduction	59
C.2	Definition of materiality and significance	59
C.3	Determination of the acceptable levels of significance and materiality limits	60
C.4	Materiality and significance framework	61
C.5	Responsibility for the materiality and significance framework	65



FIGURES

Figure 1 – The G20 Africa partnership in the framework of the G20 Action Plan on the 2030 Agenda	15
Figure 2 – UN Sustainable Development Goals	16
Figure 3 – Themes and pillars of the AU's Digital Transformation Strategy	17
Figure 4 – The OECD Digital Government Policy Framework	18
Figure 5 – Digital Economy Masterplan	19
Figure 6 – Mapping of the NDP goals, MTDP strategic priorities, DCDT priorities and SITA strategic alignment	21
Figure 7 – Government's digital public infrastructure stack	22
Figure 8 – ICT industry trends	23
Figure 9 – Challenges facing SITA	24
Figure 10 – SITA macro-organisational structure	25
Figure 11 – Strategic programmes	26
Figure 12 – The Theory of Change	28



TABLES

Table 1 – Programme 1 performance indicators and Medium-Term targets	32
Table 2 – Programme 1 quarterly targets	32
Table 3 – Programme 2 performance indicators and Medium-Term targets	33
Table 4 – Programme 2 quarterly targets	34
Table 5 – Programme 3 performance indicators and Medium-Term targets	34
Table 6 – Programme 3 quarterly targets	35
Table 7 – Programme 4 performance indicators and Medium-Term targets	35
Table 8 – Programme 4 quarterly targets	36
Table 9 – Key risks and mitigations	44



OUR
MANDATE

1. UPDATES TO THE RELEVANT LEGISLATIVE AND POLICY MANDATES

The efficient implementation of the SITA Annual Performance Plan (APP) is contingent upon alignment with essential national policies, including the recent amendments to the PFMA Regulation 16 affecting procurement, amendments to the Protection of Personal Information Act (POPIA) to strengthen consent regulations, the National AI Strategy, and the development of emerging artificial intelligence (AI) policies, which should incorporate AI governance, model risk management, and ethics-by-design in digital service provisions.

The amendment to PFMA Regulation 16, effective 1 June 2025, simplifies the approval process for public-private partnerships (PPPs) valued under R2 billion by exempting them from certain Treasury approval processes and delegating sign-off authority to accounting officers. This regulatory change creates opportunities for SITA to engage in collaborative projects with private sector partners, driving service delivery improvements and digital transformation initiatives.

The POPIA amendment (April 2025) enhances complaint process accessibility and strengthens data subjects' rights, particularly regarding consent. Key changes include revised definitions (e.g. "complaint"), an e-portal for reporting security breaches, and increased responsibility for managing requests to amend or delete personal information. In response, SITA must align its data processing practices with the revised POPIA, focusing on consent and data subject rights, and enhance its compliance requirements accordingly.

The South African National AI Policy Framework's emphasis on developing ethical, safe, and inclusive AI solutions has significant implications for SITA, given its pivotal role in implementing government-wide AI initiatives. SITA is expected to take the lead in creating AI governance frameworks that adhere to the policy's requirements for ethics, openness and data protection. To facilitate the responsible deployment of AI across departments, the framework mandates that SITA improve its data management, cybersecurity and cloud infrastructure. Moreover, SITA is required to incorporate accountability measures, bias mitigation strategies, and AI risk management into its procurement procedures.

Moreover, the release of the National AI Strategy underlines the necessity for SITA to incorporate AI governance, ethical protections and innovation-fostering platforms within its service delivery framework, which aspires to make public sector ICT decisions accountable, transparent and effective. The Department of Public Service and Administration's Corporate Governance of ICT Policy complements this by offering a comprehensive governance framework aimed at enhancing ICT maturity, shared services and interoperability throughout the State. As a result, SITA must reinforce its own systems for managing ICT, make sure it complies with the DPSA's Corporate Governance of Information and Communication Technology Policy Framework (CGICTPF), and strive for more efficient and ethical administration of IT in government.

In the preceding financial year, the Minister of Communications and Digital Technologies amended Regulation 17.8 of the SITA Act, empowering government agencies to procure IT goods and services directly from alternative providers when SITA is unable to meet their requirements, within prescribed timeframes. This regulatory change necessitates that SITA enhance its service offerings, prioritise customer satisfaction, and bolster its competitiveness in the government IT services market to mitigate potential revenue implications.

SITA's strategic focus is influenced by constitutional mandates and the overarching vision articulated in the National Development Plan (NDP) 2030, the Medium-Term Development Plan (MTDP), which is a strategic planning tool used by South Africa to implement the NDP 2030, and other significant governmental initiatives. These initiatives direct SITA in fostering equitable growth, generating employment and promoting an ethical, competent public service.

2. UPDATES TO INSTITUTIONAL POLICIES AND STRATEGIES

2.1 Institutional policies

Consistent with prior financial years, SITA conducted a comprehensive assessment and modification of its institutional policies during the 2025/26 financial year to align with its evolving operating objectives and strategy. These policies aim to assure adherence to national legislation, enhance organisational efficiency and protect accountability in all operations.

The financial management and supply chain management (SCM) policies conform to the PFMA and National Treasury rules to ensure prudent financial governance, transparent procurement and efficient resource utilisation. Human capital management (HCM) policies direct recruiting, performance evaluation, skills development, employment equity and wellness initiatives, facilitating SITA's ability to attract, retain and empower proficient staff. Information security and data protection policies, enhanced in line with POPIA and cybersecurity frameworks, delineate methods for the safety of government data, the management of cyber risks, and the assurance of business continuity. The Data Governance Policy, which is aligned with the Department of Public Service and Administration's Corporate Governance of ICT Framework, provides standards for technology planning, solution delivery and service quality. Corporate governance rules, encompassing risk management, ethics, anti-fraud measures and corporate social responsibility, bolster accountability, integrity and public trust in the agency's activities.

2.2 Institutional strategies

SITA has developed the following implementation strategies to enable the implementation of the 2026-2030 corporate strategy and provide for the period beyond the end of the Medium-Term Development Plan (MTDP):

- (a) **Digital Transformation Strategy:** Intends to use digitalisation to fundamentally change the way government operates and provides services.
- (b) **Digital Infrastructure and Cloud Strategy:** This strategy emphasises the modernisation and expansion of South Africa's governmental digital infrastructure. SITA is establishing a Government Private Cloud Environment (GPCE) and enhancing the National Broadband Network (NGN) to guarantee safe, dependable connectivity and scalable computing resources.
- (c) **Cybersecurity and Data Governance Strategy:** Ensures that governmental ICT systems are safe, robust and adhere to frameworks such as the Cybersecurity Policy Framework of South Africa and POPIA.

3. UPDATES TO RELEVANT COURT RULINGS

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

A futuristic cityscape at night, viewed from an elevated perspective. The city is illuminated with glowing blue lines and lights, suggesting a digital or data-driven environment. Several green diagonal streaks cut across the upper portion of the image. A large, white, stylized letter 'B' is centered in the lower half of the image.

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 provide cost-effective, innovative digital solutions that are secure, trusted and fit for purpose”.



4.1.3 VALUES

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

CUSTOMER-CENTRICITY

▶ Exceed customer expectations by providing the best appropriate services and solutions.

INNOVATION

▶ Pursue innovation by demonstrating thought leadership and proactive behaviour on the use of ICT to enhance public service delivery.

INTEGRITY

▶ Conduct our business with integrity at all times to inculcate a culture of honesty, respect and accountability among all our employees.

AGILITY

▶ Be adaptive and responsive in an evolving environment to maintain relevance and competitive advantage

COLLABORATION

▶ Cooperate with, and support, each other in pursuit of our shared goals to achieve synergies and greater productivity.

EMPATHY

▶ Understand and support each other in our different perspectives.

4.2 External environment analysis

4.2.1 Global acceleration of digital transformation and imperatives

SITA operates under a constantly changing external landscape shaped by technological, economic, social, political and regulatory influences that affect the Agency's capacity to provide secure, innovative and cost-efficient ICT services to the government. The global acceleration of digital transformation, comprising improvements in cloud computing, AI, automation, and data-driven decision-making, presents prospects for the modernisation of government ICT infrastructure and the provision of citizen-centric digital services. In the South African context, these trends are bolstered by the release of the National AI Strategy and the ongoing pursuit of e-government platforms, interoperability and digital inclusiveness. The financial and economic landscape remains challenging. The limited national budget and continuous re-prioritisation initiatives by National Treasury require SITA to implement cost-optimisation strategies and value-for-money service models. On the other hand, socio-economic pressures – such as chronic unemployment, inequality and demands for enhanced service delivery – exacerbate expectations for SITA to utilise technology as a catalyst for efficiency, accessibility and openness in government.

4.2.2 G20 digital economy development and cooperation initiatives

The G20 digital economy development and cooperation initiatives establish a framework that fosters inclusive, sustainable and innovation-oriented digital economies worldwide. These programmes underscore cross-border collaboration, digital inclusivity, resilient infrastructure, emerging technologies and skills development, all of which are directly aligned with SITA's objectives. As South Africa actively participates in the G20, SITA will capitalise on these pledges to expedite the nation's digital transformation and enhance government ICT capabilities.

In a South African context, this framework is founded on seven distinct pillars:

- broadband and connectivity;
- investment in the ICT sector;
- entrepreneurship and digital transformation;
- e-commerce cooperation;
- digital inclusion;
- small, medium and micro enterprises (SMMEs); and
- policy and regulatory frameworks.

In its role as a G20 member, South Africa will work to advance these goals, especially in the following areas: digital public infrastructure; connectivity; inclusive digital transformation; and the responsible application of new technologies such as AI.

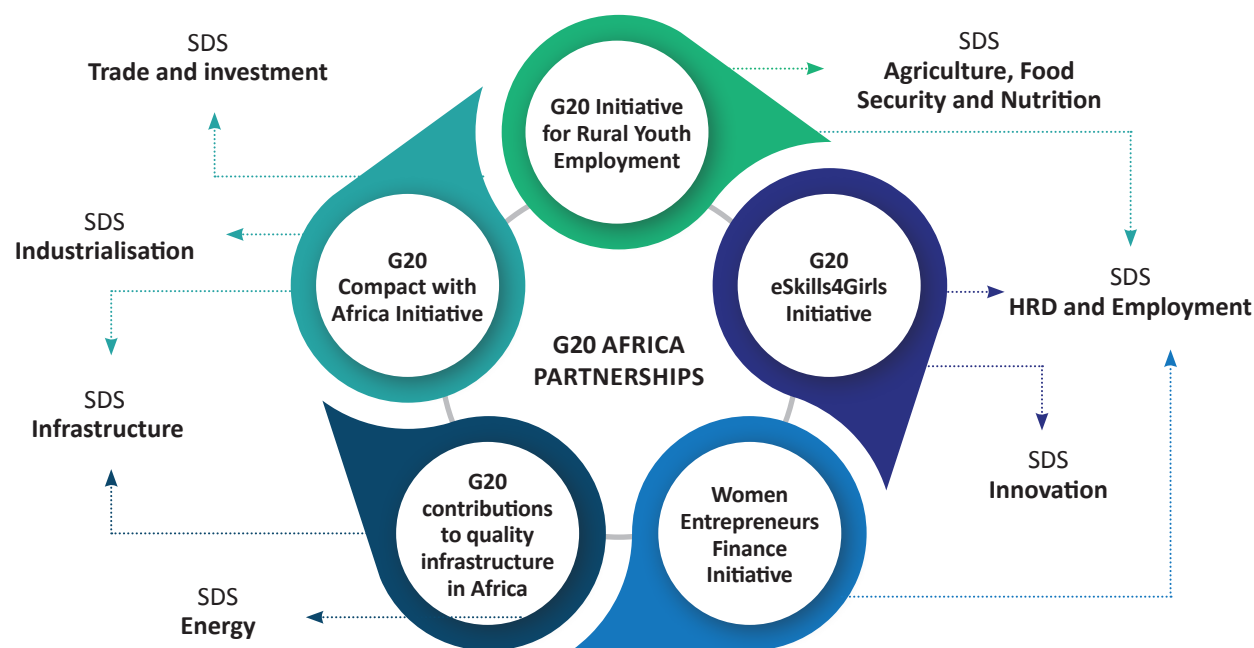


Figure 1 – The G20 Africa partnership in the framework of the G20 Action Plan on the 2030 Agenda

Working in tandem with these initiatives would help SITA achieve its 2026/27 digital transformation objectives of modernising government ICT systems, promoting digital sovereignty, and improving service delivery. These initiatives provide direction towards developing innovation ecosystems, constructing resilient digital infrastructure, ensuring trust and security, and bridging digital divides. They are at the heart of South Africa's national priorities, including the NDP 2030, the Digital Economy Masterplan, and the SA Digital Transformation Roadmap.

4.2.3 UN Sustainable Development Goals digital dimensions

The United Nations' Sustainable Development Goals (SDGs) provide a universal blueprint for addressing global challenges such as poverty, inequality, climate change and sustainable growth. In the digital era, technology has emerged as a powerful cross-cutting enabler that accelerates progress across all **17 goals**. Digital solutions – from AI and big data analytics to mobile platforms, blockchain and the Internet of Things (IoT) – are reshaping how societies deliver services, measure impact and foster inclusion.

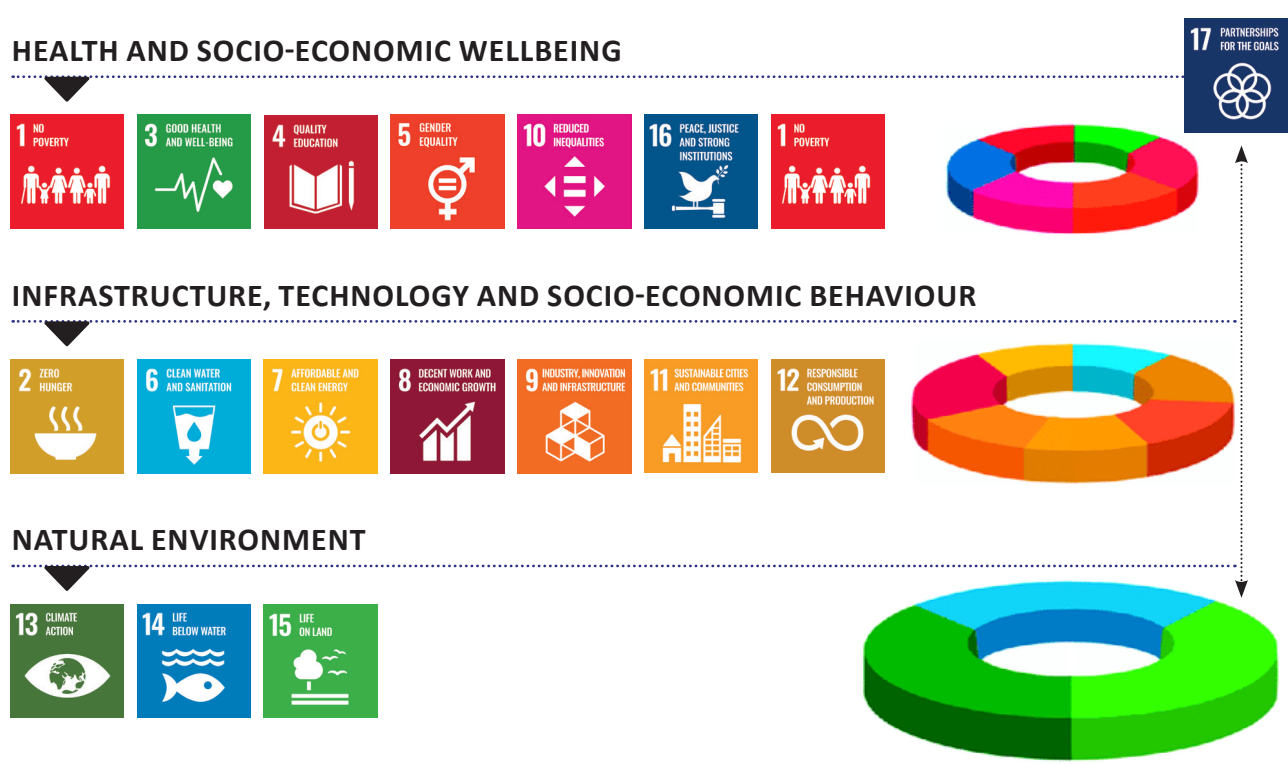


Figure 2 – UN Sustainable Development Goals

As South Africa's lead ICT agency, SITA has a strategic role in aligning digital transformation with the UN SDGs. Digital technologies are central enablers of sustainable development, and SITA's mandate places it at the intersection of government service delivery, innovation and inclusive growth. By embedding digital dimensions into national ICT initiatives, SITA supports South Africa's commitment to the 2030 Agenda.

SITA advances **SDG 1 (No Poverty)** and **SDG 8 (Decent Work and Economic Growth)** through digital inclusion programmes, e-government platforms and support for SMMEs in the ICT sector. By enabling mobile platforms, e-services and digital skills development, SITA enhances access to opportunities for marginalised communities.

In the sphere of **SDG 3 (Good Health and Well-being)** and **SDG 4 (Quality Education)**, SITA contributes by building digital infrastructure for health information systems, telemedicine platforms and e-learning solutions. This ensures continuity of essential services and expands access to education and healthcare across urban and rural areas.

Education is being revolutionised by e-learning platforms, AI-driven systems and digital literacy programmes. Ensuring equitable access to knowledge remains one of SITA's priorities.

SITA also supports **SDG 9 (Industry, Innovation and Infrastructure)** by developing secure ICT infrastructure, fostering local digital innovation and driving the adoption of emerging technologies such as AI, cloud computing and data analytics. These digital innovations enhance service delivery, strengthen national competitiveness and support South Africa's participation in the global digital economy.

Furthermore, SITA's work is critical for **SDG 16 (Peace, Justice and Strong Institutions)**. Through digital government services, cybersecurity frameworks and integrated data systems, SITA strengthens accountability, transparency and citizen trust in public institutions. Its partnerships with industry contribute directly to **SDG 17 (Partnerships for the Goals)** by facilitating knowledge-sharing, capacity-building and collaborative innovation for digital development.

By embedding digital dimensions into its strategies and operations, SITA ensures that South Africa's digital transformation journey is inclusive, sustainable and aligned with both national priorities and the global SDG framework.

4.2.4 African Union Digital Transformation Strategy for Africa (2020-2030)

The African Union Digital Transformation Strategy for Africa (DTS 2020-2030) aims to foster a unified and inclusive digital society and economy across the continent. The main goal is to utilise digital technologies and innovation to transform African cultures and economies, promote integration, generate inclusive economic growth, stimulate job creation, bridge the digital divide and eradicate poverty.

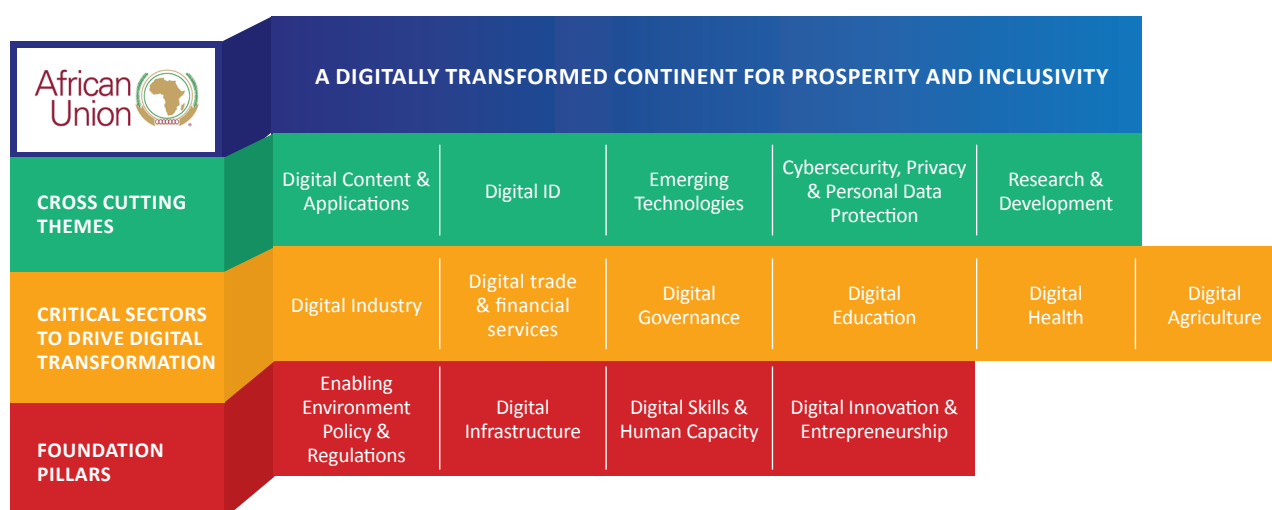


Figure 3 – Themes and pillars of the AU's Digital Transformation Strategy

From its inception to its current state of substantial execution, the following are the accomplishments (as of 2025) that have been cited in prominent worldwide academic journals:

- Digital Payment Networks:** In the 2024/25 financial year, Africa's digital payment networks surpassed the earmarked 1.1 billion mobile subscribers, enabling transactions over \$1.1 trillion and incorporating millions into the global economy (World Economic Forum [WEF], 2025).
- Digital Economy initiatives:** In line with the DTS' goal, the Digital Economy for Africa Initiative (DE4A) of the World Bank continues to connect all African people, companies and governments to the digital economy by the year 2030.
- Monitoring and Evaluation Framework:** With the use of instruments for measuring advancement towards its goal, the Monitoring, Evaluation and Learning (MEL) Framework has been created to continually keep tabs on the DTS' performance and impacts.

4.2.5 Organisation for Economic Cooperation and Development Digital Government Policy Framework

To assist progressive governments in planning, implementing and monitoring their digital transformation initiatives, the Organisation for Economic Cooperation and Development (OECD) has established the Digital Government Policy Framework (DGPF). This further helps governments make the transition from a paper-based government, including digitising processes, to digital government, which strategically incorporates technology to improve government, services and citizen participation.

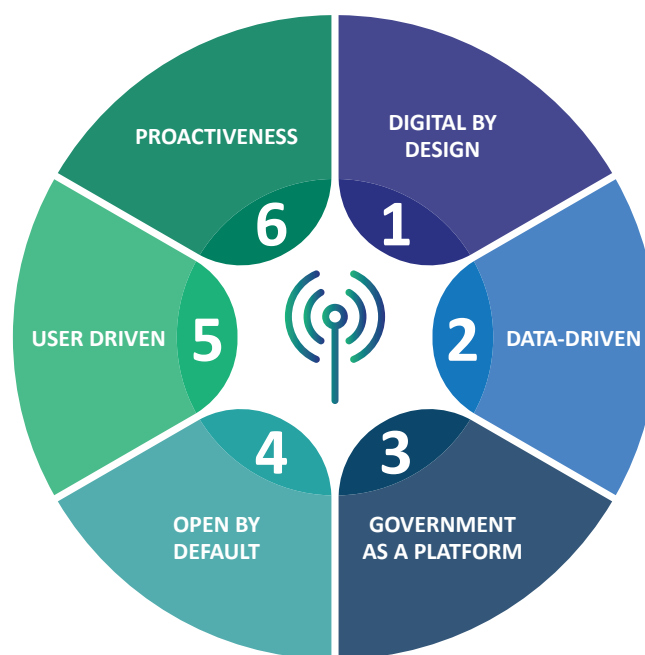


Figure 4 – The OECD Digital Government Policy Framework

SITA is pivotal in South Africa's public sector efforts to make these elements a reality. The following six policy frameworks are applicable to SITA's present policy framework:

- (a) **Government as a platform:** Developing digital infrastructure, standards and services for the government as a whole that may be used on a continual basis.
- (b) **Digital by design:** Advancing beyond mere "digitisation of existing processes" and creating digital-first services necessitates the incorporation of digital technology into policies, programmes and services from the outset.
- (c) **Data-driven public sector:** Utilising data as a strategic resource for decision-making, service delivery and innovation.
- (d) **User- (customer) driven:** Structuring services to prioritise the requirements of citizens and businesses over governmental frameworks, while engaging users in co-creation, feedback and the ongoing enhancement of services.
- (e) **Proactiveness:** Delivering seamless services to citizens before they actively request them (e.g. automated benefits or registrations) using predictive analytics and AI-driven platforms; this helps to anticipate user wants.
- (f) **Open by default:** Open data, open innovation and participatory governance are used to promote openness and accountability, as well as to ensure that individuals and enterprises can access, reuse and co-create public sector information.

4.3 SITA's strategic alignment with national policies and the national priorities

The broad policy frameworks and national priorities of South Africa are perfectly in sync with SITA's mandate and 2026 to 2030 strategic focus. To ensure that investments in ICT rapidly lead to better service delivery, socio-economic development and inclusive growth, SITA, as the leading customer-centric digital services agency, facilitates government's digital transformation.

- (a) **NDP 2030:** With its efficient, secure and interoperable digital platforms, SITA enables the NDP to achieve its objective of a "capable and developmental state" through facilitating service delivery, innovation and transparency.
- (b) **MTDP:**
 - (i) SITA conforms to the government's Medium-Term planning objectives by expediting e-government services, promoting digital inclusiveness, and ensuring that ICT fosters job creation and economic competitiveness.
 - (ii) SITA actively participates in efforts to reduce the digital gap and cultivate a workforce prepared for the use of advanced technologies, such as 4IR and 5IR through ICT capacity-building and digital skills programmes.
- (c) **National Integrated ICT Policy White Paper:** SITA continues to implement policy objectives relating to universal access, digital inclusion and effective ICT governance through its shared services and digital government platforms.
- (d) **Cybersecurity Policy Framework:** SITA continues to strengthen the integrity of governmental systems and citizen data by expanding the provisioning of cybersecurity products/services and secure digital infrastructure.

4.3.1 South Africa's Digital Economy Masterplan

The goal of the South African Digital Economy Masterplan is to transform the country's digital economy to become more innovative, inclusive and competitive. The document highlights the significance of digital technologies in driving economic growth, improving services and bringing about social change. Its goal is to take advantage of these opportunities to further the nation's long-term development goals, such as the NDP 2030, the MTDP, and the alignment with the Digital Transformation Strategy (2020-2030) of the AU.

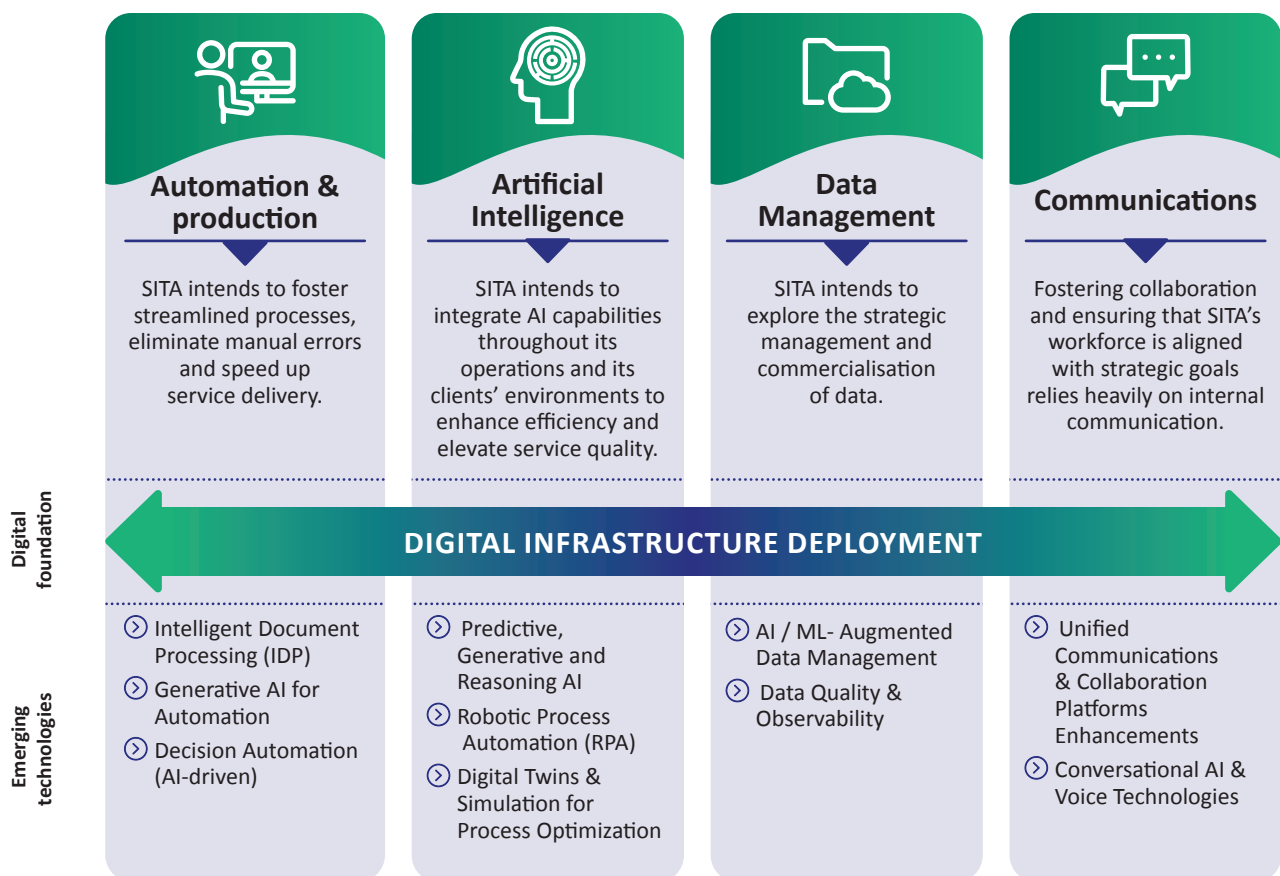


Figure 5 – Digital Economy Masterplan

SITA, as the government's leading ICT agency, is pivotal for carrying out this goal throughout the public sector digital transformation agenda. With its role of fostering digital governance, enhancing ICT infrastructure and promoting innovation, SITA continues to ensure the masterplan's objectives yield real outcomes for citizens, businesses and government. SITA's response to the four foundational pillars of the digital economy masterplan (automation and production, AI, data management, and communication) hinges on the following four components:

- (a) **Digital infrastructure:** Investment in cloud computing, cybersecurity and data centres; expansion of connectivity to the internet and the rollout of 5G; and maintenance of open standards and interoperability across systems.
- (b) **Digital transformation of government and industry:** Platforms for e-government that enable Industry 4.0 and 5.0 technologies such as blockchain technology, AI and the IoT, including digital transformation initiatives (i.e. digital health, digital ID, e-Education, e-Justice).
- (c) **Innovation and entrepreneurship:** Establishing research networks, incubators and innovation hubs; promoting public-private partnerships for supporting local content production; and enabling SMMEs in accessing digital marketplaces.
- (d) **Policy, regulation and governance:** Reforming ICT regulations to be more inclusive and flexible, establishing regulations for data protection, cybersecurity and digital identification while improving cooperation between the public and businesses.

4.3.2 National Digital and Future Skills Strategy

The National Digital and Future Skills Strategy serves as South Africa's framework for preparing citizens, workers and institutions for the requirements of the digital economy and 4IR and 5IR. It underlines that digital competencies are vital facilitators of economic expansion, social integration and efficient public service provision. The strategy is closely integrated with the NDP 2030, the Digital Economy Masterplan and the AU Digital Transformation Strategy (2020-2030).

Within government and the wider digital ecosystem, SITA supports and advances this plan as the State's ICT enabler. The strategy's goals of developing advanced digital capabilities, ensuring equitable access to skills-development opportunities and achieving universal proficiency in digital technologies are reinforced directly by SITA's mandate to deliver, modernise and protect government ICT systems. Citizens have the chance to access online platforms and participate in digital learning through the deployment of digital infrastructure. A culture of sharing knowledge, innovation and digital empowerment is fostered across the public sector by SITA through GovTech and related platforms. In line with the strategy's emphasis on specialist and advanced ICT and skills, SITA fosters the development of government capacity in areas like cybersecurity, data science, cloud computing and AI.

4.3.3 National Artificial Intelligence Strategy

The National AI Strategy serves as South Africa's policy framework for the ethical development, deployment, and governance of AI-related technologies. It identifies AI as a pivotal catalyst of 4IR and 5IR and strives to establish the nation as both a producer and consumer of AI-driven solutions. The strategy promotes inclusive economic growth, enhanced public service delivery, ethical technology use and the advancement of a globally competitive digital economy.

With the emergence of widespread advanced technologies, AI is regarded as a crucial facilitator of inclusive socio-economic development, innovation and improved governance. SITA, as a government ICT agency, is optimally positioned to foster and amplify the use of AI in the public sector, thereby enhancing public service delivery, state efficiency and citizen well-being.

4.3.4 SITA's strategic alignment with national and shareholder priorities

4.3.4.1 Alignment to Medium-Term Development Plan

SITA's strategic direction for 2026 to 2030 is fully aligned with South Africa's national development agenda and the DCDT priorities. This alignment ensures that the agency's programmes directly contribute to government's broader socio-economic objectives of eradicating poverty, reducing inequality, promoting inclusive growth and building a capable, ethical and developmental state.

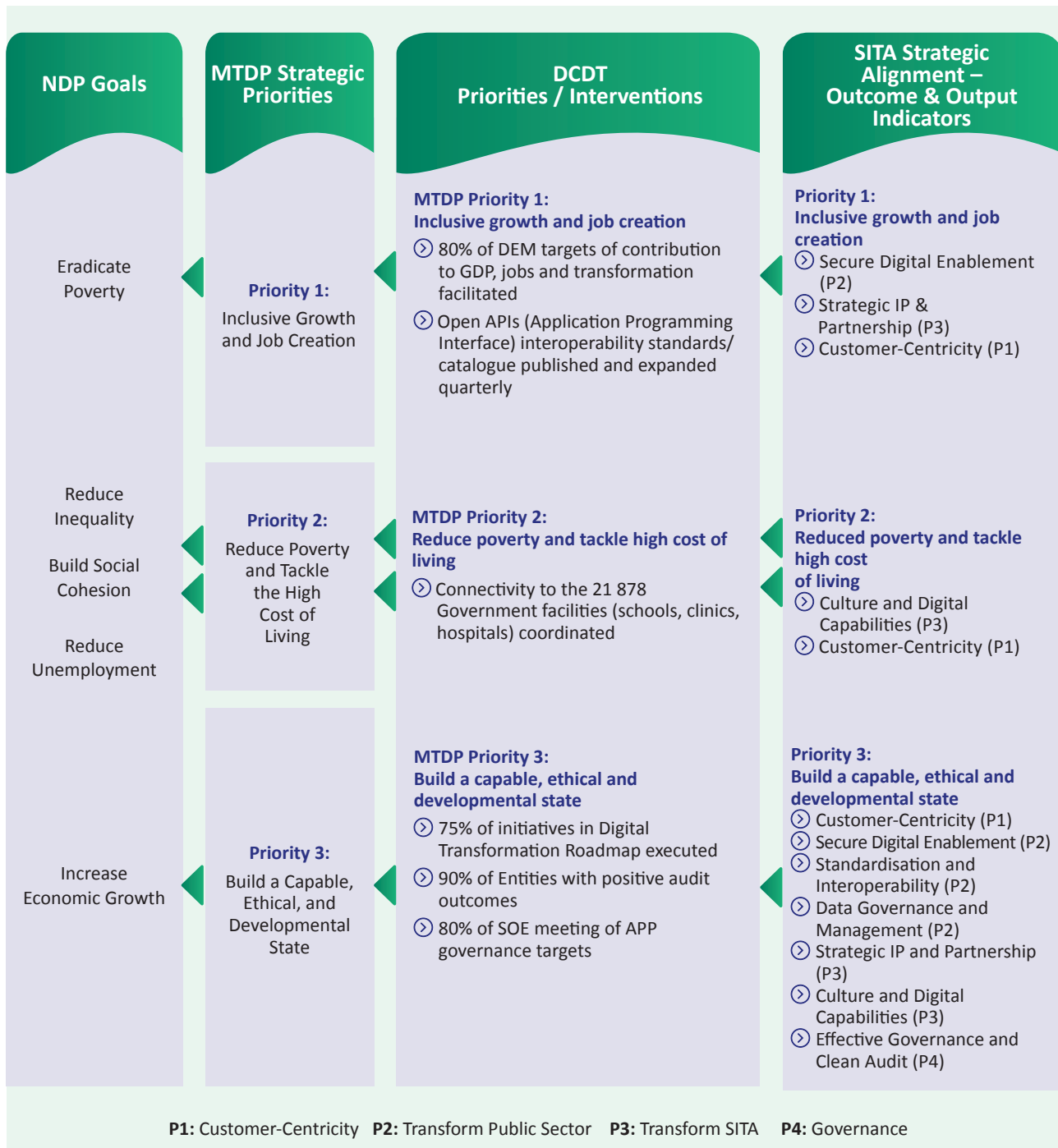


Figure 6 – Mapping of the NDP goals, MTDP strategic priorities, DCDT priorities and SITA strategic alignment

As shown in the above figure, the NDP 2030 and the Medium-Term Development Plan (MTDP) establish three overarching priorities: (1) inclusive growth and job creation, (2) reduced poverty and the high cost of living, and (3) building a capable and ethical state. These are reinforced through the DCDT's Digital Transformation Roadmap, which promotes universal connectivity, digital inclusion and the digitalisation of government services.

SITA's Strategic Plan and APP translate these priorities into measurable outcomes and outputs through four strategic programmes. Under inclusive growth and job creation, the agency advances secure digital enablement and strategic partnerships to stimulate digital innovation and employment. In addressing poverty reduction and cost of living, SITA builds digital capabilities and drives a culture of innovation across the public sector. To build a capable and ethical state, SITA strengthens customer-centricity, interoperability, data governance and cybersecurity while upholding effective governance and audit integrity.

This integrated alignment ensures that SITA's interventions not only support shareholder priorities but also accelerate South Africa's digital transformation agenda, contributing to a more connected, transparent and citizen-oriented public service.

4.3.4.2 Alignment to South Africa's Digital Transformation Roadmap

SITA's Strategic Plan 2030 is fully aligned with the national Roadmap for the Digital Transformation of Government, which provides a unified, whole-of-government approach to modernising public service delivery through secure, inclusive and people-centred digital solutions.

As the State's IT agency, SITA plays a key enabling role in delivering the roadmap's vision by providing the foundational ICT infrastructure, cybersecurity, interoperability standards and key digital platforms needed to implement DPI at scale, as depicted in the figure below.

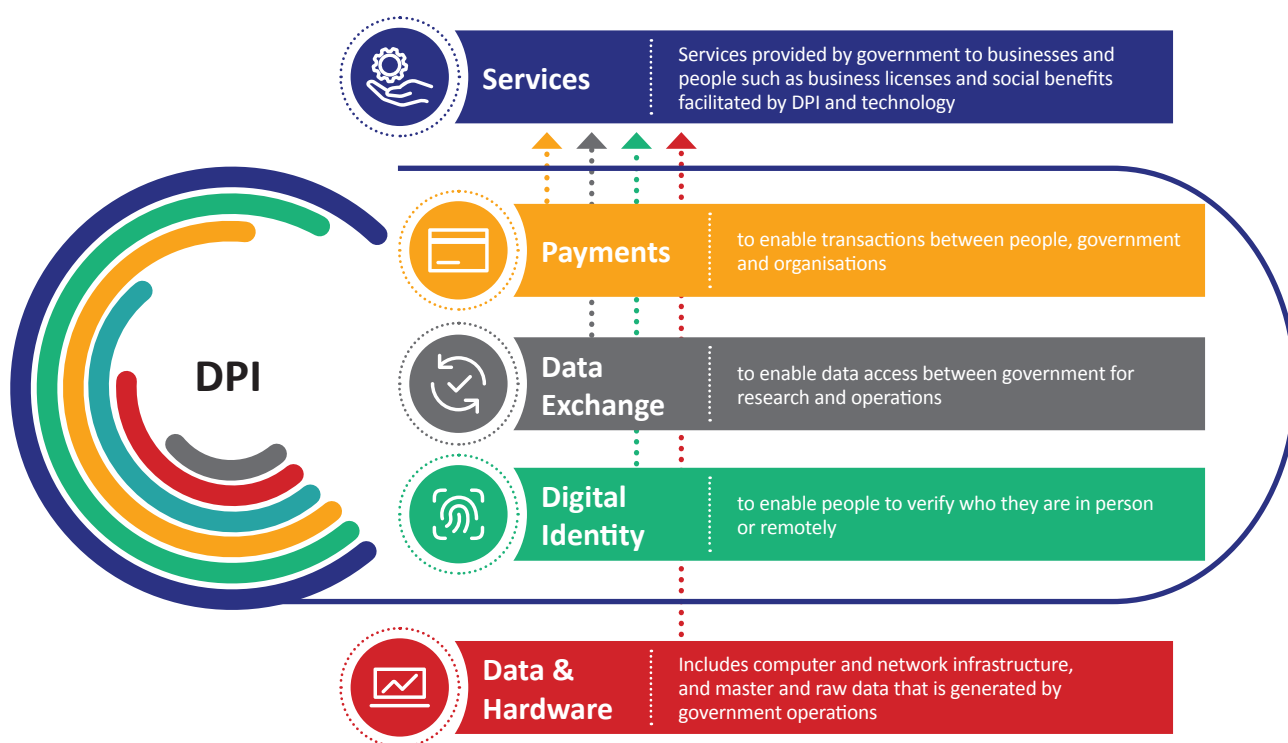


Figure 7 – Government's digital public infrastructure stack

SITA's strategic programmes directly support core roadmap initiatives, such as universal digital identity, integrated data exchange, modern digital payments and the roll-out of trusted digital channels like the MyMzansi platform.

Through its strategic pillars – customer experience, digital services and infrastructure, operational efficiency, and governance — SITA is strengthening the State's digital capabilities and partnering across the public and private sectors to unlock innovation and ensure no citizen is left behind. In doing so, SITA contributes to the NDP 2030, 4IR readiness, and South Africa's commitments under the G20 Digital Economy Working Group.

By aligning its operations, programmes and performance targets with the roadmap, SITA remains central to accelerating South Africa's transition to an inclusive, secure and citizen-centric digital government.

4.3.5 Technology and industry trends

Rapid technological advancement is changing public expectations, government operations and the ICT industry. Preparing for, adjusting to, and leading the integration of necessary technical and industrial developments is essential for SITA to remain relevant and to fulfil its mandate. SITA intends to align its strategic goals with major industry and technology changes impacting digital governance for the financial year (2026/27). Cloud and edge computing, cybersecurity resilience, data-driven governance, next-generation connectivity (5G and IoT), digital identity systems and AI-related solutions and automation will constitute the main areas of emphasis.

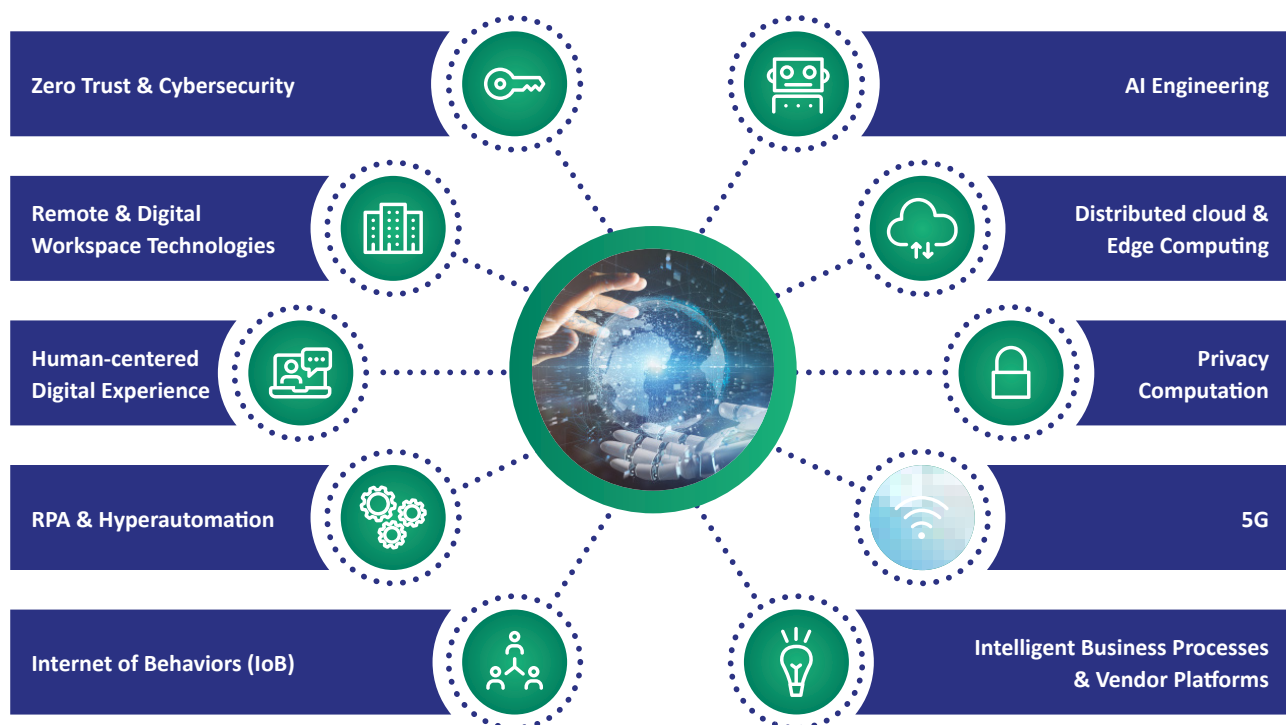


Figure 8 – ICT industry trends

It is expected that these advancements will strengthen digital trust, enhance service delivery and transform governmental processes. SITA will further cement its role as South Africa's digital transformation facilitator by tackling these tendencies and offering innovative, safe and modern ICT capabilities that improve service delivery, encourage inclusivity and boost productivity. To provide sustainable and ecologically conscious digital infrastructure, SITA intends to track and test technologies such as blockchain, immersive reality and quantum computing while fostering green ICT practices.

4.3.6 Customer digital demands

As SITA positions itself as the lead digital transformation catalyst for government, customers' expectations – national departments, provincial administrations, municipalities and, ultimately, citizens – are constantly changing. Digitalisation, driven by technological advancements and global service standards, is transforming how customers interact with the government.

SITA's customer digital demands pertain to the changing expectations and requirements of government departments, public bodies, and individuals that SITA serves in its role of facilitating digital governance in South Africa. These demands stem from the need for effective, secure and citizen-focused digital services that correspond with the nation's digital transformation and e-government objectives. The information provided below is a systematic summary of the implications of these digital demands and their impact on SITA.

(a) Digital transformation and modernisation:

- (i) Government departments and customers increasingly expect modern, flexible and scalable ICT solutions that improve service delivery and internal efficiency. This includes the transition from legacy systems to cloud and hybrid environments, the roll-out of intelligent government platforms, electronic services and mobile-centric applications.
- (ii) From a stakeholder perspective, government and the shareholder expect SITA to drive alignment with national priorities, stabilise operations, strengthen governance and accountability, and deliver improved services efficiently through digital innovation. Customers, in turn, expect innovative, competitively priced solutions, faster turnaround times and tangible progress on digital transformation to meet evolving public service needs.
- (iii) **Impact on SITA:** SITA is required to accelerate digital innovation, modernise its service portfolio and strengthen interoperability across government. This reinforces SITA's role as a central enabler of transversal digital platforms and integrated e-government services, as reflected in the figure above.

(b) Improved cybersecurity and data protection:

- (i) As digital adoption increases, customers and stakeholders expect secure, resilient and trusted ICT environments. This includes robust data hosting, strong access controls, protection of sensitive government and citizen information, and compliance with cybersecurity and data protection standards.
- (ii) Government and the shareholder place strong emphasis on sound governance, accountability and risk management, while customers expect stable and secure infrastructure that supports uninterrupted service delivery.
- (iii) **Impact on SITA:** SITA must continue strengthening its cybersecurity posture, including the enhancement of the cybersecurity Operations Centre, advanced security solutions, as well as identity and access management systems. These expectations underscore SITA's responsibility to safeguard national digital assets and maintain stakeholder confidence, as depicted in the figure above.

(c) Digital inclusion and accessibility:

- (i) Departments and public entities require ICT systems that support inclusive, multi-channel service delivery – spanning mobile, web-based platforms and walk-in service points – to ensure equitable access to government services for all citizens.
- (ii) The ICT industry further expects SITA to promote technology adoption, support public-private partnerships, foster joint innovation, and build digital skills and capacity within the public sector to enable inclusive digital growth.
- (iii) **Impact on SITA:** SITA continues to design and implement digital services and platforms informed by user-experience principles, accessibility standards and inclusive technology approaches. This enables citizen-centred service delivery while supporting industry collaboration and innovation, reinforcing SITA's strategic positioning outlined in figure 10.

4.4 Internal environment analysis

While SITA's mandate positions it as the State's ICT enabler, the organisation continues to face several internal challenges that constrain its ability to deliver optimally and sustain stakeholder confidence. These constraints, as depicted in the figure below, collectively result in service delivery underperformance and eroding stakeholder credibility. Addressing these internal challenges is therefore critical to restoring confidence, improving operational agility, and ensuring that SITA fulfils its transformation mandate as a trusted, high-performing digital services agency.

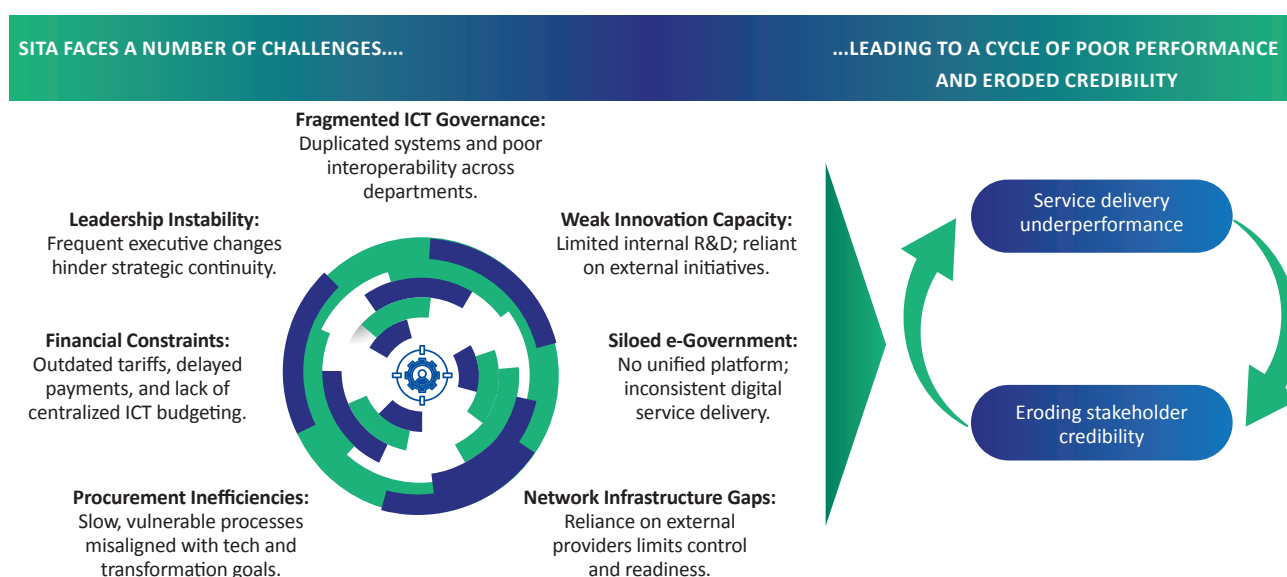


Figure 9 – Challenges facing SITA

4.4.1 Organisational structure

Figure 10 below presents SITA's current macro-organisational structure, aligned to the strategic intent of the SITA Strategy 2026–2030 and the principle that the structure should enable effective strategy execution. The organisational structure is presently under review to ensure it remains fit-for-purpose and capable of supporting SITA's transformation agenda and evolving strategic priorities. The outcome of this review may result in changes to the structure to better enable delivery, governance, and operational effectiveness.

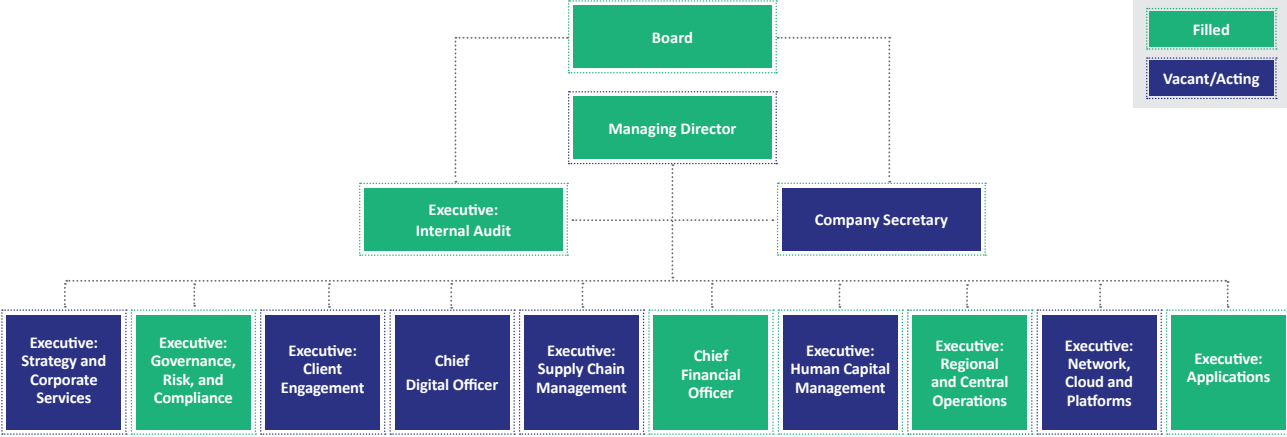


Figure 10 – SITA macro-organisational structure

5. STRATEGIC RESPONSE FRAMEWORK

SITA's strategic pillars form the foundation of its transformation agenda for 2026-2030. These pillars define the agency's focus areas and ensure coherence between organisational priorities, operational delivery and the national digital transformation agenda. Each pillar translates SITA's mandate into actionable objectives, supported by key enablers and measurable outcomes across programmes and initiatives.

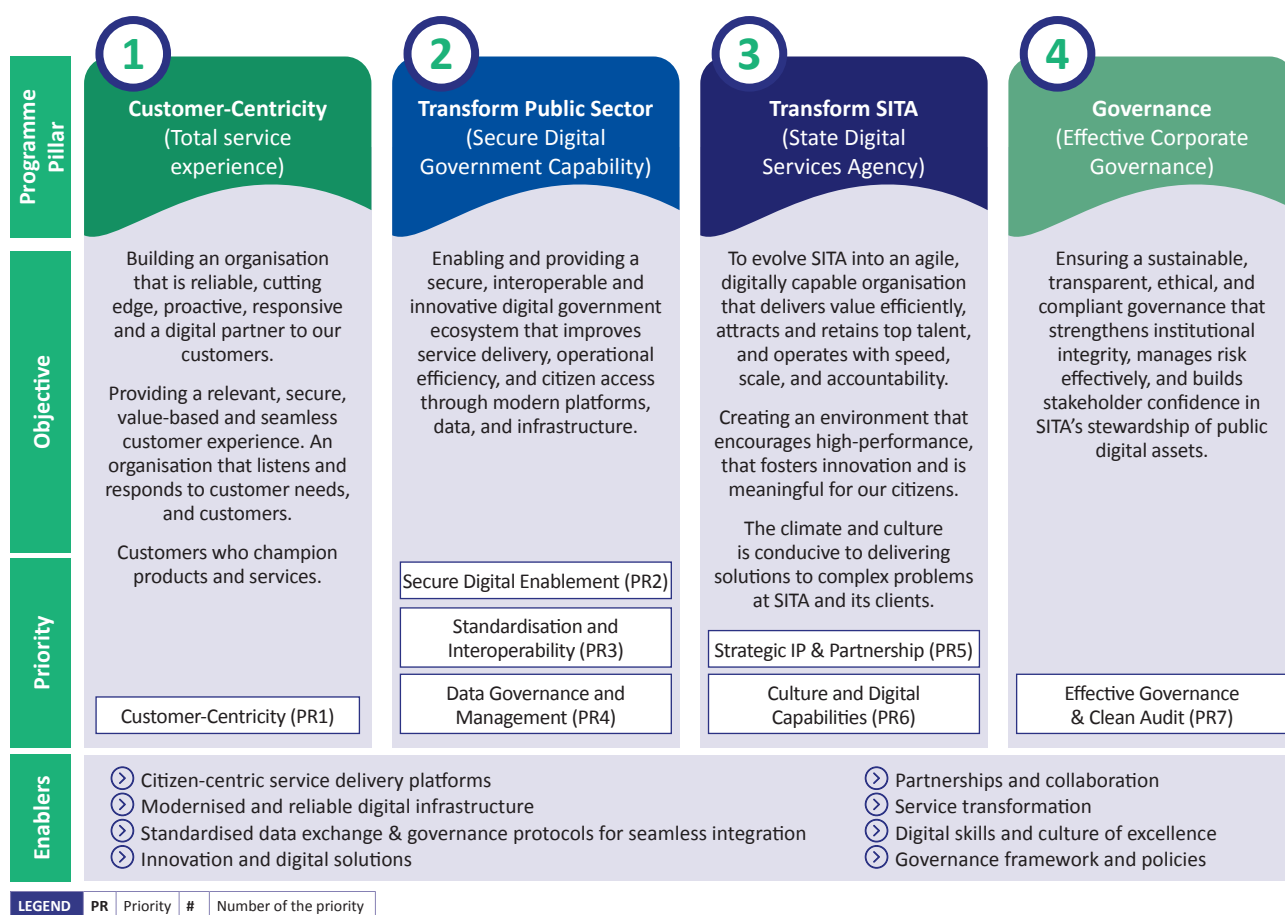


Figure 11 – Strategic pillars, objectives, priorities and enablers

Each pillar is designed to deliver targeted interventions that support both internal transformation and external value delivery to government and citizens.

- Pillar 1 – Customer-centricity (total service experience):** this pillar focuses on building a reliable, responsive and innovative organisation that delivers a seamless, value-based customer experience. It positions SITA as a trusted digital partner that proactively shapes, aggregates and responds to customer demand, driving measurable satisfaction, adoption and advocacy.
- Pillar 2 – Transform public sector (secure digital government capability):** This pillar aims to provide a secure, interoperable and modern digital government ecosystem that improves service delivery, operational efficiency and citizen access through shared platforms and data infrastructure.
- Pillar 3 – Transform SITA (State Digital Services Agency):** This pillar drives the evolution of the agency into the SDSA that is agile, high-performing and innovation-driven. It focuses on fostering a culture of excellence, collaboration and digital capability within the organisation.
- Pillar 4 – Governance (effective corporate governance):** This pillar ensures the sustainability, transparency and accountability of SITA's operations. It strengthens institutional integrity, enhances risk management and reinforces stakeholder confidence in the agency's stewardship of public digital assets.

Together, these strategic pillars provide a unified framework for achieving SITA's long-term vision, namely digital transformation.

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 to close the gaps in service delivery that have been discovered. The 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 centred.

Despite the potential of these transformative technologies, the South African public sector continues to face significant challenges, including outdated ICT infrastructure, fragmented systems, cybersecurity vulnerabilities, and a persistent digital divide, all of which limit effective adoption and utilisation.

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 ICT infrastructure, fragmented systems, cybersecurity 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 Theory-of-change context

The government's services will be more efficient, transparent and accessible in the Medium-Term (FY2026/27) as a result of these outputs, which will also increase citizen trust in digital platforms, stimulate more local ICT businesses to get involved, and fortify the public sector's digital capabilities. In the end, the Theory of Change aims to create a digital state that is safe, focused on its citizens, and that promotes economic growth, innovation and public institution resilience while driving socio-economic progress. To facilitate South Africa's digital transformation, SITA will ensure that ICT investments are in line with national priorities and that reliable digital infrastructure is built. The Theory of Change is anchored in SITA's Strategic Plan 2026-2030, which is guided by a revised strategic framework comprising four strategic themes: customer-centricity, transforming the public sector, transforming SITA, and governance.

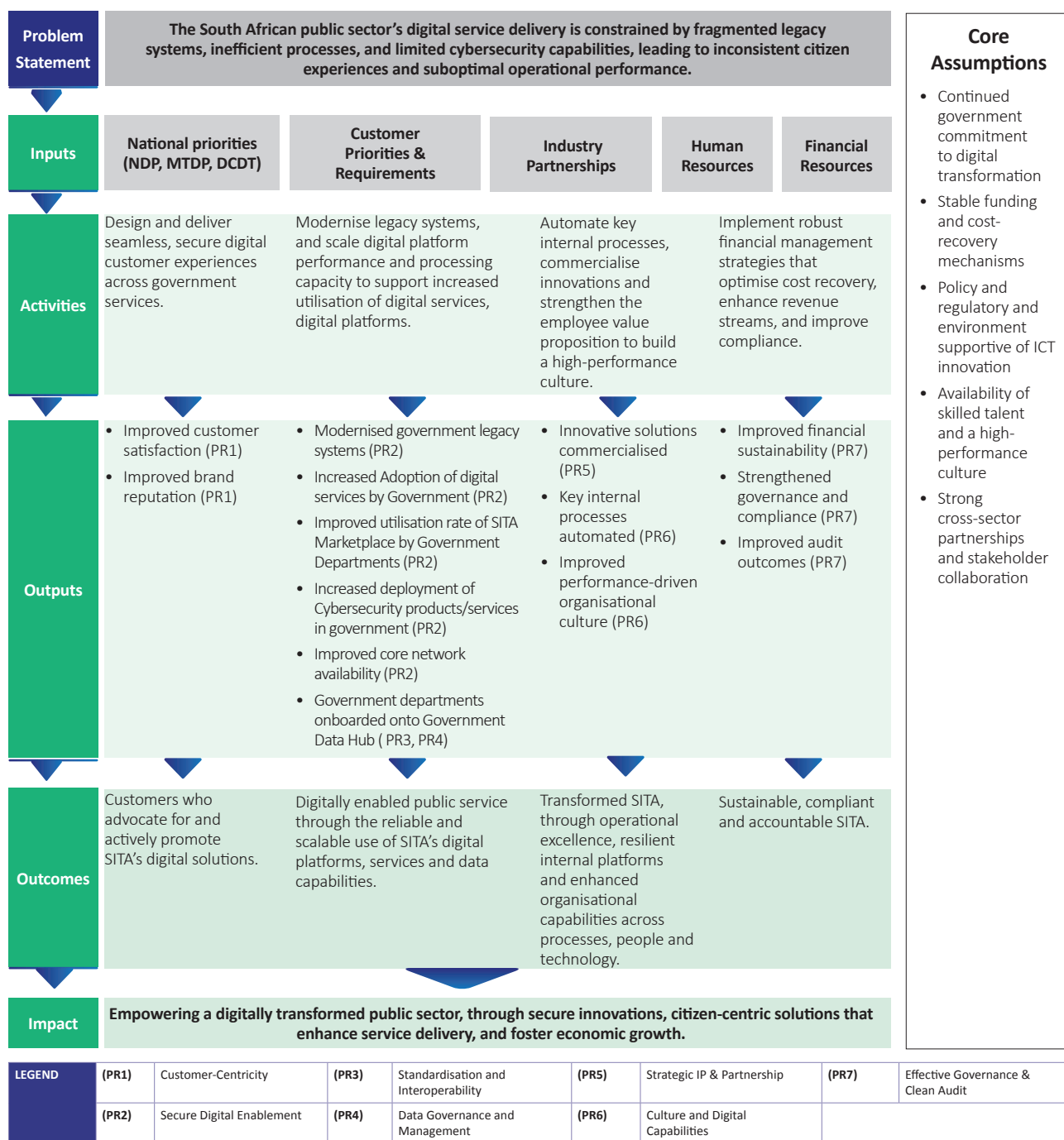


Figure 12 – The Theory of Change

6.2 Problem statement

The South African public sector continues to face challenges in achieving seamless and secure digital service delivery. These challenges stem from fragmented legacy systems, inefficient business processes and limited cybersecurity capabilities. Collectively, these weaknesses result in inconsistent citizen experiences, poor interoperability between government systems, and suboptimal operational performance.

To address this, SITA's strategic intent is to modernise and integrate digital platforms across the public sector, improving service reliability, security and accessibility, while ensuring that government departments can effectively deliver on their developmental mandates.

6.3 Assumptions

SITA's repurposing into the SDSA provides the institutional foundation for its Theory of Change, ensuring structural coherence, strengthened capability and integrated digital delivery. Through this reform, the agency will unlock synergies between digital infrastructure, innovation and service delivery across government.

The government's ICT and digital transformation remain national priorities, bolstered by robust political leadership ensuring strategic coherence. Cabinet-level support for alignment with the National Digital and Future Skills Strategy, Digital Economy Masterplan and National AI Strategy has enabled SITA to capitalise on technological advancements while transforming government agencies. The agency has consistent budget obligations to enhance infrastructure, invest in cybersecurity and promote DPI. Collaborations with academic institutions and SMMEs, together with public-private partnerships, address resource deficiencies. Line departments, municipalities and various state entities collaborate with SITA to deploy shared platforms and systems. Individuals, enterprises and SMMEs utilise digital platforms to facilitate service acceptance.

6.4 Inputs

SITA's transformation journey is anchored in core national and institutional enablers that support the delivery of its Theory of Change, including alignment with national priorities such as the NDP 2030, the MTDP and policy directives from the DCDT. Customer priorities and requirements inform service design and delivery through feedback and satisfaction measures that reflect service quality and trust, while strategic industry partnerships enable innovation, skills development and the adoption of global best practices. SITA will leverage its legislated mandate and aggregated government demand to negotiate competitive market pricing and ensure value-for-money outcomes across ICT procurement.

Human and financial resources are central to effective execution, supported by targeted capacity-building, prudent financial management, and sustained attention to governance outcomes. This includes addressing audit findings and recommendations, strengthening institutional capability and process maturity, and ensuring that SITA's transformation is well grounded, adequately resourced, and responsive to national and stakeholder expectations.

6.5 Activities

Based on the enabling context described under the inputs, SITA has identified a set of focused activities to drive change within the organisation and across government digital services. These activities align directly with the Theory of Change and support SITA's mandate to enhance service delivery, modernise government systems and strengthen institutional capability. The activities include the following:

- (a) **Improved digital customer service experience:** SITA designs and delivers secure, customer-centric digital services that improve service accessibility, responsiveness and user experience for government departments and public sector entities.
- (b) **Continued digitalisation of government services:** SITA modernises legacy systems and implements scalable digital and social platforms to expand the uptake of e-government services, improve operational efficiency and enable accessible digital public services.
- (c) **Automation of internal processes and innovation enablement:** SITA automates key internal processes and commercialises innovative solutions to strengthen operational performance, improve turnaround times and support sustainable value creation.
- (d) **Expansion of e-government services and platforms:** SITA expands its portfolio of digital platforms and services to support government modernisation while enabling new revenue opportunities through reusable, shared and transversal digital solutions.
- (e) **Implementation of robust financial and governance management:** SITA implements sound financial management and governance practices to optimise cost recovery, enhance revenue sustainability and ensure compliance, accountability and organisational resilience.
- (f) **Implementation of sound financial and governance management:** SITA optimises cost recovery, enhances revenue sustainability, and establishes a clearly defined breakeven trajectory that underpins long-term financial viability.

6.6 Outputs

- (a) Programme 1 outputs prioritise customer satisfaction and strengthened brand reputation.
- (b) Programme 2 outputs focus on the modernisation of government legacy systems, increased adoption and utilisation of digital services by government through SITA platforms, the onboarding of government departments onto the Central Government Data Hub, increased deployment of cybersecurity products/services in government, and the achievement of optimal core network availability.
- (c) Programme 3 outputs prioritise the commercialisation of innovative solutions, the automation of key internal processes, and embedding a performance-driven organisational culture.
- (d) Programme 4 outputs aim to improve financial sustainability through strengthened governance and compliance and improved audit outcomes.

6.7 Impact

The desired impact of SITA's Theory of Change is the establishment of a secure, citizen-centric and digitally enabled public sector that leverages technology to improve service delivery, strengthen public trust and advance inclusive socio-economic development.

To begin with, the Theory of Change will help bring about a state that is citizen-centric, digitally empowered, and where all communities, even those in underserved and rural areas, have access to safe and reliable government services. Public sector accountability, service delivery and resource duplication can all be improved by increased openness and compatibility among government ICT systems.

Second, by encouraging a thriving digital economy, the effects spread to societal and economic progress. To promote innovation in new technology areas like cloud computing, AI and cybersecurity, as well as to increase employment opportunities, SITA will integrate local ICT businesses, especially SMMEs, into its procurement and innovation processes.

Thirdly, online safety and confidence are both bolstered by the Theory of Change. Higher adoption rates and more engagement in the digital ecosystem will result from residents and businesses having more faith in digital government services, which can be achieved through strong cybersecurity measures and compliance with data protection laws.

The background of the top half of the image is a dark, abstract composition. It features numerous out-of-focus green and white circular light spots, creating a bokeh effect. Several sharp, diagonal green lines cut across the frame. A large, white, serif capital letter 'C' is centered in the lower half of this section, partially overlapping the bokeh and lines. Below the 'C', there are faint, glowing blue and green horizontal streaks and a small, bright green point of light.

C

MEASURING
OUR PERFORMANCE

7. IMPACT STATEMENT

SITA's Strategic Plan 2030 sets out the agency's vision to enable a future-ready digitally empowered government. The impact statement below reflects SITA's commitment to delivering secure innovative and citizen-focused digital solutions that strengthen public service delivery drive digital inclusion and contribute to South Africa's socio-economic development.

Impact statement

Empowering a digitally transformed public sector through secure innovations citizen-centric solutions that enhance service delivery and foster economic growth.

7.1 Programme 1: Customer-centricity (total service experience)

7.1.1 Programme purpose

The purpose of the programme is to build a customer-centric culture that enhances the overall service experience by prioritising customer needs driving continuous service improvement and strengthening SITA's brand reputation through innovative fit-for-purpose ICT solutions and responsive support.

7.1.2 Outcomes outputs performance indicators and targets

Table 1 – Programme 1 performance indicators and Medium-Term targets

Outcomes	Outputs	Output indicators	Estimated performance FY2025/26	Medium-Term targets		
				FY2026/27	FY2027/28	FY2028/29
Customers who are advocates and promoters of SITA's products and services	Customer satisfaction level	Percentage customer satisfaction level	100% implementation of Service Improvement Plan	55% customer satisfaction level	90% implementation of customer service improvement plan	65% customer satisfaction level
	Improved brand reputation	Percentage implementation of brand reputation improvement plan	47% brand reputation index	90% implementation of brand reputation improvement plan	70% brand reputation index	90% implementation of brand reputation improvement

7.1.3 Output indicators: Annual and quarterly targets

Table 2 – Programme 1 quarterly targets

Output indicators	Annual target 2026/27	Quarterly targets			
		Quarter 1	Quarter 2	Quarter 3	Quarter 4
Percentage customer satisfaction level	55% customer satisfaction level	25% implementation of Service Improvement Plan milestones	50% implementation of Service Improvement Plan milestones	90% implementation of Service Improvement Plan milestones	55% customer satisfaction level
Percentage implementation of brand reputation improvement plan	90% implementation of brand reputation improvement plan	25% implementation of brand reputation improvement plan	50% implementation of brand reputation improvement plan	75% implementation of brand reputation improvement plan	90% implementation of brand reputation improvement plan

7.2 Programme 2: Transform public sector (secure digital government capability)

7.2.1 Programme purpose

The purpose of the programme is to enable a secure digital and efficient government by modernising legacy systems increasing data processing capacity strengthening cybersecurity and providing scalable digital services products and platforms that improve access reliability and ICT governance across the public sector.

7.2.2 Outcomes outputs performance indicators and targets

Table 3 – Programme 2 performance indicators and Medium-Term targets

Outcomes	Outputs	Output indicators	Estimated performance FY2025/26	Medium-Term targets		
				FY2026/27	FY2027/28	FY2028/29
Digitally enabled public service through the use of SITA's secure innovative and reliable digital platforms and services	Increased adoption of SITA digital services by government	Percentage of government entities adopting SITA digital services	4 government services available via digital platforms	10% of government entities adopting SITA digital services	25% of government entities adopting SITA digital services	40% of government entities adopting SITA digital services
	Modernised government legacy systems	Number of SITA-maintained legacy systems modernised	New indicator	5 SITA-maintained legacy systems modernised	10 SITA-maintained legacy systems modernised	12 SITA-maintained legacy systems modernised
	Increased deployment of cybersecurity products/services in government	Number of SITA in-house cybersecurity products/services developed	100% of customers provided with CSC capability as per defined scope	3 SITA in-house cybersecurity products/services developed	30% of government entities adopting SITA in-house developed cybersecurity products/services	40% of government entities adopting SITA in-house developed cybersecurity products/services
	Central Government Data Hub platform architecture designed	Central Government Data Hub platform architecture	New indicator	Central Government Data Hub platform architecture design approved	Central Government Digital Data Hub piloted	40% of government departments onboarded onto the Central Government Data Hub
	Improved core network availability	Percentage core network availability	New indicator	99.80% core network availability	99.80% core network availability	99.90% core network availability
	SITA Marketplace operationalised as a digital ecosystem for public-sector services	Percentage digital marketplace capabilities established as per defined scope	2 government departments utilising the SuperApp as per defined scope	90% digital marketplace capabilities established as per defined scope	40% of government departments utilising SITA Marketplace	60% of government departments utilising SITA Marketplace

Note: Medium-Term cybersecurity targets for the FY26/27 focuses on capability development while the outer years focus on adoption of the developed capability

7.2.3 Output indicators: Annual and quarterly targets

Table 4 – Programme 2 quarterly targets

Output indicators	Annual target 2026/27	Quarterly targets			
		Quarter 1	Quarter 2	Quarter 3	Quarter 4
Percentage of government entities adopting SITA digital services	10% of government entities adopting SITA digital services	-	3% of government entities adopting SITA digital services	6% of government entities adopting SITA digital services	10% of government entities adopting SITA digital services
Number of SITA-maintained legacy systems modernised	5 SITA-maintained legacy systems modernised	-	Solution architectures developed	Modernisation system development completed for 5 SITA-maintained legacy systems	5 SITA-maintained legacy systems modernised
Number of SITA in-house cybersecurity products/services developed	3 SITA in-house cybersecurity products/services developed	-	-	-	3 SITA in-house cybersecurity products/services developed
Central Government Data Hub platform architecture	Central Government Data Hub platform architecture design approved	-	-	-	Central Government Data Hub platform architecture design approved
Percentage of core network availability	99.80% core network availability	99.80% core network availability	99.80% core network availability	99.80% core network availability	99.80% core network availability
Percentage digital marketplace capabilities established as per defined scope	90% digital marketplace capabilities established as per defined scope	25% digital marketplace capabilities established as per defined scope	50% digital marketplace capabilities established as per defined scope	75% digital marketplace capabilities established as per defined scope	90% digital marketplace capabilities established as per defined scope

7.3 Programme 3: Transform SITA (State Digital Services Agency)

7.3.1 Programme purpose

The purpose of the programme is to transform SITA into a high-performing digital services agency that leads government digital transformation through innovation operational excellence and employee engagement enabling efficient agile and sustainable service delivery across all internal processes.

7.3.2 Outcomes outputs performance indicators and targets

Table 5 – Programme 3 performance indicators and Medium-Term targets

Outcomes	Outputs	Output indicators	Estimated performance FY2025/26	Medium-Term targets		
				FY2026/27	FY2027/28	FY2028/29
Transformed SITA through a culture of operational excellence in our processes and employee outcomes	Innovative solutions commercialised	Number of innovative solutions commercialised	2 innovative products and services piloted	3 innovative solutions commercialised	4 innovative solutions commercialised	4 innovative solutions commercialised
	Key internal processes automated	Number of key internal processes automated as per defined scope	New indicator	9 key internal processes automated as per defined scope	9 key internal processes automated as per defined scope	9 key internal processes automated as per defined scope
	Improved performance-driven organisational culture	Percentage high-performance culture index	New indicator	50% high-performance culture index	60% high-performance culture index	70% high-performance culture index

7.3.3 Output indicators: Annual and quarterly targets

Table 6 – Programme 3 quarterly targets

Output indicators	Annual target 2026/27	Quarterly targets			
		Quarter 1	Quarter 2	Quarter 3	Quarter 4
Number of innovative solutions commercialised	3 innovative solutions commercialised	1 innovative solution commercially packaged	2 innovative solutions commercially packaged	1 innovative solution commercialised	2 innovative solutions commercialised
Number of key internal processes automated as per defined scope	9 key internal processes automated as per defined scope	10% of key internal processes automated as per defined scope	20% of key internal processes automated as per defined scope	6 key internal processes automated as per defined scope	9 key internal processes automated as per defined scope
Percentage high-performance culture index	50% high-performance culture index	30% high-performance culture index initiatives implemented	70% high-performance culture index initiatives implemented	90% high-performance culture index initiatives implemented	50% high-performance culture index

Note: Q1 and Q2 reflect the original approved APP, while Q3 and Q4 reflect the re-tabled APP revisions approved after commencement of the financial year.

7.4 Programme 4: Governance (effective corporate governance)

7.4.1 Programme purpose

The purpose of the programme is to strengthen SITA's corporate governance accountability and financial sustainability by ensuring regulatory compliance risk mitigation and prudent financial management that builds stakeholder confidence and long-term organisational integrity.

7.4.2 Outcomes outputs performance indicators and targets

Table 7 – Programme 4 performance indicators and Medium-Term targets

Outcomes	Outputs	Output indicators	Estimated performance FY2025/26	Medium-Term targets		
				FY2026/27	FY2027/28	FY2028/29
Sustainable compliant and accountable SITA	Year-on-year total service revenue growth on the FY25/26 baseline	Percentage year-on-year total service revenue growth on the FY2025/26 baseline	10% year-on-year growth in service revenue on the FY2024/25 baseline	10% year-on-year total service revenue growth on the FY2025/26 baseline	11% year-on-year total service revenue growth on the FY2025/26 baseline	12% year-on-year total service revenue growth on the FY2025/26 baseline
	Revenue growth from new business opportunities	Percentage revenue growth from new business opportunities on the FY25/26 baseline	New indicator	10% revenue growth from new business opportunities on the FY25/26 baseline	10% revenue growth from new business opportunities on the FY26/27 baseline	10% revenue growth from new business opportunities on the FY27/28 baseline
	EBITDA as a percentage of revenue	Percentage EBITDA as a percentage of revenue	11% EBITDA as a percentage of revenue	7% EBITDA as a percentage of revenue	10.41% EBITDA as a percentage of revenue	11.35% EBITDA as a percentage of revenue
	Improved audit outcome	Audit opinion	Achieve an unqualified audit opinion	Unqualified audit opinion	Unqualified audit opinion	Clean audit

7.4.3 Output indicators: Annual and quarterly targets

Table 8 – Programme 4 quarterly targets

Output indicators	Annual target 2026/27	Quarterly targets			
		Quarter 1	Quarter 2	Quarter 3	Quarter 4
Percentage year-on-year total service revenue growth on the FY2025/26 baseline	10% year-on-year total service revenue growth on the FY2025/26 baseline	-	-	-	10% year-on-year total service revenue growth on the FY2025/26 baseline
Percentage revenue growth from new business opportunities on the FY25/26 baseline	10% revenue growth from new business opportunities on the FY25/26 baseline	-	-	-	10% revenue growth from new business opportunities on the FY25/26 baseline
Percentage EBITDA as a percentage of revenue	7% EBITDA as a percentage of revenue	-	-	-	7% EBITDA as a percentage of revenue
Audit opinion	Unqualified audit opinion	-	-	-	Unqualified audit opinion

8. EXPLANATION OF PLANNED PERFORMANCE OVER THE MEDIUM-TERM PERIOD

SITA plans to continue to implement several types of strategic programmes with the overarching goal of enhancing the customer experience that will ultimately lead to better overall service. Other priorities include fostering innovation and partnerships enhancing digital services and infrastructure increasing revenue and ensuring financial sustainability streamlining operations and establishing sound governance. For this financial year each programme's intended performance is detailed below including the anticipated results outputs and objectives.

8.1 Programme 1: Customer-centricity

Over the Medium-Term SITA will prioritise the restoration of customer trust and stakeholder confidence through measurable service improvements stronger customer-centric practices and consistent engagement. The customer experience remains one of the most visible measures of SITA's performance and reputation within the public sector. The Agency acknowledges the persistent dissatisfaction with service quality slow turnaround times and communication inefficiencies highlighted by its customers and other stakeholders. These challenges have constrained value delivery and weakened perceptions of SITA's capability within the public sector.

Over the Medium-Term SITA will work to strengthen and sustain improvements in customer satisfaction and brand reputation supported by improved service reliability structured client engagement activities and the implementation of targeted service improvement initiatives across priority services.

Ultimately this programme represents a decisive shift from transactional service delivery to a citizen and client-centric partnership model where government departments experience value through reliability transparency and impact. By fast-tracking service improvements customer engagement and brand visibility SITA seeks to demonstrate measurable progress that restores confidence among clients oversight bodies and the public — reaffirming its role as the digital engine of the State.

8.2 Programme 2: Transform public sector

SITA continues to progress its digital transformation plan by modernising outdated systems increasing data processing capacity and enhancing cybersecurity skills across government. The agency is replacing obsolete platforms with new interoperable cloud-ready technologies that boost efficiency scalability and service delivery. These initiatives directly contribute to the outcome of a digitally enabled public service through secure innovative and reliable digital platforms and services.

To support improved access to government services SITA will progressively increase the number of government services available via digital platforms enabling departments to deliver services more efficiently and consistently. In parallel SITA will modernise priority legacy government systems based on approved proposals and value propositions ensuring that high-impact systems designed to underpin service delivery are upgraded to reduce technical debt improve security and enable integration with modern digital platforms.

As part of strengthening digital capabilities SITA will continue the phased establishment of digital marketplace capabilities in line with an approved scope providing a scalable platform for digital solutions and services. In support of digital sovereignty and reduced reliance on external providers SITA will also develop in-house cybersecurity products/services, progressively increasing the proportion of cybersecurity capabilities developed internally to strengthen protection of government ICT environments.

These initiatives are underpinned by a stable and available core network which will continue to maintain availability levels of 99.80% to support uninterrupted delivery of critical government ICT services. In addition SITA will focus on establishing the Central Government Data Hub platform architecture to enable improved data integration analytics and evidence-based decision-making across government. Together these outputs contribute to a modern secure and interoperable digital government environment that supports improved service delivery operational efficiency and the long-term transformation of the public sector.

8.3 Programme 3: Transform SITA

This programme focuses on transforming SITA into a high-performing efficient and digitally enabled organisation by strengthening internal processes and embedding a performance-driven organisational culture. Innovation remains a key enabler of transformation. Over the Medium-Term SITA will increase the number of innovative digital products or services commercialised leveraging emerging technologies to improve operational performance agility and the overall customer experience.

Furthermore, SITA will prioritise the automation of key internal processes to improve operational efficiency reduce manual intervention and enhance consistency accuracy and turnaround times across the organisation. This will enable improved service delivery stronger governance and better utilisation of resources. To support this transformation SITA will progressively automate priority internal processes as defined within approved scopes increasing automation coverage from 40% in FY2026/27 to 80% by FY2028/29. The automation of internal processes is a critical enabler of operational excellence supporting improved accountability streamlined workflows and more responsive organisational performance.

In parallel SITA will continue to strengthen a performance-driven organisational culture through the implementation of high-performance culture initiatives aligned to the approved High-Performance Culture Framework. These initiatives are aimed at reinforcing performance discipline accountability, collaboration and execution across the organisation. Over the Medium-Term SITA will implement a defined number of high-performance culture initiatives annually to embed sustainable behavioural and performance improvements.

Together the automation of internal processes and the strengthening of a performance-driven culture will enhance SITA's internal capability operational maturity and organisational resilience. These outputs collectively support the transformation of SITA into a more agile efficient and accountable organisation capable of delivering on its mandate and supporting the broader digital transformation of the public sector.

8.4 Programme 4: Governance

Over the Medium-Term SITA's financial strategy will focus on strengthening revenue growth improving cost recovery and building long-term financial resilience. The agency aims to ensure that its services are both cost-effective and sustainable supporting reinvestment into innovation and infrastructure modernisation while maintaining affordability for government clients.

The Annual Report 2024/25 revealed modest financial performance with total revenue growth of 4% below target largely due to delays in implementing revised pricing models and the accumulation of client debt. These challenges coupled with slow payment cycles and limited diversification of revenue streams have placed pressure on cash flow and restricted investment capacity. The recent review of SITA's performance over the past Medium-Term emphasised the need for a more agile and transparent financial model to enable predictable income improved accountability and sustainable service delivery.

In response SITA has a financial turnaround plan centred on three key levers:

- (a) revenue diversification through new digital products transversal platforms and cybersecurity services aligned to SP2030;
- (b) pricing reform guided by the revised service catalogue and benchmarking study ensuring tariffs are cost-reflective and competitive; and
- (c) debt management optimisation via the Debt Collection and Escalation Framework which institutionalises CFO-to-CFO and MD-level engagements for improved recovery.

Through these interventions SITA will gradually improve its EBITDA margin from 7% in FY2026/27 to 11.35% by FY2028/29 while targeting revenue growth of 10% year-on-year over the Medium-Term.

These initiatives are underpinned by the broader financial sustainability framework outlined in SP2030 which aims to shift SITA from dependency on transactional ICT sales toward platform-based and subscription-driven revenue models that promote efficiency and scalability. The integration of cost-optimisation measures such as digital process automation vendor management efficiencies and shared service platforms will further stabilise the organisation's cost base.

Over the Medium-Term the Agency's financial recovery will serve as a key enabler of SITA's transformation. Improved liquidity revenue diversification and cost reduction combined with improved debt collection efforts that translate into positive cash flow will create the fiscal space to invest in innovation talent development and infrastructure upgrades. Ultimately Programme 4 aims to ensure that SITA is financially sustainable strategically agile and capable of delivering affordable high-quality digital services thereby restoring confidence among clients Parliament and the public in the agency's long-term viability.

9. FINANCIAL RESOURCES

9.1 Overview of the 2026/27 budget and MTEF estimates

9.1.1 Revenue

Revenue for FY2026/27 is budgeted at R7.841bn. This assumes an increase of 10% from the FY2025/26 audited actual amount of R7.126bn. The anticipated increase in revenue is expected to 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 further anticipated that the growth in revenue will be achieved through:

- (a) improving customer satisfaction;
- (b) sustaining and strengthening existing business lines products and services;
- (c) introducing new services that respond to modern government demands;
- (d) retaining current business/customers;
- (e) extending full incorporation to national departments 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.

9.1.2 Cost of sales and operational expenditure

Cost of sales is projected to increase by 9.71% from the FY2025/26 audited actuals (R5.157bn) to R5.659bn in FY2026/27, in line with the agreed cost-containment and cost-cutting initiatives currently in place.

Operational expenditure (Opex) is expected to decrease by 5.59%, from the FY2025/26 audited actuals (R2.024bn) to an estimated R1.911bn in FY2026/27. This decrease is primarily driven by cost containment measures and the reallocation of GovTech costs to cost of sales.

The human capital components included in the budget (both direct and indirect labour) are for planning purposes only and do not constitute a commitment. Actual expenditure will be informed by operational requirements and other prevailing factors, including filling critical vacancies and approved remuneration adjustments.

9.1.3 EBITDA

A more coordinated and disciplined approach to managing the components of EBITDA will support an improvement in the operating surplus, enabling greater internal funding for capital expenditure. In FY2026/27, EBITDA is projected at 7% as SITA invests in enabling internal efficiencies and strengthening its infrastructure. It is further envisaged that increased growth in EBITDA could be achieved by not only expanding the current service offerings but also by diversifying revenue streams and introducing opportunities for annuity income through reviewing current pricing models of how we charge for existing and new services as well as leveraging partnerships through investment vehicles that facilitate the commercialisation of Intellectual Property and SITA's ability to participate in profit-share arrangements with selected partners.

9.1.4 Capital expenditure

The FY2026/27 capital expenditure budget remains at the originally approved R1bn. Capital expenditure will be prioritised through SITA's approved governance and investment-planning processes, based on strategic alignment, service-delivery priorities, affordability, risk, asset life-cycle requirements and implementation readiness. Final project allocations will be approved through the applicable governance structures within the approved capital budget. It is envisaged that SITA budgets for Capex using a multi-year model that covers the life cycle of assets. Currently SITA does not raise any debt or equity funding for its capital requirements as is seen in the cash flow statement under cash flows from financing activities. However, this may change given the magnitude of the re-purposing initiatives required to leapfrog service delivery in the public service and the possibilities that the PFMA Regulation 16 enables.

9.2 Budgeted statement of financial performance

Description	Audited Actual			Medium-Term Budget		
	2022/23 (Restated)	2023/24	2024/25	2025/26	2026/27 (Revised)	2027/28 2028/29
Total Revenue:	6 458 272	6 899 970	7 506 943	7 125 612	7 841 909	8 583 183
Service Revenue	5 698 514	5 986 814	6 231 978	6 350 226	6 983 579	7 681 937
GovTech Revenue				39 178	48 500	50 925
Agency Revenue	759 759	913 156	1 274 965	736 209	809 830	850 321
Total Cost of Sales:	4 702 596	4 813 612	5 274 272	5 157 685	5 658 708	5 956 544
Agency Cost of Sales	701 889	920 410	1 103 359	727 490	773 274	831 270
Direct Labour	1 078 669	1 159 949	1 277 097	1 344 222	1 729 717	1 859 446
Service Delivery Expenses	2 683 334	2 559 394	2 726 894	2 787 458	2 899 190	3 044 149
Direct Depreciation	238 703	173 859	166 922	298 516	201 526	221 679
Govtech Costs	0	0	0	0	55 000	57 750
Gross Margin - overall	1 755 676	2 086 358	2 232 671	1 967 927	2 183 201	2 626 639
Gross Margin % - overall	27,18%	30,24%	29,74%	27,62%	27,84%	30,60%
Gross Margin - services	1 432 763	1 877 603	1 990 259	1 959 208	2 146 645	2 549 837
Gross Margin % - services	29,79%	34,97%	33,07%	30,66%	30,53%	32,97%
Gross Margin - agency	35 560	67 340	71 380	75 663	36 556	19 051
Gross Margin % - agency	7,62%	-0,79%	13,46%	1,18%	4,51%	2,24%
Other Income	88	62 053	113 449	219 830	21 000	23 100
Total Operating Expenses:	1 503 627	1 788 637	1 762 094	2 024 466	1 911 304	2 039 223
Indirect Labour	998 894	1 006 393	1 098 641	1 185 148	996 850	1 071 613
Marketing expenses	-	-	4 336	50 013	28 063	30 869
Indirect Depreciation	24 548	31 135	30 790	58 534	59 938	65 932
Other Indirect Costs	480 185	751 109	594 853	675 395	730 184	766 693
Research and Development	-	-	-	10 846	15 000	16 500
Performance Bonus	-	-	-	0	10 000	11 000
Training	-	-	33 474	44 530	71 270	76 615
Operating Surplus	339 679	359 774	584 026	163 290	292 897	610 516
Net Finance Income	138 781	172 648	167 559	156 938	162 623	178 885
Profit Before Tax	478 460	532 422	751 585	320 228	455 520	789 402
Income tax payable	(27 941)	(176 130)	(337 003)	(61 537)	(122 990)	(213 138)
Net Profit	450 518	356 292	414 582	258 691	332 529	576 263
						691 879

9.3 Budgeted statement of financial position

Description	Audited Actual		Audited Actual		Audited Actual		Medium-Term Budget	
	FY 2021/22 (Re-Styled)	FY 2022/23 Re-stated	FY 2023/24 Re-stated	FY 2024/25 Actual	FY 2025/26 Budget	FY 2026/27 Estimates	FY 2027/28 Estimates	FY 2028/29 Estimates
ASSETS								
CURRENT ASSETS	3 420 849	3 969 669	4 403 396	4 918 895	4 912 024	5 653 113	5 803 189	5 122 585
Cash and cash equivalents	2 227 789	2 437 793	2 219 662	1 618 321	2 916 604	3 357 717	2 897 803	2 411 897
Trade and other receivables	883 601	1 121 203	1 984 840	3 059 011	1 324 720	1 979 385	2 361 971	2 177 568
Income Tax receivable	136 556	218 982	-	53 635	452 295	145 330	343 510	323 220
Prepayments	139 165	178 435	185 445	177 181	209 108	170 681	199 904	209 899
Inventory	33 737	13 256	13 449	10 746	9 297	-	-	-
NON-CURRENT ASSETS	1 233 360	1 259 657	1 578 400	1 741 353	1 802 375	2 230 761	2 494 690	3 270 061
Property plant & equipment	954 213	1 035 909	1 136 267	1 303 151	1 456 844	1 895 379	2 084 917	2 696 628
Intangible assets	279 147	222 843	436 580	395 844	310 982	305 382	379 773	543 433
Non Current Portion of Prepayments	-	905	5 553	42 358	34 550	30 000	30 000	30 000
TOTAL ASSETS	4 654 208	5 229 326	5 981 796	6 660 248	6 714 399	7 883 874	8 297 879	8 392 646
LIABILITIES								
CURRENT LIABILITIES	919 805	962 403	1 354 041	1 552 173	1 246 668	1 563 904	1 322 956	1 391 113
Creditors	497 610	519 409	807 307	694 263	791 508	1 128 559	864 187	907 396
Other payables	168 817	199 782	237 538	322 454	188 740	156 674	158 675	166 609
Income received in advance	219 219	221 872	280 293	502 683	257 858	272 556	293 495	309 931
Post-retirement employee benefits	2 427	2 713	3 324	3 676	3 925	4 318	4 750	5 225
Finance lease liability	30 341	16 878	23 976	27 732	3 540	-	-	-
Long service award benefit	1 392	1 749	1 603	1 366	1 099	1 798	1 850	1 954
NON-CURRENT LIABILITIES	248 191	280 648	285 197	350 935	191 091	322 876	304 629	330 546
Post-retirement medical liability	112 271	118 535	120 959	127 343	142 158	160 692	133 055	146 361
Finance lease liability	14 359	96 106	90 773	3 882	342	240	168	117
Long service award benefit	12 010	10 952	10 466	10 523	11 062	11 945	10 156	10 725
Deferred tax liability	109 551	55 056	62 998	209 187	37 529	150 000	161 250	173 344
TOTAL LIABILITIES	1 167 996	1 243 051	1 639 238	1 903 108	1 437 759	1 886 780	1 627 584	1 721 659
TOTAL NET ASSETS	3 486 212	3 986 275	4 342 558	4 757 140	5 276 640	5 997 095	6 670 295	6 670 987
TOTAL LIABILITIES AND EQUITIES	4 654 208	5 229 326	5 981 796	6 660 248	6 714 399	7 883 875	8 297 879	8 392 646
NET ASSETS ANALYSED AS FOLLOWS								
Equity contributed	-	-	-	-	-	-	-	-
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	4 129 805	4 649 305	5 369 760	6 042 960	6 043 652
	3 486 212	3 986 275	4 414 412	4 757 140	5 276 640	5 997 095	6 670 295	6 670 987

9.4 Budgeted Cash flow statement

Description	Audited Actual	Audited Actual	Audited Actual		Medium-Term Budget		
	FY 2022/23 R'000	FY 2023/24 Actual R'000	FY 2024/25 Forecast R'000	FY 2025/26 Actual R'000	FY 2026/27 Revised Estimates R'000	FY 2027/28 Estimates R'000	FY 2028/29 Estimates R'000
Cash from operating activities	389 418	234 111	(155 390)	1 728 521	1 441 113	740 086	814 095
Cash flows from investing activities	(152 435)	(419 774)	(423 216)	(387 095)	(1 000 000)	(1 200 000)	(1 300 000)
Cash flow from financing activities	(26 982)	(32 466)	(22 735)	(43 142)	-	-	-
Increase/(decrease) in cash and cash equivalents	210 001	(218 129)	(601 341)	1 298 284	441 113	(459 914)	(485 905)
Cash and cash equivalents beginning of year	2 227 789	2 437 791	2 219 662	1 618 320	2 916 604	3 357 717	2 897 803
Cash and cash equivalents end of year	2 437 791	2 219 662	1 618 321	2 916 604	3 357 717	2 897 803	2 411 897

9.5 Budget per programme

Description	Programme 1: Customer-centricity	Programme 2: Transform public sector	Programme 3: Transform SITA	Programme 4: Governance	Total
Total Revenue:	3 016 486 671	4 684 922 015	92 000 000	48 500 000	7 841 908 686
Service Revenue	2 352 999 222	4 540 579 931	90 000 000	-	6 983 579 153
GovTech Revenue	-	-	-	48 500 000	48 500 000
Agency Revenue	663 487 449	144 342 084	2 000 000	-	809 829 533
Total Cost of Sales:	2 272 877 542	3 210 531 461	120 298 618	55 000 000	5 658 707 620
Agency Cost of Sales	633 537 737	137 826 507	1 909 720	0	773 273 964
Direct Labour	621 456 599	1 028 260 859	80 000 000	-	1 729 717 458
Service Delivery Expenses	990 364 890	1 871 001 837	37 823 109	-	2 899 189 836
Direct Depreciation	27 518 316	173 442 258	565 788	-	201 526 363
GovTech Costs	-	-	-	55 000 000	55 000 000
Gross Margin - overall	743 609 129	1 474 390 555	(28 298 618)	(6 500 000)	2 183 201 066
Gross Margin % - overall	24,65%	31,47%	-30,76%	-13,40%	27,84%
Service Gross Surplus/(Deficit)	713 659 417	1 467 874 977	(28 388 897)	(6 500 000)	2 146 645 497
Service Gross Margin %	30,33%	32,33%	-31,54%	-13,40%	30,53%
Agency Gross Surplus/(Deficit)	29 949 712	6 515 577	90 280	-0	36 555 569
Agency Gross Margin %	4,51%	4,51%	4,51%	0,00%	4,51%
Other income	-	14 666 224	5 730 249	603 527	21 000 000
Total Operating Expenses:	455 259 166	348 263 744	586 408 204	521 373 197	1 911 304 345
Indirect Labour	335 192 885	224 666 437	194 943 962	242 046 281	996 849 566
Marketing Expenses	28 043 081	19 614	-	-	28 062 695
Depreciation Expenses	9 477 774	27 496 747	14 172 760	8 790 936	59 938 217
Other Indirect Costs	82 545 426	96 080 945	362 291 482	189 265 980	730 183 833
Research & Development	-	-	15 000 000	-	15 000 000
Performance Bonus	-	-	-	10 000 000	10 000 000
Training	-	-	-	71 270 000	71 270 000
Operating Surplus	288 349 963	1 140 793 035	(608 976 573)	(527 269 670)	292 896 755
Net Finance Income	-	-	-	162 622 962	162 622 962
Profit Before Tax	288 349 963	1 140 793 035	(608 976 573)	(364 646 708)	455 519 717
Income tax payable	(77 854 490)	-308 014 119	164 423 675	98 454 611	(122 990 324)
Net Profit	210 495 473	832 778 916	(444 552 898)	(266 192 097)	332 529 393

10. UPDATED KEY RISKS AND MITIGATIONS

The table below presents the critical risks linked to the achievement of SITA's FY26/27 strategic outcomes together with the planned mitigation measures. As SITA advances the implementation of its long-term digital government agenda the organisation must remain vigilant about evolving risks that could affect customer confidence service quality financial resilience and operational efficiency.

SITA's risk management approach emphasises proactive identification early response and integration of mitigation actions into programme execution. This ensures that emerging risks such as rapid shifts in technology cyber-threats financial pressures or capacity constraints are addressed before they compromise delivery. The mitigations proposed are consistent with SITA's mandate of providing secure reliable and citizen-focused digital services while reinforcing organisational accountability sustainability and trust among stakeholders.

Table 9 – Key risks and mitigations

Outcomes	Key risks	Mitigations
Customers who are advocates and promoters of SITA's products and services.	Increased customer dissatisfaction and negative branding	- Establish improved marketing, public relations and branding initiatives - Establish proactive media monitoring initiatives - Conduct customer satisfaction surveys to assess satisfaction levels - Develop and implement service improvement plans for identified service deficiencies
	Delay in adopting modern technologies due to lack of innovation – limited innovation capability to meet evolving client needs	- Strengthen research and innovation capability and capacity through defined governance processes and targeted investments to identify and pilot, through POCs, and scale innovative products and solutions - Explore opportunities for strategic partnerships in the digital innovation space to leverage their expertise and networks - Modernisation of legacy, transversal and unique systems maintained by SITA for government departments - Develop a digital product management strategy with an approved list of planned innovative products and services - Establish new integrated services available via digital channels
Digitally enabled public service through the reliable and scalable use of SITA's digital platforms, services and data capabilities	Information security and privacy risks – Cybersecurity breach and data sovereignty failures	- Improve cybersecurity posture for SITA-managed services by implementing and recommending security hardening initiatives - Conduct yearly SITA maturity assessment and implement the improvement initiatives - Establish and enhance SOC capability across SITA services - Impose security requirements to third-party service providers and strengthen information protection through enforced confidentiality obligations - Enhance comprehensive protocols to manage and recover from cybersecurity breaches/incidents
	Inability to continue operations (client or SITA) – business continuity failure	- Design and implement high-availability systems with redundant infrastructure, automated failover, load balancing and geographic redundancy to minimise service disruptions - Develop and implement a power generation strategy - Develop adequate business continuity plans and processes - Implement/provide redundancies to address single points of failure - 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 exchanges - Expand the capacity of the compute and storage capacity on the SITA CFI to accommodate increasing demand for compute and storage and backup requirements

Outcomes	Key risks	Mitigations
Digitally enabled public service through the reliable and scalable use of SITA's digital platforms, services and data capabilities	Procurement delays and inefficiencies	• Implementation and integration of the bid specification centre of excellence within the SCM process • Automate the end-to-end SCM process • Review SCM policies and SOPs • Introduce and formalise supplier performance monitoring and reporting to governance structures • Promote ethics and anti-corruption measures
Transformed SITA, through a culture of operational excellence in our processes, employees and innovations	Talent shortages and skills mismatch to address current and future business demand	• Build internal digital skills through investing in ongoing training and development initiatives to close skill gaps in alignment with WSP • Fill vacant positions to capacitate core, critical and scarce business roles while stabilizing executive and management leadership • Establish targeted retention programmes for critical and core skills • Reposition, strengthen the employee value proposition, and implement identified initiatives
Sustainable, compliant and accountable SITA	Unfavourable audit outcomes (qualified, adverse and disclaimer)	• Review and strengthen finance policies and procedures to ensure improved oversight and compliance • Upgrade financial management systems • Strengthen finance's capability and capacity • Enhance financial management capability for all employees through awareness initiatives • Monitoring and reporting on the status of the implementation of the AGSA recommendations
	Threatened financial sustainability	• Develop additional sources (new clients, new services, long-term contracts) of income and new business opportunities, i.e. investment in digital services to reduce the reliance on concentrated revenue streams • Commercialisation of innovative solutions/products piloted • Implement structural cost-optimisation and workforce cost management – without job losses
	Governance failure	• Enhance governance structures and anchor governance in oversight structures, not individuals to ensure that oversight committee charters call for consistent operations • Strengthen compliance with existing code of conduct through mandatory training/awareness, and zero tolerance for violations • Oversee the adherence to the ICT Governance Framework and report status to the Exco and ICTRDI quarterly
	Increased existential threat – loss of strategic relevance	• Enhance stakeholder engagement and transparency • Secure ministerial backing and demonstrate strategic relevance by positioning SITA as critical to national priorities • Use public partnerships to deliver on complex infrastructure and services projects



D

TECHNICAL INDICATOR DESCRIPTIONS

11. TECHNICAL INDICATORS

11.1 Percentage customer satisfaction level

Definition	Customer satisfaction level measures the extent to which SITA's services meet or exceed customer expectations, based on feedback from CSI surveys. It is expressed as a percentage reflecting the proportion of customers satisfied with service quality, responsiveness and overall experience.
Data/evidence source	Customer satisfaction survey
Method of calculation	As per the results of customer satisfaction index survey
Means of verification	(a) Customer service improvement project plan (b) 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	Non-cumulative
Reporting cycle	Quarterly
Desired performance	55% customer satisfaction level
Indicator responsibility	Executive: Client Engagement

11.2 Percentage implementation of brand reputation improvement plan

Definition	This indicator measures the extent to which the approved Brand Reputation Improvement Plan has been implemented within the reporting period. It tracks progress against planned improvement initiatives and milestones aimed at strengthening stakeholder trust, confidence and perception of the SITA brand.
Data/evidence source	Approved Brand reputation improvement plan
Method of calculation	(Actual milestones completed as per the Plan / Total planned milestones as per the Plan) *100
Means of verification	Brand reputation improvement plan and achieved milestones as per the plan
Assumptions	Adequate stakeholder cooperation to implement the approved plan
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
Reporting cycle	Quarterly
Desired performance	90% implementation of brand reputation improvement plan
Indicator responsibility	Executive: Strategy and Corporate Services

11.3 Percentage of government entities adopting SITA digital services

Definition	This indicator measures the percentage of targeted government entities that are adopting SITA digital services ensuring that government services are digitised.
Data/evidence source	Approved project charter and plan
Method of calculation	(Actual number of government entities adopting SITA digital services / Total number of targeted government entities as defined in the approved project charter, and implementation plan) * 100 Note: (a) Adoption refers to configuration of government entities' users to access and use SITA eServices (b) Government entities refer to all three spheres of government, i.e. national, provincial and local as per the scope defined in the project charter (c) List of number of government entities will be defined as per the scope defined in the project charter, and it will consider changes in configuration of departments (e.g. new additions, merged or dissolved) (d) Exclusions will be government entities that opt not to utilise SITA's digital services due to various reasons such as budget, priorities, availability, changes due to customer requirements etc.
Means of verification	(a) Project charter, and plan signed by SITA (b) Digital services deployment certificate signed by SITA and client
Assumptions	(a) The required services are fully developed, tested, and made accessible on digital platforms, ensuring they are ready for government-wide use (b) There will be a formal communication to all government entities to consume the transversal digital solutions developed by SITA
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-end)
Reporting cycle	Quarterly
Desired performance	10% of government entities adopting SITA digital services
Indicator responsibility	Executive: Client Engagement

11.4 Number of SITA-maintained government legacy systems modernised

Definition	This indicator measures the number of government legacy systems that have been modernised i.e. re-engineered to align with current technology standards, improve efficiency, enhance security, and ensure system interoperability and sustainability.
Data/evidence source	Approved project charter and plan
Method of calculation	Actual number of SITA-maintained government legacy systems modernised Note: (a) A system is regarded as modernised when it is developed, tested and UAT signed-off by the client (b) List of the number of SITA-maintained government legacy systems will be defined in the project charter (c) Exclusions will be customers that opt not to modernise the identified SITA-maintained government legacy systems due to various reasons such as budget, changes in priorities, availability, etc. (d) Exclusions will be government entities that opt not to utilise SITA's digital services due to various reasons such as budget, priorities, availability, changes due to customer requirements etc.
Means of verification	Client user acceptance certificate
Assumptions	(a) Dependencies on departments for access to legacy systems are managed effectively (b) Infrastructure and integration platforms support modernised applications
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
Calculation type	Cumulative (year-to-date)
Reporting cycle	Quarterly
Desired performance	5 SITA-maintained government legacy systems modernised
Indicator responsibility	Executive: Applications

11.5 Number of SITA in-house cybersecurity products/services developed

Definition	This indicator measures the number of cybersecurity products/services developed by SITA for deployment across government departments to protect information systems, digital platforms, and data against cyber threats.
Data/evidence source	Project plan and charter
Method of calculation	Actual number of planned cybersecurity products and services developed Note: (a) A cybersecurity product/service is regarded as developed when a solution is customised / reconfigured and deployed in production
Means of verification	The deployment certificate
Assumptions	(a) Availability of training for skilled resources (b) Human resource support for capacitation (c) Organisational readiness and change management (d) Measurable outcomes and governance
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	Annually
Desired performance	3 SITA in-house cybersecurity products/services developed
Indicator responsibility	Chief Digital Officer

11.6 Central Government Data Hub platform architecture

Definition	This indicator measures the development and formal approval of a comprehensive platform architecture for the Central Government Data Hub
Data/evidence source	Project charter and plan
Method of calculation	Actual Central Government Data Hub platform architecture design approved
Means of verification	Approved Central Government Data Hub platform architecture document
Assumptions	(a) Alignment with DCDT, National Treasury and client departments (b) Availability of cloud, data and cybersecurity skills (c) Departmental readiness for phased future onboarding (d) Stable national network connectivity
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	Annually
Desired performance	Central Government Data Hub platform architecture design approved
Indicator responsibility	Executive: Network, Cloud and Platforms

11.7 Percentage core network availability

Definition	This indicator is intended to meet and exceed contracted network availability service levels with clients, which includes continual service improvement interventions.
Data/evidence source	Network monitoring systems report (NMS)
Method of calculation	(a) % availability of switching centres (for the period under review – month, quarter, year-to-date) = Sum of availability of all SITA switching centres / Number of switching centres (b) % reachability of all core links (for the period under review – month, quarter, year-to-date) = Sum of reachability of SITA core links / Number of core links (c) % core network availability performance (for the period under review – month, quarter, year-to-date) = Average between % availability and % reachability Note: Exclusions are as follows: All planned downtime, and all downtimes related to force majeure as defined in client SLA
Means of verification	Report from NMS
Assumptions	The network upgrade project will be finalised timeously to improve performance
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	Quarterly
Desired performance	99.80% core network availability
Indicator responsibility	Executive: Network, Cloud and Platforms

11.8 Percentage digital marketplace capabilities established as per defined scope

Definition	This indicator measures the percentage of approved Digital Marketplace capabilities established in accordance with the approved Phase 1 Digital Marketplace scope.
Data/evidence source	Project charter and plan
Method of calculation	(Actual number of achieved milestones / Total number of planned milestones) * 100
Means of verification	(a) The actual targeted capabilities as defined in the project charter (b) Milestone tracking reports demonstrating achievement of planned digital marketplace capabilities for the reporting period
Assumptions	(a) Industry partner onboarding completed as planned (b) Cross-divisional coordination (c) Technical infrastructure readiness: Hosting, networking and security environments (WAN, LAN, cloud, monitoring platforms) are prepared to support iterative releases
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-date)
Reporting cycle	Quarterly
Desired performance	90% digital marketplace capabilities established as per defined scope
Indicator responsibility	Executive: Applications

11.9 Number of innovative solutions commercialised

Definition	This indicator measures the number of innovative products, services or solutions that have been successfully commercialised through formal customer commitment for future adoption and implementation.
Data/evidence source	Project charter and plan
Method of calculation	Actual number of innovative solutions commercialised Note: Commercialisation is deemed to have occurred when an innovative solution has progressed beyond development and demonstration stages and a customer has formally confirmed its intention to adopt the solution, subject to applicable budgeting and implementation processes
Means of verification	Signed customer proposal
Assumptions	(a) Alignment with government priorities (b) Collaborative partnerships with industry and academia (c) Increasing the percentage of innovative solutions 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	Non-cumulative
Reporting cycle	Quarterly
Desired performance	3 innovative solutions commercialised
Indicator responsibility	Chief Digital Officer

11.10 Number of key internal processes automated as per defined scope

Definition	This indicator measures the number of key internal processes that have been automated in accordance with the automation scope and successfully deployed into the production environment.
Data/evidence source	Project charter and plan
Method of calculation	Actual number of key internal processes automated
Means of verification	Approved project charter and plan UAT certificates
Assumptions	(a) Key internal processes are clearly identified and defined for automation (b) Necessary technological infrastructure and tools are in place (c) Identified processes are standardised and ready for automation (d) Automation aligns with broader organisational objectives (e) Automation complies with government regulations and industry standards
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
Reporting cycle	Quarterly
Desired performance	9 key internal processes automated as per defined scope
Indicator responsibility	Chief Digital Officer

11.11 Percentage high-performance culture index

Definition	This indicator provides a measurable view of organisational culture and performance maturity, enabling SITA to track progress in embedding a high-performance culture that supports strategy execution, accountability and sustained organisational effectiveness.
Data/evidence source	Project charter and plan
Method of calculation	As per results of the high-performance culture index survey
Means of verification	Deliverables as per high-performance culture implementation project plan High-performance culture survey report
Assumptions	(a) Organisational support: Leadership and management are committed to the project and actively support its goals and implementation (b) Stakeholder engagement: All key stakeholders, including employees at various levels, will be engaged and provide inputs during planning and execution
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	Non-cumulative
Reporting cycle	Annually
Desired performance	50% high-performance culture index
Indicator responsibility	Executive: Human Capital Management

11.12 Percentage year-on-year total service revenue growth on the FY2025/26 baseline

Definition	The percentage growth in service revenue is calculated using the previous year's 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	$\left[\frac{\text{Current period Total Services revenue} - \text{Total Services revenue per previous year financial statements}}{\text{Total Services revenue per previous year's financial statements}} \right] * 100$
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
Reporting cycle	Annually
Desired performance	10% year-on-year total service revenue growth on the FY2025/26 baseline
Indicator responsibility	Executive: Client Engagement and Executive Regional and Central Operations

11.13 Percentage revenue growth from new business opportunities on the FY2025/26 baseline

Definition	The indicator measures the percentage of revenue generated from new business opportunities delivered during the current financial year, relative to the total revenue reported in the previous financial year.
Data/evidence source	Quarterly Finance reports Annual Financial Statements
Method of calculation	(Revenue generated from new business opportunities secured during the current financial year/ Total Revenue per previous year's financial statements FY2025/26) * 100 Revenue from new business opportunities includes: (a) Any customer new business secured in FY26/27 (b) Current customer subscribing to new services (c) Growth on existing contracted business
Means of Verification	SITA Enterprise Resource Planning (ERP) system/general ledger data
Assumptions	(a) Synchronisation between Regional and Central Operations and Client Engagement 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
Reporting cycle	Annually
Desired performance	10% revenue growth from new business opportunities on the FY2025/26 baseline
Indicator responsibility	Executive: Client Engagement and Executive: Regional and Central Operations

11.14 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	$[(\text{Net surplus before tax} + \text{Depreciation} + \text{Amortisation} - \text{Interest received} + \text{Interest paid}) / \text{Revenue}] * 100$
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	Annually
Desired performance	7% EBITDA as a percentage of revenue
Indicator responsibility	Chief Financial Officer

11.15 Audit opinion

Definition	Achieve an unqualified audit opinion from the Auditor-General of South Africa.
Data/evidence source	Audit report issued by the Auditor-General of South Africa
Method of calculation	Unqualified audit opinion on Annual Financial Statements 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 (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)	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	Annually
Desired performance	Unqualified audit opinion
Indicator responsibility	Chief Financial Officer



ANNEX A: ABBREVIATIONS

AI	Artificial Intelligence
APP	Annual Performance Plan
AU	African Union
Capex	Capital expenditure
CFO	Chief Financial Officer
DCDT	Department of Communication and Digital Technologies
DOD	Department of Defence
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
ERP	Enterprise Resource Planning
FY	Financial Year
G20	Group of Twenty
HCM	Human Capital Management
ICT	Information and Communication Technology
IoT	Internet of Things
MD	Managing Director
MTEF	Medium-Term Expenditure Framework
NDP	National Development Plan
NT	National Treasury
OECD	Organisation for Economic Co-operation and Development
Opex	Operating expenditure
PFMA	Public Finance Management Act
POPIA	Protection of Personal Information Act
PPP	Public-Private Partnership
SA	South Africa
SaaS	Software-as-a-Service
SAPS	South African Police Service
SCM	Supply Chain Management
SDGs	Sustainable Development Goals
SITA	State Information Technology Agency
SLA	Service Level Agreement
SMME	Small, Medium and Micro Enterprises
SOC	State-Owned Company
SP2030	SITA Strategic Plan 2026–2030



ANNEX B: AMENDMENTS TO THE STRATEGIC PLAN OUTCOME INDICATORS AND TARGETS

The Department of Planning, Monitoring and Evaluation (DPME) planning framework provides for entities to review and, where necessary, revise approved performance indicators and targets to ensure that they remain relevant, realistic, measurable and auditable. Following the appointment of the new Managing Director in April 2026, SITA undertook a review of the FY2026/27 Annual Performance Plan, considering the final FY2025/26 financial and performance results, implementation readiness, customer and stakeholder dependencies, resource availability and emerging operational risks.

The revision of the APP necessitated the refinement of certain targets and outcome indicators to ensure that the targets are specific, measurable, achievable, realistic and timely. The table below provides amendments to the strategic plan outcomes indicators and targets for 2030.

B.1 Measuring outcomes

Programme	Outcome	Outcome indicator	Current Five-year target (2030)	Revised five-year target (2030)
Programme 1: Customer experience	Customers who are advocates and promoters of SITA's products and services.	Current 2030 indicator: Percentage customer satisfaction level Revised 2030 indicator: Percentage implementation of customer service improvement plan	75% customer satisfaction level	90% implementation of customer service improvement plan
Programme 2: Transform public sector	Digitally enabled public service through the use of SITA's secure, innovative and reliable digital platforms and services.	Current 2030 indicator: Percentage of SITA-maintained government legacy systems modernised Revised 2030 indicator: Number of SITA-maintained legacy systems modernised	95% of SITA-maintained government legacy systems modernised	34 SITA-maintained legacy systems modernised

B.2 Revised technical indicator descriptions

B.2.1 Percentage implementation of customer service improvement plan

Definition	Implementation of the Service Improvement Plan following the customer satisfaction assessment conducted during the applicable survey year.
Data/evidence source	Service Improvement Plan
Method of calculation	(Actual milestones completed as per the Plan / Total planned milestones as per the Plan) *100
Means of verification	Service Improvement Plan and achieved milestones as per the plan
Assumptions	Improvement plans that require external stakeholder consultation and approvals to be obtained before end of Q3 to enable implementation
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
Desired performance	90% implementation of customer service improvement plan
Indicator responsibility	Executive: Client Engagement

B.2.2 Number of SITA - maintained legacy systems modernised

Definition	This indicator measures the number of government legacy systems that have been modernised or re-engineered to align with current technology standards, improve efficiency, enhance security, and ensure system interoperability and sustainability.
Data/evidence source	Project charter and plan
Method of calculation	Actual number of SITA-maintained government legacy systems modernised Note: (a) A system is regarded as modernised when it is developed, tested and UAT signed-off by the client (b) List of the number of SITA-maintained government legacy systems will be defined in the project charter (c) Exclusions will be customers that opt not to modernise the identified SITA-maintained government legacy systems due to various reasons such as budget, changes in priorities, availability, etc. (d) Exclusions will be government entities that opt not to utilise SITA's digital services due to various reasons such as budget, priorities, availability, changes due to customer requirements etc.
Means of verification	Client user acceptance certificate
Assumptions	(a) Dependencies on departments for access to legacy systems are managed effectively (b) Infrastructure and integration platforms support modernised applications
Disaggregation of beneficiaries (where applicable)	Target for women = Yes Target for youth = Yes Target for people with disabilities = Yes
Spatial transformation (where applicable)	National, provincial
Desired performance	34 SITA- maintained legacy systems modernised
Indicator responsibility	Executive: Applications

B.2.3 Percentage revenue growth from new business opportunities on the FY28/29 baseline

Definition	The indicator measures the percentage of revenue generated from new business opportunities delivered during the current financial year, relative to the total revenue reported in the previous financial year.
Data/evidence source	Quarterly Finance reports Annual Financial Statement
Method of calculation	(Revenue generated from new business opportunities secured during the current financial year. Total Revenue per previous year's financial statements financial year FY2028/29) *100 Note: Revenue from new business opportunities includes: (a) Any customer new business secured during the reporting year (b) Current customer subscribing to new services (c) Growth on existing contracted business
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
Desired performance	10% revenue growth from new business opportunities on the FY28/29 baseline
Indicator responsibility	Executive: Client Engagement and Executive: Regional and Central Operations



ANNEX C: MATERIALITY AND SIGNIFICANCE FRAMEWORK

C.1 Introduction

- (a) SITA, which is classified as a schedule 3A public entity, is governed by the SITA Act, PFMA, Treasury Regulations issued by the National Treasury and by the Companies Act.
- (b) 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.
- (c) 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."
- (d) 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:
 - (i) establishment or participation in the establishment of a company;
 - (ii) participation in a significant partnership, trust, unincorporated joint venture or similar arrangement;
 - (iii) acquisition or disposal of a significant shareholding in a company;
 - (iv) acquisition or disposal of a significant asset;
 - (v) commencement or cessation of a significant business activity; and
 - (vi) a significant change in the nature or extent of its interest in a significant partnership, trust, unincorporated joint venture or similar arrangement."
- (e) 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 (DCDT). In terms of TR 30.1.3(e), the strategic plan must include a materiality/significance framework.
- (f) 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.
- (g) This framework was developed considering 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.

C.2 Definition of materiality and significance

- (a) 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".
- (b) 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."
- (c) 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.
- (d) "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 organisation, the acquisition or disposal of a significant asset and commencement or cessation of a significant business activity.

- (e) 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 Regulation 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.
- (f) 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.

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

C.3.1 Quantitative factors

The guidelines contained in the National Treasury Practice Note on Applications under section 54 of the PFMA 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 base purposes of this determination. The table below outlines the financial statement elements and the percentage ranges that can be used.

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 R133 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 R133 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 2024/25 audited financial statements have been used to determine the appropriate materiality and significance.

C.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, among others:

- 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.

C.4 Materiality and significance framework

Section	Requirement	Material/significant	Underlying principle
Section 50(1)	The accounting authority for a public entity must – (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.	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.	- 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 organisational structure and through formally delegated authorities.
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:	1. Quantitative factors 1.1 Sections 54(2)(a)-(f): Any specific transaction will be regarded as significant if its rand value exceeds R133 million as determined above. Unless indicated to be excluded based on factors documented below.	

Section	Requirement	Material/significant	Underlying principle
	(a) establishment or participation in the establishment of a company;	2. Qualitative factors: The following qualitative factors will be considered when determining the significance of transactions: 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. 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.	
		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.	
		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.	
		2.5 For purposes of establishment of an entity as envisaged under section 51(1)(g), the above principles will also apply.	
		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.	
	(b) participation in a significant partnership, trust, unincorporated joint venture or similar arrangement;	2.7 For transactions not entailing incorporation, any transaction will be considered as significant-	
		2.7.1 If participation is in any partnership, trust, unincorporated joint venture or similar arrangement that is located outside the Republic.	

Section	Requirement	Material/significant	Underlying principle
	(c) acquisition or disposal of a significant shareholding in a company;	2.8 Transactions are to be regarded as significant where - 2.8.1 ownership control is affected; or 2.8.2 SITA's right to pass or block a special resolution is affected; or 2.8.3 there is a change in shareholding of at least 20%; or 2.8.4 for an acquisition, any transaction results in a shareholding of at least 20% in a company. 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)).	
	(d) acquisition or disposal of a significant asset;	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. 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. 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 and 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.	

Section	Requirement	Material/significant	Underlying principle
		2.12 Regarding the acquisition of assets through a finance lease, the principles in 2.11 above will apply. 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.	
	(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	
	(f) a significant change in the nature or extent of its interest in a significant partnership, trust, unincorporated joint venture or similar arrangement.	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. 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. 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. 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.	
Section 55(2)	The annual report and financial statements referred to in subsection 55(1)(d) must – (b) 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.	2.19 Losses in excess of R50 000 arising from criminal conduct are material and will be reported in accordance with the provisions of section 55(2) of the PFMA. 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. 2.21 Amounts (Account balances) will be regarded as being material for disclosure purposes in the financial statements if that amount exceeds R133 million, which is 2% of the total assets of the audited 2024/25 annual financial statements.	- 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 their size.

C.5 Responsibility for the materiality and significance framework

C.5.1 Accounting authority

- (a) The accounting authority is responsible for developing and agreeing, with the executive authority, a framework of acceptable levels of materiality and significance.
- (b) 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.

C.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.

C.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.



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ISBN NUMBER: 978-1-83491-646-0