

MEDIA RELEASE	PSA condemns proposed establishment of South African State Digital Infrastructure Company
DATE	11 June 2025
EMBARGO	None
ENQUIRIES	communication@psa.co.za

The Public Servants Association (PSA) condemns the proposed establishment of the South African State Digital Infrastructure Company, a new state-owned entity aimed at consolidating and controlling all digital assets across the country.

Despite government's intentions to streamline digital infrastructure and improve connectivity in underserved areas, the PSA believes that the creation of yet another state-owned entity (SOE) is unnecessary and will exacerbate existing issues in the public sector. Such a new SOE will place an additional financial strain on taxpayers already burdened by poor management and frequent bailouts of existing SOEs. Statistics reflect that many SOEs suffer from poor governance, a lack of accountability, and corruption. Adding another entity to the mix is likely to compound these problems rather than solving them. The consolidation of digital assets could be achieved through better management and optimisation of existing SOEs, without the need for a new entity. There is no compelling business case for the new entity, and its establishment appears to be driven by political motives rather than practical necessity.

Government recently approved regulations for departments to procure ICT services and products outside the State Information Technology Agency, which is a state entity. This reflects a vote of no confidence and acceptance that the entity is failing. The newly established entity, the Border Management Authority, is under-resourced and operating with less than 50% of the earmarked employees. The entity is riddled by challenges.

Many state-owned companies and entities are not well run, and government has demonstrated an inability to play a meaningful oversight role and hold those in charge accountable. The establishment of SETAs was hailed as a huge success, designed to revolutionise skills development in the country. Corruption, maladministration, and power abuse have, however, robbed the country of its benefits. Today, most SETAs are subjected to Special Investigating Unit investigations owing to financial mismanagement and corruption.

The PSA calls on government to reconsider this decision and focus on improving the efficiency and governance of existing SOEs. All stakeholders are further urged to prioritise the interests of citizens and ensure that taxpayers' money is used responsibly and effectively.

END