
# 7 – 8 July 2026

## DRIVING FINANCIAL SUSTAINABILITY THROUGH INNOVATION AND REFORM

## "Financial Sustainability Models for Public Institutions"

**CIGFARO Public Sector Finance Seminar – Cape Sun Hotel, Cape Town**

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Chartered Institute of
Government Finance, Audit & Risk Officers

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# Introduction…

# Financial Sustainability is no longer about balancing budgets

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**Slower growth, rising debt, infrastructure backlogs, climate risk, technological disruption and rising citizen expectations all bear down at once.**

**It is about creating Institutions that can:**

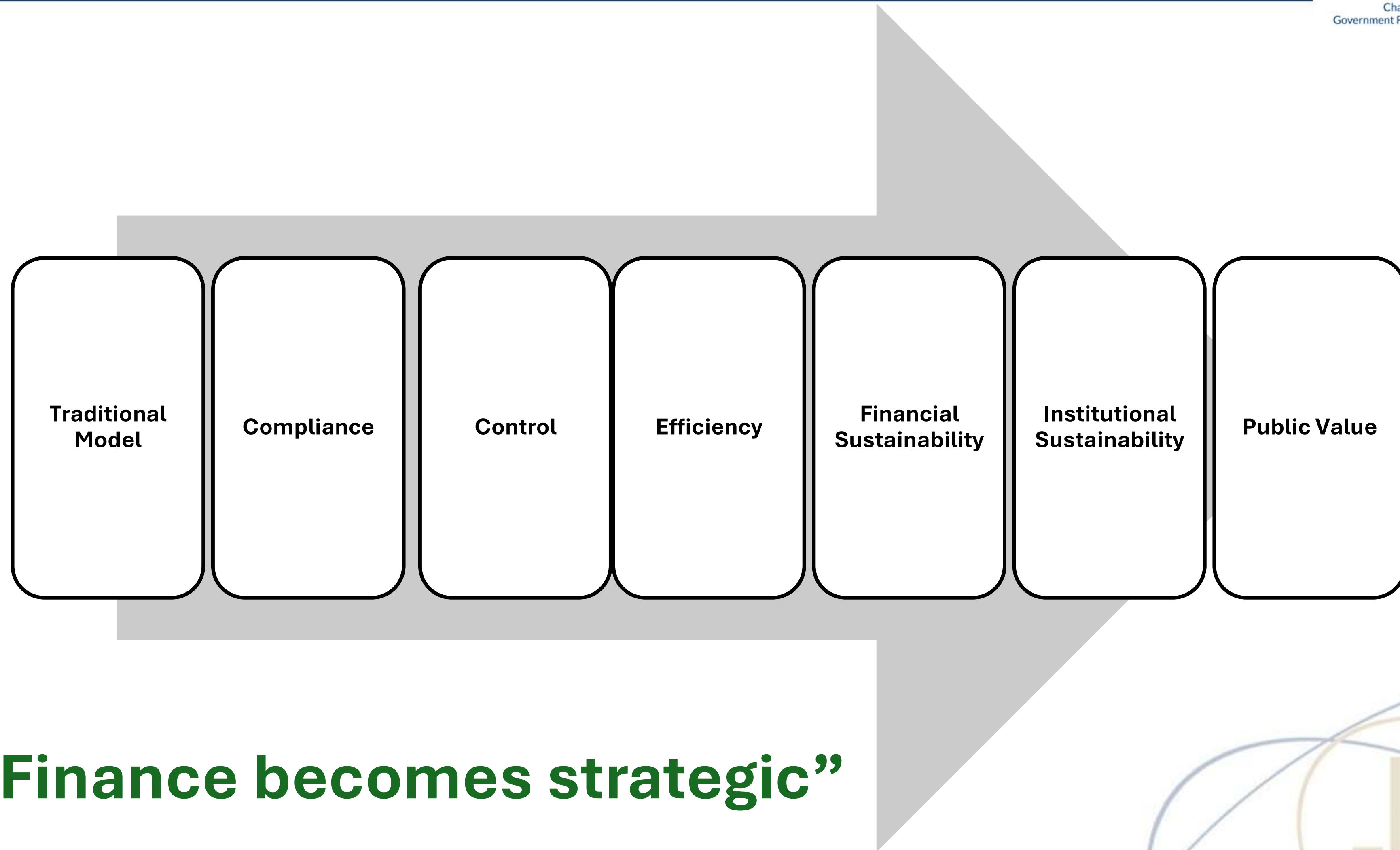
- **Survive uncertainty**
- **Adapt continuously**
- **Create Public Value**
- **Maintain Public Trust**
- **Deliver services despite constraints**

**“Budgeting alone cannot solve this – financial sustainability is ultimately institutional sustainability”**

*Source: Joubert (2026); cf. Moore (1995).*

# Sustainability in focus…

# The evolution of Public Finance




## “Finance becomes strategic”

*Source: Moore (1995); Joubert (2026).*

## Defining Financial Sustainability

**Financial Sustainability means: "The ability of a public institution to continuously deliver on its mandates, maintain assets, invest in future capability and respond to changing circumstances without compromising future generations"**

*Source: Joubert (2026); cf. National Treasury (2024).*

# Five Pillars of Financial Sustainability

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| | | |
|---|---|---|
| Governance | Leadership | Innovation |
| Financial Management | Partnerships | |

**"Five pillars feeding into Institutional Sustainability"**

*Source: Joubert (2026), informed by the Constitution (RSA, 1996), MFMA (RSA, 2003) and King IV (IoDSA, 2016).*

# Focused interventions…

# Lessons from Government` s Back-to-Basics Program

**Back-to-Basics highlighted that sustainable municipalities require:**

- **Putting people first**
- **Good governance**
- **Sound financial management**
- **Institutional capacity**
- **Basic service delivery**

**"Today these principles remain highly relevant across the public sector"**

*Source: Back-to-Basics principles; White Paper on Local Government (RSA, 1998).*

# Draft White Paper on Local Government (2026): Key Emerging themes

- Professionalism
- Integrated governance
- Fiscal resilience
- Technology
- Collaborative government
- Innovation
- Performance
- Long-term Sustainability

**"The White Paper moves beyond municipal administration towards institutional transformation"**

*Source: Draft White Paper on Local Government (2026); cf. RSA (1998).*

# Public Institutions face similar Financial Challenges

## Local Government feels these pressures first – the same logic runs across every public institution:

- National Departments
- Municipalities
- State-owned Entities
- Universities
- Public Agencies

**"Although the mandates differ, the sustainability challenges are remarkably similar"**

# New approach...

# Financial Sustainability Maturity Model

- Level 1 - Reactive
- Level 2 - Stable
- Level 3 – Integrated
- Level 4 – Innovative
- Level 5 – Adaptive Institutions

**"Most organisations remains between levels 1,2 & 3"**

*Source: adapted from World Bank (2021) and OECD (2023); Joubert (2026).*

# Financial Sustainability Drivers

- Revenue resilience
- Expenditure optimisation
- Asset management
- Digital transformation
- Risk management
- Strategic partnerships
- Institutional capability

**Where sustainability effort concentrates**


*Illustrative priority index (0–100) – for discussion, not audited data.*

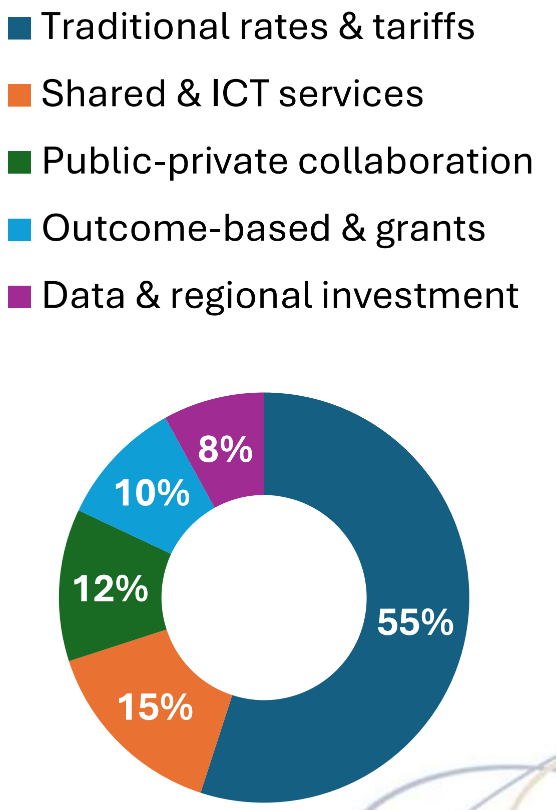
# Revenue Innovation "Moving from Traditional Revenue to embrace new approaches"

**Creating "new money" – revenue from innovation, not higher taxes or cuts:**

- **Shared services**
- **Digital platforms (ICT services)**
- **Public Private collaboration**
- **Regional investment**
- **Outcome-based funding**
- **Data monetisation**
- **Innovation grants (hybrid & blended)**

**"A shift from deficit management to opportunity management"**

**A more diversified revenue base**




*Illustrative revenue mix – conceptual, not actual figures.*

## Expenditure Innovation "Doing more with less is no longer sufficient "

**Doing this differently becomes essential – examples:**

- **Shared services**
- **Automation**
- **AI**
- **Business process redesign**
- **District collaboration**

# Governance drives Sustainability

**Financial sustainability depends on:**

- **Leadership**
- **Culture**
- **Decision quality**
- **Ethics**
- **Accountability**
- **Transparency**

**"Laat Waai" – succession, skills transfer and institutional memory so sustainability outlives individuals**

# Weskus Model…

*Method: qualitative single-case study of West Coast District Municipality, drawing on documentary and thematic analysis of council, IDP and strategic records (2024–2026). Limitations: findings support analytical rather than statistical generalisation, and several Weskus initiatives remain in development, so long-term impacts are not yet fully assessable (Joubert, 2026; Yin, 2018).*

# Weskus Model – creating governance ecosystem

| | | |
|---|---|---|
| **Local Municipalities** | **District Municipalities** | **Provincial Government** |
| **National Government** | **Private Sector** | **Universities** |
| | **Communities** | |

**"Working as one"**

# Why Weskus matters

**Shared services**
**Weskus ICT Services**

**Knowledge & skills**
**Weskus Academy**

**Innovation**
**Business Excellence & Innovation Hub**

**Tourism & investment**
**Weskus Cruises**

**Governance support**
**Weskus Advisory Services**

**Delivery vehicle**
**West Coast Development Trust**

**"Applicability of the model far beyond local government"**

*Source: Joubert, D. (2026). From Innovation to Sustainability: A Smart Governance Model for Revenue-Generating Municipalities. SAAPAM Conference 2026.*

## Wavemaker Philosophy

**Create waves rather than isolated projects:**

- **Leadership**
- **Innovation**
- **Knowledge**
- **Collaboration**
- **Trust**
- **Partnerships**

**"Each of 6 key elements creates exponential impact"**

# Financial Sustainable Ecosystem

| | | |
|---|---|---|
| Government | Private Sector | Universities |
| Civil Society | Technology | Citizens |
| Finance | Innovation | |

**"Everything interconnected"**

# Enablers & future model…

# Digital Transformation

- Artificial Intelligence
- Automation
- Digital payments
- Predictive analytics
- Data governance
- Performance dashboards
- Digital Finance

*Source: Joubert (2026); cf. Meijer & Bolívar (2016).*

# Role of Universities

**Contribute through:**

- **Research**
- **Innovation**
- **Capacity building**
- **Policy advice**
- **Professional development**
- **Evidence-based governance**

**"University of Stellenbosch remains your partner in public innovation"**

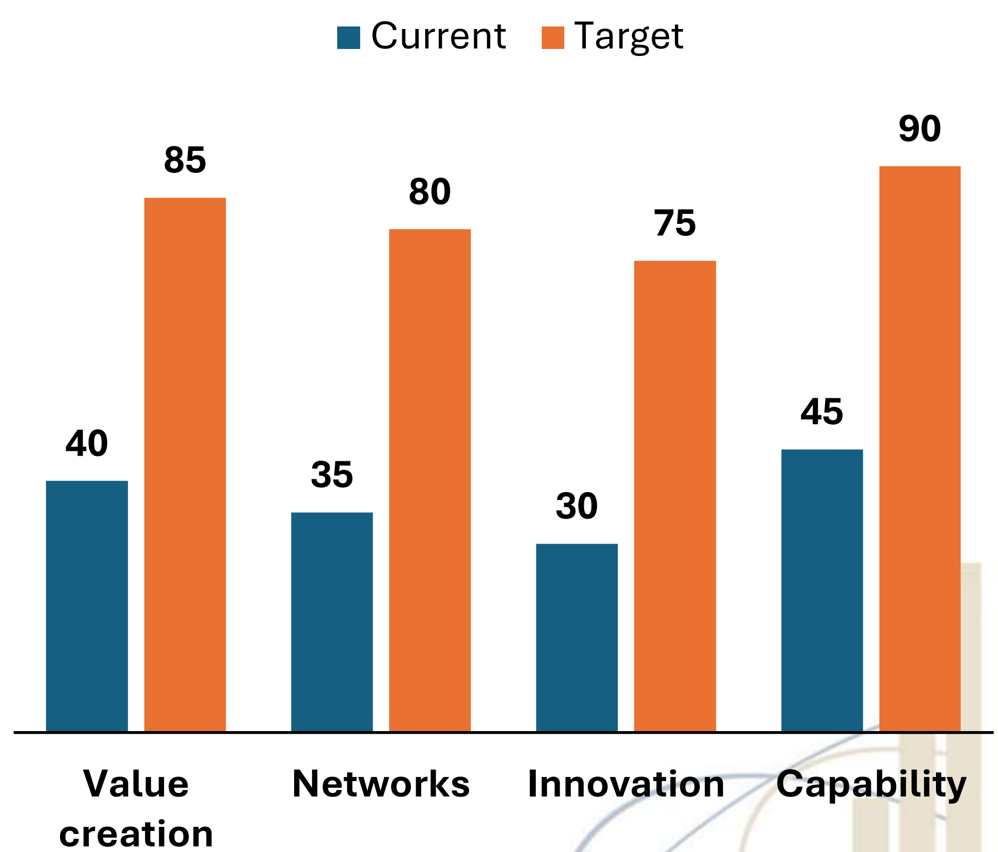
# Leaders must become:

- System thinkers
- Innovators
- Collaborators
- Change leaders
- Strategic communicators

# Future Financial Sustainability Model

- ➢ **Move from Annual Budget to Long-term value creation**
- ➢ **Move from Departments to Networks**
- ➢ **Move from Control to Innovation**
- ➢ **Move from Compliance to Capability**

**From current state to target state**




*Illustrative maturity scores (0–100) – for discussion only.*

# Sustainability Building Blocks

1. Leadership
2. Governance
3. People
4. Technology
5. Innovation
6. Finance
7. Collaboration
8. Performance

# Conclusion...

# Take home...

- Strengthen governance capability
- Professionalise leadership
- Expand shared services
- Improve digital maturity
- Build strategic partnerships
- Measure public value
- Create adaptive institutions

## Closing thought…

**Financial sustainability is not only achieved through better budgeting alone – it is achieved through:**

- **Better institutions**
- **Better governance**
- **Better leadership**
- **Better collaboration**

**"Better institutions that innovate together are far more sustainable than institutions that compete alone"**

# Thank You!

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