



UNIVERSITY OF CAPE TOWN
IYUNIVESITHI YASEKAPA • UNIVERSITEIT VAN KAAPSTAD

UNIVERSITIES UNDER PRESSURE

Rethinking Institutional Resilience in South Africa

A perspective on volatility, infrastructure, finance and institutional continuity

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THE CORE PROPOSITION

South African universities are no longer operating in a stable public system.

RISKS ORIGINATING OUTSIDE — LANDING INSIDE

**Public
Finance
Pressure**

**Student
Affordability
Stress**

**Municipal
Service
Failure**

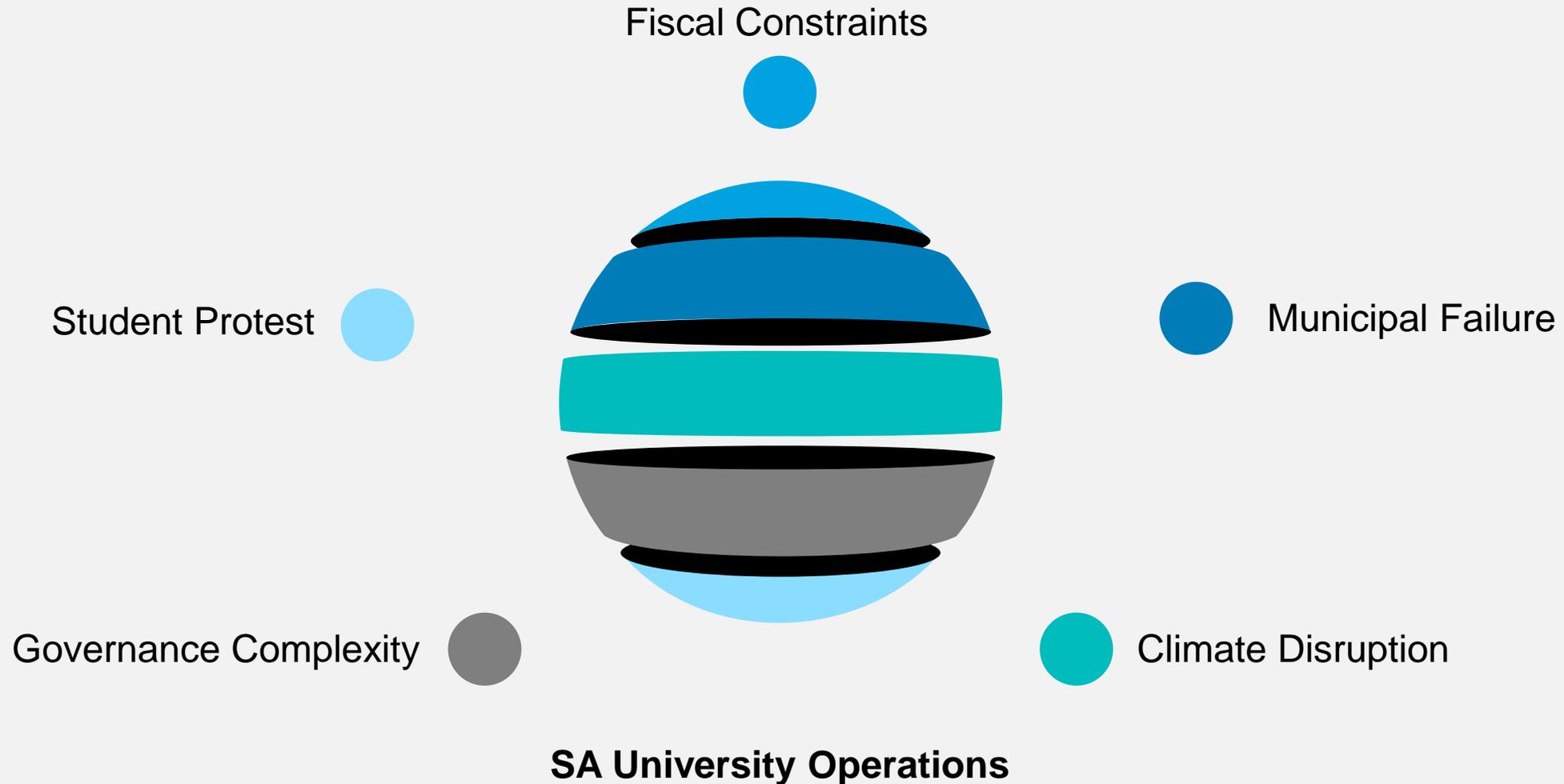
**Climate and
Disaster
Risk**

**Protest and
Contestation**

**Digital and
Security
Exposure**

WHY THIS MATTERS NOW

The operating model is under strain from multiple directions at once.



PRESSURE 1: STUDENT AFFORDABILITY AND PROTEST REMAIN STRUCTURAL

KEY DATA POINTS

~R500M

Property damage during #FeesMustFall
(Oct 2015 - Jun 2016, Fees Commission)

2026

UCT protests again disrupted lectures
at semester start, linked to registration
and NSFAS concerns

Ongoing

Parliament flags NSFAS
accommodation and payment delays,
including student evictions

IMPACT AREAS

1

Campus Access and Security Costs

2

Business Continuity Planning

3

Academic Calendar Stability

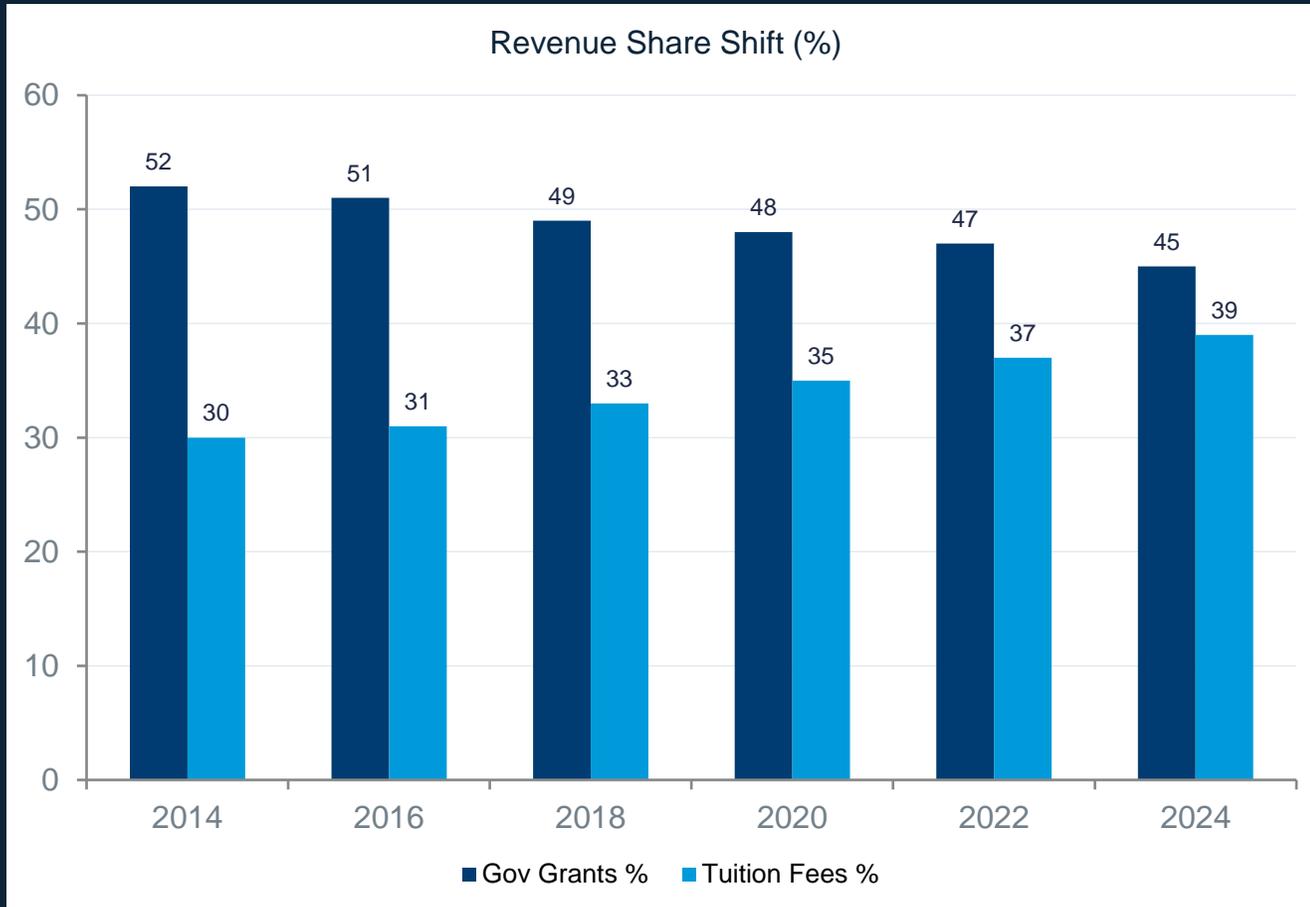
4

Infrastructure Exposure

5

Reputational Risk Management

PRESSURE 2: THE FUNDING MODEL IS TIGHTENING



Universities are being asked to do more with a less forgiving funding base.

+ 12.2%

Tuition income YoY growth in 2024

- 4.3%

Grant income fall in 2024

39%

Tuition share of revenue in 2024 - highest in decade

The question is not only whether budgets are tight. It is whether universities are quietly shifting from publicly supported institutions to student-funded operating systems.

PRESSURE 3: MUNICIPAL FAILURE IS NOW A UNIVERSITY RISK

AGSA EVIDENCE

Municipal failure has a "direct and significant impact" on residents and businesses through service disruptions

117 municipalities (47%) failed to pay suppliers within 30 days - average payment period of 286 days

AGSA 2025 Water Report: infrastructure failures caused water losses as high as 66% in some cases

Parliament warns service delivery failures create unrest and community trust breakdown

UNIVERSITY OPERATIONAL IMPACT



Unreliable electricity and water supply



Sanitation and health risk in residences



Lab and research continuity disrupted



Security and traffic management impacts



Higher self-provisioning costs

PRESSURE 4: CLIMATE CHANGE IS NO LONGER ONLY A SUSTAINABILITY ISSUE

It is now an operations, infrastructure and continuity issue.

UCT – DAY ZERO

UCT's Day Zero experience is now cited by Universities South Africa as a major lesson in water insecurity. "A university cannot survive without water" - Prof. Kirsty Carden

UKZN – 2022 KZN FLOODS

KwaZulu-Natal floods: 459 deaths, 40,000+ displaced, 12,000+ houses destroyed, ~US\$2bn in infrastructure losses with direct campus impacts.

WITS – CLIMATE ATTRIBUTION

Wits reported climate change significantly worsened the deadly 2022 Durban floods. Research informing institutional risk reality.

RISK DOMAINS

Campus Drainage and Flood Resilience

Water Security and Storage

Heat Stress in Residences and Venues

Insurance and Capex Planning

Disaster Response and Recovery

PRESSURE 5: GOVERNANCE COMPLEXITY IS OPERATIONALLY EXPENSIVE

OVERLAPPING STAKEHOLDER ACCOUNTABILITIES

Council	Executive Leadership	DHET
Treasury	Students and Unions	NSFAS
Municipalities	Communities	Donors and Funders



THE COLLISION POINT

Delivery under contested expectations

Incomplete control over upstream risks

Compliance without adequate resources

Continuity without stable systems

THE SOUTH AFRICAN UNIVERSITY AS A "MICRO-CITY"

If universities are micro-cities, then leadership must increasingly think like city leadership: **resilience, redundancy, continuity, risk and adaptive capacity.**



Functions include:

- Power
- Water
- Sanitation
- Roads
- Food
- Housing
- Health
- Security
- ICT
- Teaching
- Research
- Emergency response

INTERNATIONAL COMPARISON: THIS IS NOT ONLY A SOUTH AFRICAN STORY

But South Africa experiences these pressures in a sharper way because national systems are more fragile.

GB ENGLAND

45% of institutions forecast to **face a deficit** in 2025/26 (Office for Students, Nov 2025)

Gov policy changes could **reduce HE funding by £3.7bn** between 2024/25 and 2029/30 (Universities UK)

AU AUSTRALIA

Universities operating on **"increasingly thin margins"** (Universities Australia 2025)

13 universities in deficit in 2024 - down from 25 in 2023, after 26 in 2022

Universities spent \$1.06 of general funds per \$1 of research income - cross-subsidy pressure

us UNITED STATES

Federal Reserve: financial distress and even closure are real sector risks - better predictive models needed

UCLA emergency planning activated during January 2025 LA fires - climate disruption is live

ZA South Africa adds another layer:

Municipal dysfunction · Infrastructure unreliability · Sharper socio-economic contestation

FROM EFFICIENCY THINKING TO RESILIENCE THINKING

1 Are we budgeting for growth, or budgeting for disruption?

2 Are we managing campuses, or critical operating systems?

3 Are we assuming municipal recovery, or planning for prolonged instability?

4 Are our estates climate-adapted, or climate-exposed?

5 Are our governance models suited to prolonged volatility?

The next decade may reward institutions that are not simply efficient, but resilient, adaptive and operationally honest.

CLOSING REFLECTIONS: FOOD FOR THOUGHT

The future challenge for South African universities may not be whether we can build better campuses. It may be whether we can build **institutions that remain functional, legitimate and mission-driven** in an environment of recurring disruption.

The strategic issue is therefore not only transformation, funding or infrastructure in isolation. It is **institutional resilience** in a country where volatility is becoming normal.

- 1 What assumptions about university operations are now outdated?
- 2 What risks have moved from peripheral to core?
- 3 What must a South African university become to remain viable?



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THANK YOU
