

29 September 2016

Joint statement by KZN Health MEC, Dr Sibongiseni Dhlomo, the Missionary Sisters of the Precious Blood and the trustees of the insolvent estate of St Mary's Catholic Mission Hospital Trust on the future of the hospital.

As always, we appreciate the Missionary Sisters for their pioneering role since 1927 in establishing schools and hospitals to serve communities in the areas where the Missionary Sisters carried out their missionary work.

In 1995, the Missionary Sisters could no longer run the hospital given the ever escalating costs thereof. In an effort to continue to serve the people, the business of the hospital and all its assets were sold and transferred to an independent trust, the St Mary's Catholic Mission Hospital Trust, that took over the ownership and operation thereof and has since looked after the affairs of the hospital, with the Sisters continuing to own the land. Unfortunately, the costs of the hospital kept escalating and this led to the hospital trust being finally sequestered and wound up by the High Court. The business of the hospital is under the direct control of the trustees for time being of the insolvent estate St Mary's Catholic Mission Hospital Trust who are operating the hospital pursuant to the provisions of the law relating to insolvent estates.

Today we would like to announce that the trustees of insolvent estate St Mary's Catholic Mission Hospital Trust together with the Missionary Sisters and the KwaZulu Natal Government led by the Department of Health have agreed to begin negotiations on the planned disposal of the institution upon terms and conditions to be agreed.

St Mary's Hospital is a 200-bed, Level 1 District Hospital, serving a population of approximately 3 million and acts as a referral Hospital for about 15 provincial and municipal primary healthcare clinics as well as 2 community health centres (CHC's).

St Mary's is the only district hospital in the area and services the following catchment areas: Cato Ridge; Inchanga; Mpumalanga; Hammersdale; Shongweni Dam; Kwa Ngcolosi; Waterfall; Molweni; Gillits; Hillcrest; Stockville; Kloof; Mpola; Tshelimnyama; Marianhill; Pinetown; Ashley; Wyebank; Clermont and New Germany.

Following financial difficulties encountered in the running of this historic institution that was established in 1927, which resulted in the sequestration of the hospital trust by one of the major creditors of the hospital, it has now been agreed that:

- There is a need for continued public health service in the west.
- The Missionary Sisters of the Precious Blood together with the trustees of insolvent estate St Mary's Catholic Mission Hospital Trust are ready in principle to sell and handover respectively the property of the Missionary Sisters on which the hospital is

established, and the operation and assets of the hospital that are owned by the trustees of the insolvent estate, and the government is willing to buy.

- The 3 parties are each to appoint Transaction Advisors who will look into the value of the land, the business and assets of the hospital including all hospital equipment, the sundries of the hospital, the takeover by the government of all employees and the conditions of sale and takeover of each of the relevant entities.
- Timelines for progress report by end of November 2016 approved as the tentative date for this.
- Details of negotiations are to deal with any liability that might arise from medico for the next 20 years.
- Staff take-over
- Department of Health geared to take over the running of the hospital as public health facilities as of end of April 2017 as per beginning of its Financial year subject to terms and conditions to be negotiated.

We would also like to pronounce that both the KZN Provincial Government, the trustees of insolvent estate St Mary's Catholic Mission Hospital Trust and the Sisters of the Precious Blood are very committed to work closely to ensure insofar as is practical a positive and holistic outcome that will be in the best interest of all concerned, including the employees of St Mary's Hospital and the community at large.

Furthermore, we have also agreed to preserve the ethos and standards of care and ethical principles that have governed St Mary's as a hospital based on integrity; compassion for all the patients; commitment to great quality service as well as mutual respect to all co-workers and patients.

St Mary's Hospital will forever stand.

I thank you.



KZN Health MEC Dr Sibongiseni Dhlomo with Sr Paula Maine and Sr Immaculate Ndlovu at the media briefing