

MacKillop History



MacKillop Family Services formally began operations on 1 July 1997. Its establishment embodies the desire to provide the best possible services to children and families. It continues the works of **Mercy Family Care Centre** North Geelong, **St Anthony's Family Service** Footscray, **St Augustine's Adolescent & Family Services** Geelong, **St Joseph's Babies and Family Services** Glenroy, **St Joseph's Homes for Children** Flemington, **St Vincent's Boys Home** South Melbourne, and **St Vincent de Paul Child & Family Service** Black Rock. These founding agencies, administered by the **Sisters of Mercy**, the **Christian Brothers**, and the **Sisters of St Joseph**, had themselves evolved over 150 years of service to children and families in Victoria.

This history contains three parts:

1. **The History of Catholic Child Welfare in Victoria 1841-1997**
2. **The History of the Congregations, their Founders, and the Founding Agencies**
3. **The History of the Amalgamation and Refounding**

1. The History of Catholic Child Welfare in Victoria 1841-1997

As early as 1841 Melbourne newspapers recorded cases of destitute children. A government orphanage was promised, but in the meantime various church relief societies moved to fill the gap. In 1847 Fr P. B. Geoghegan formed the Friendly Brothers' Society which utilised the informal Catholic network to find foster families for destitute children.

The discovery of gold in 1851 prompted a flood of hopeful immigrants into Victoria. Over the next decade the colony's mushrooming population generated unprecedented numbers of neglected or destitute children. In the absence of a coordinated government response to the problem, a number of church-based charitable organisations sprang up offering care. In 1854 Fr Gerald Ward and the recently formed St Vincent de Paul Society began to care for orphans in a house in Prahran. The foundation stone for the first orphanage in Melbourne (the Melbourne orphanage) was laid in 1855 (continuing today as part of Oz Child). The establishment of Melbourne's first Catholic orphanage, St Vincent de Paul Orphanage at South Melbourne, followed barely a month later, when Fr Ward moved the operation to the Cecil Street site.

In 1861 the **Sisters of Mercy** were asked to take responsibility for St Vincent's in South Melbourne. In 1862, they also took over St Augustine's and Our Lady's in Geelong.



The Geelong orphanage of St Augustine's was founded in 1857. In 1862 a Catholic orphanage catering specifically for girls, initially known as

Our Lady's and later known as St Catherine's, grew out of St Augustine's. Similarly, in South Melbourne a separate girls' orphanage was built on an adjoining block of land in 1864.

In 1874 the **Christian Brothers** were requested to take responsibility for St Vincent's, the boys' orphanage at South Melbourne, and in 1879 the Brothers also accepted a request to take charge of St Augustine's boys' orphanage in Geelong.

In 1864 a number of government and voluntary industrial schools and reformatories were established after the passage of the *Neglected and Criminal Children's Act*. These included an industrial school run by the Good Shepherd Sisters in Abbotsford and another managed by the **Sisters of Mercy** as part of Our Lady's Orphanage in Geelong. Although it had been intended that these institutions would cater primarily for potential young lawbreakers, in fact they were rapidly crowded with children whose only crime was destitution.

In 1872 a Royal Commission on Penal and Prison Discipline considered the whole question of industrial schools and recommended that institutional care be replaced almost entirely with a scheme of fostering or "boarding out". Children would be placed with a respectable family that was willing to care for them in return for a government subsidy. Such recommendations met with an enthusiastic response from the government, not least because it represented a significant cost saving. The passage of *the Neglected Children's Act* in 1887 confirmed the government's decision to adopt universal boarding out and to close all its industrial schools. Most Catholic institutions resisted boarding out, however, pointing out the difficulty of finding enough suitable Catholic foster parents to guarantee children were always placed with Catholic families. Only a small number of boys from the St Vincent de Paul orphanage were boarded out, while the St Vincent de Paul girls' orphanage flatly refused to contemplate the idea. The industrial schools attached to the Abbotsford and Geelong convents remained open.

During the 1890s the number of charitable institutions in Victoria expanded due to the desperate human need exposed by the 1890s economic depression. They were also encouraged by continuing government subsidies for charitable building costs and a clause in the 1887 Act which gave power to approved individuals and organisations, and not just the police, to apprehend and assume guardianship of neglected children. In South Melbourne, for example, money raised by the Catholic parishioners contributed towards the creation of a children's home which later re-located to Surrey Hills under the superintendence of the **Sisters of St Joseph**.



1896 saw the formation of the Society for the Prevention of Cruelty and Neglect to Children, one of several child rescue organisations developed at that time and the fore-runner of current child protection practice in Victoria today.



In 1901 the Catholic Archdiocese of Melbourne purchased at Broadmeadows a large homestead known as "Kersland", with 28 acres of land, to develop as a babies home run by the **Sisters of St Joseph**. Kersland had been a dairy farm and, until 1950, the Josephite Sisters had their own dairy herd to provide milk for the babies and their carers.

St Joseph's Receiving Home opened in 1905 when the Archdiocese purchased two terrace houses at 101 Grattan Street in Carlton, close to the Royal Women's Hospital, to be developed as a home for expectant mothers.



While voluntary charitable institutions were increasing in number, the Neglected Children's Department, the government body legally responsible for all children charged before the courts as neglected, was shrinking. In the absence of leadership from the Department, childcare institutions in Victoria suffered from a lack of regulation or adequate supervision. In 1935 there were nine Catholic homes in Melbourne housing a total of 1,500 children, and there was a need for a central co-ordinating body. The need was partly filled by the establishment of the Catholic Social Service Bureau in 1935, which managed all voluntary admissions of children to Catholic children's homes in Melbourne.

During the period after the Second World War, Catholics formed a greater proportion of the Victorian population due to the high Catholic birth rate and the arrival of shiploads of Catholic Europeans as part of the post-war immigration scheme. These increases had their effect on the numbers of Catholic children admitted to care. Some children who entered the welfare system as babies now advanced from one Catholic institution to another in

orderly progression: from the Josephites' babies home at Broadmeadows to St Anthony's in Kew (also run by the Josephites), and then for their schooling they were moved to St Joseph's at Surrey Hills, or to St Vincent's at South Melbourne, or to the Geelong, Bendigo or Ballarat orphanages.

In 1954 the *Children's Welfare Act* passed through parliament. This signaled the government's decision to supervise voluntary childcare institutions and to provide its own residential care facilities for children. In 1956 a comprehensive study of child welfare institutions recommended that the large orphanages should be phased out in favour of family group homes. In 1958 St Anthony's in Kew opened its first family group home, and by 1969 St Vincent de Paul girls' orphanage had abandoned congregate care and established ten family group homes.

During the 1970's professionalism and an increased reliance on government funding became major themes. Most Catholic child care institutions moved from being self-funding communities of religious Sisters and Brothers to becoming a children's welfare agency staffed mainly by lay people and increasingly dependant on government funding. New emphasis was placed on the importance of the family and the need for family support services. The St Joseph's Babies Home at Broadmeadows closed in 1975 and the Sisters moved to Glenroy to continue their work in fostercare and adoption. Reductions in government funding in the 1980s and 1990s and declining numbers in the religious congregations sparked serious rethinking of the future of Catholic Child Welfare Services. In 1995 it was agreed to join the services of seven agencies, and the work towards the establishment of MacKillop Family Services began.

2. The History of the Congregations, their Founders, and the Founding Agencies

MacKillop Family Services has been formed by the coming together of seven Catholic Welfare agencies sponsored by three religious congregations - the **Christian Brothers**, the **Sisters of Mercy** and the **Sisters of St. Joseph**. Behind this simple statement of fact are an inspirational vision and a rich history, particularly in the story of the founders of the Congregations, **Catherine McAuley**, **Edmund Rice**, and **Mary MacKillop**.

The three founders were inspired by the example of Jesus Christ. As one of them said: *What a consolation to serve Jesus Christ Himself in the person of the poor and to walk in the very same path that he trod* (Catherine McAuley). They all had a burning desire to do whatever they could to help alleviate poverty and injustice in the society of their times.

Our story begins in nineteenth century Ireland, a country of stark contrasts. Poverty, legalised oppression and religious discrimination, especially of the dispossessed Catholic underclasses, were endemic. The country was ruled from London and a privileged Protestant landowning class enjoyed all the power and prestige. And yet, from this seemingly hopeless situation, signs of growth and freedom were slowly emerging. A well to do merchant middle class was developing and this group contained many Catholics who were prevented by the Penal Laws from advancing in the higher professions. It was from this class that both Edmund Rice and Catherine McAuley, the founders of the **Christian Brothers** and the **Sisters of Mercy** came.

Edmund Rice was a successful businessman in Waterford, supplying food and materials to the navy boats and the many trading ships that docked at the busy port. However, his personal life was dogged by tragedy. His young wife died in childbirth and his infant daughter was born with some disabilities. Edmund gradually became convinced that he should try to do something to improve the lot of the many young boys around the town who without education or skills seemed destined for a life of poverty and petty crime.

Gradually, as this work progressed, Edmund was joined by other like-minded men and in 1808 began the fledgling religious congregation, no mean feat as at the time, according to the law of the land, such organisations were forbidden. However, in 1820, Rome gave formal approval to the new congregation. The work expanded and still more new associates came. Schools were founded in various Irish towns including Dublin that at that time was a sophisticated city with terrible poverty in its slum areas. Eventually in 1828 Edmund transferred the headquarters of his congregation there. Edmund died in 1844, by which time his congregation had spread throughout Ireland and in England and its members were engaged not only in the education of poor boys but also social welfare activities.

Dublin was also the headquarters of the **Sisters of Mercy**. Their founder, Catherine McAuley, was the daughter of a wealthy and philanthropic merchant, but after his death she experienced poverty and considerable pressure to renounce her religion. Eventually, she became virtually the beloved adopted daughter of a wealthy Quaker couple and, after their death in 1822, was left a considerable fortune. Like Edmund Rice before her, Catherine wished to use her wealth to alleviate poverty.

In 1827 she opened the first House of Mercy in a fashionable part of Dublin. From there she organised and directed an extensive range of works destined to assist the poor, particularly women and children. The **Sisters of Mercy** opened schools and refuges for young women and visited the poor and sick in their homes. Gradually, Catherine and her followers adopted a conventual lifestyle and in 1831 the Archbishop of the time approved a Rule and Constitutions which received formal approval from Rome in 1841. The **Sisters of Mercy** were seen as a radical departure from the norms of the time as, unlike most other religious women of the day, they moved freely around the streets and lanes to reach the poor. In great measure, because of their flexibility and their ability to respond to the needs of the times, the **Sisters of Mercy** spread quickly in Ireland and England and came to Perth in 1846.

Catherine McAuley died in 1841 and the next year, in faraway Australia, Mary MacKillop was born. The daughter of Scottish immigrants, Mary knew much poverty and hardship in her early life and at one stage was the sole breadwinner of her family. Mary's concern for the spiritual welfare of the children of poor parents and her meeting with the charismatic priest, Julian Tenison Woods, inspired her to devote her life to God through service.

She once described her vision for her followers in these words: *being led by God to respond to the misery and wretchedness of the bush children and the afflicted poor, by making the Catholic Education of poor children the sisters' prime task and by undertaking urgently needed works of charity for which no other religious were available.*

Mary and two companions began their work in Penola in 1866 and the next year they moved to Adelaide. The **Sisters of St Joseph** of the Sacred Heart, as they became known, spread rapidly in Australia and New Zealand and for similar reasons to the **Sisters of Mercy**, in particular their flexibility, willingness to respond to needs wherever they arose and the ability to go where other religious women did or could not go.

All three founders had an unshakeable conviction that the work they were doing was of the utmost importance not only for this life but for the next. Edmund Rice expressed this succinctly in the following words: *Were we to know the merit and value of going from one street to another to serve a neighbour for the love of God, we should prize it more than Gold or Silver.*

As well as being visionaries they each had a strong streak of practicality, well expressed by the words of Catherine McAuley, who said: *The poor need help today, not next week.* As you would have noticed, education, particularly of the children of the poorer sections of society, was a priority for each of them. However, what we would now put under the umbrella of social welfare very quickly became an integral part of their service to the poor and needy that they and their followers saw as essential. All, as has been mentioned before, were able to respond to specific and obvious needs, even though it often meant that resources and personnel were stretched to unacceptable limits.

The three congregations have provided a generous and dedicated service to the needier sections of the people of Australia for a very long time. In Victoria this service stretches back almost one hundred and fifty years. The **Sisters of Mercy** came to Victoria in 1857, the **Christian Brothers** in 1868 and the **Sisters of St Joseph** in 1889.

The three **Sisters of Mercy**, led by Mother Ursula Frayne, were the first religious women to come to Victoria, which at that time was suffering considerable social dislocation as an aftermath of the gold rushes. In 1861, at the request of the Bishop, the **Sisters of Mercy** took direct control of St Vincent's Orphanage in South Melbourne and continued to manage it until 1966 when the property was vacated and the organisation was transferred to Black Rock.

In 1874, the **Christian Brothers** were appointed to manage the boys' section of the orphanage and this became known as St Vincent de Paul's Boys' Orphanage. In a similar fashion, in 1862, the **Sisters of Mercy** developed and managed an existing orphanage in Geelong, initially located at Newtown and later in 1928 moved to a purpose built facility in Highton. In 1974 the property was sold and the services re-located in North Geelong. In 1879, again the **Christian Brothers** assumed responsibility for the boys and another purpose built facility was provided for them in Highton in 1939. In 1988, these services were moved to the Geelong suburb of Whittington.

One year after the first foundation of the Sisters of St Joseph was made in Victoria, the Congregation established a home for young boys in Surrey Hills where, in the 1970's, girls as well as boys were cared for. With the move away from congregate care these services were re-located in Flemington and in 1991 were passed over to the care of the **Christian Brothers**. In 1901, the St Joseph's Foundling Home came into being and remained there until 1975 when it re-located to Glenroy and the focus of care changed. Later, in 1922, St Anthony's Home for Children was established in Kew and remained in operation until 1976.

From these institutions founded over a period of sixty years developed the seven agencies from which MacKillop Family Services was formed. Again this seemingly simple statement hides a story of generous service, awareness of the needs of the times and the desire to assist the less fortunate, especially children and their families.

Initially, these institutions were staffed almost exclusively by the Brothers and Sisters assisted by a small band of dedicated lay colleagues. They laboured under incredible difficulties. They are owed a great deal of gratitude for attempting to do something about a crying need that society in general did not want to know about and the governments of the day were either unwilling or unable to do much about.

In many ways, these institutions pioneered new initiatives when it seemed that this was the best thing to do. They moved out of congregate care when research showed that there were better ways of looking after children at risk, and they continually developed new and specific programs to address emerging situations. Indeed the concept of MacKillop Family Services, which was first discussed by agency directors in the early 1990s, arose from the desire to provide the best care possible for the needy.

3. The History of the Refounding

In the 1970s and 80s changes had already occurred in the traditional agencies that were to join to form MacKillop. Several of the agencies were moving away from large residential institutions toward smaller units, home-based care, and family preservation services. Lay social workers and professional social work principles began to complement traditional patterns of religious charity. Some of the works were facing difficult times, some were flourishing, but all were aware of an increasingly uncertain future.

In the late 1980s the Directors of the agencies met informally as a sub-group within the network that would soon become Catholic Social Services. In 1990-91 they formally gathered every two months under the title 'Catholic Child and Youth Welfare Group'. By mid-1992 the Group's attention was drawn more and more to the impact of changing government policies on funding and services. The Group also recognised that the need for welfare services would escalate, that funding was constrained, that their own services were diverse and uneven in character, and that more research and advocacy needed to be undertaken. They understood that few Sisters or Brothers were available to replace them in positions of management, and that increasing professionalism was needed. Without significant change, therefore, these Catholic agencies would gradually disappear.

In April 1993 the Group produced a list of guiding principles which revealed the desire to found something new. For example, they proposed: "That service provision be guided by a quest to address unmet community, family and individual needs as revealed through practice, experience and research"; and "That the organisational structure and culture enable the development of creative, innovative, flexible services."

Members of the Group then formally approached the leaders of their respective religious congregations, the owners and stewards of the agencies, to discuss the

possibility of merger. They were given guarded encouragement and, in May 1993, they set about refining principles, identifying advantages and disadvantages of closer affiliation, and examining models for possible organisational arrangements. Workshops were held in July and September 1993, at which Directors and representatives of the agencies considered the current status of their works, the future demography of families needing support, the likely shape of government involvement, the need to work in the light of better researched outcomes, and the need for transparently professional standards.

Closer collaboration was seen as the best option. The Group elaborated three possible models. *The federation model* retained high levels of autonomy of participating organisations, but with some functions vested by agreement in the common body. *The amalgamation model* established a single new agency, which would take responsibility for all organisational matters. A midway option, called *the agency collective*, which balanced autonomy and centralisation, was also mooted.

The second model, amalgamation, emerged as the preferred choice. It was the most difficult model to pursue, however, given the complexities of distinct ownerships, varying resources, and different degrees of autonomy that had to be addressed among the **Sisters of St Joseph**, the **Sisters of Mercy**, and the **Christian Brothers**. In November 1993, nonetheless, the Directors recommended to the leaders of their founding congregations the formation of a single new child, youth and family welfare organisation. The congregational leaders together then contracted John Little and Associates to investigate the case for amalgamation, examining both gains and losses. In September 1994 Little conducted a two-day live-in seminar for more than twenty senior members of the seven participating agencies. The mood of the meeting was described as 'enthusiastic yet sober'.

Little also clarified positions on existing organisational structures, agency profiles, funds, assets, liabilities, property -- sometimes shared with the department of Health and Community Services and sometimes with the Roman Catholic Trust Corporation -- and superannuation arrangements. He also discussed possible models of governance for a newly formed organisation.

In December 1994 Little's report was tabled. The benefits of joining the agencies were judged to outweigh the costs. Children, staff, auspice congregations, government and community would, he argued, all gain. The costs, however, were not negligible: each agency would lose some autonomy, founding congregations would feel the loss of their own works, disruptions would be caused to staff and services by the necessary review of all programs and positions, redundancies were inevitable, and considerable costs would be entailed in the transition process. Little endorsed the suggestion that the new venture be considered a 'refounding' rather than an 'amalgamation'. In other words, the new work would flourish best not just as a blending of the existing agencies, but also as the establishment of a new organisation drawing its strength from the same roots which supported the original foundations.

Little's report outlined structures for a new unified organisation and a plan for a 15-18 month transition process. Each of the congregational leaders, in consultation with their various communities and the Boards of the existing agencies, then had to decide whether or not the process should be taken any further. Accepting change was not easy for some Sisters and Brothers and Board members: not only the name and uniqueness of each work was at stake, in which some of them had laboured long and hard, but also their direct ownership by the respective congregations. The case for change, however, when carefully presented and considered, won the day.

In February 1995 the Board at St Anthony's Family Service recommended to the Josephite congregational leader a move to amalgamate with the agencies auspiced by the **Christian Brothers** and the **Sisters of Mercy**. Amalgamation, it was argued, offered financial security to the agency, better service to families, better staff management and service development, better leadership in mission, information, and research, and better career paths for professional staff. It was acknowledged that there would be a loss of identity and autonomy for St Anthony's, but it was believed that the first formal step toward a new future was now being taken.

On 31 July 1995 the three congregational leaders announced their decision to amalgamate the seven agencies and to establish a Transition Committee to take over matters from 30 September. On 1 October 1995 they signed a Memorandum of Understanding to set the transition process in motion. They agreed to continue to underwrite the not inconsiderable costs involved and proposed that the new organisation, yet to be named, would commence operations on 1 July 1997.

Major obstacles remained. First, most of the agencies were incorporated bodies and legal issues had to be settled before a new single entity could be formed. Secondly, some congregations took longer than others to commit themselves to change, questions about titles of properties being especially significant. Thirdly, the new organisation had to meet the challenge of its broad geographic spread, which covered four Victorian Department of Human Services regions.

Given this uncertainty, and to ensure the viability of its own agencies, the **Christian Brothers** decided early in 1995 to amalgamate St Augustine's Geelong, St Vincent's South Melbourne, and St Joseph's Flemington. The **Christian Brothers'** Child Youth and Family Services thus came into being on 19 October 1995. While short-lived, it constituted a pilot for the larger task to come, as well as introducing further intricacy into the overall process.

In October 1995 gatherings had been arranged for staff and board members across the various agencies. The Transition Committee began work in the same month. Each of the founding congregations appointed three representatives of their congregations and agencies to this committee. In November 1995 Br Michael Godfrey, then chair of the Transition Committee, assured Directors of agencies that 'in general, staffing for the new agency will be drawn from the existing agencies' but that in the meantime new appointments within the agencies should be time-limited to 30 June 1997. Br Godfrey was shortly after appointed congregational leader of the **Christian Brothers** and replaced by Sr Mary Duffy as chair of the Transition Committee. An educationalist, her experience in amalgamating schools run by separate religious congregations into a single large institution would be of great value.

In January 1996 Mr Brian Luby took up the appointment of Transition Officer, to act as executive officer of the Transition Committee and as project manager for the transition process. He was located independently of all the constituent agencies, his salary being paid by the religious congregations rather than by the agencies. Luby, a trained social worker, came as an outsider with considerable experience in management, organisational review, and transition processes in both government and non-government health and welfare fields.

The Transition Committee formed four subcommittees to report on "mission, programs and structure"; "finance and legal issues"; "industrial relations"; and "information technology". Appointments to these committees included some members of the boards of the seven agencies. From the agencies Luby gathered vision and mission statements, staffing profiles, details on programs and services, policy development, information technology, employment conditions, industrial relations, fundraising, legal structures, insurance, and so on. A firm of chartered accountants and business advisers was contracted to provide advice to the Transition Committee on accounting needs for the new agency. At this stage the proposed organisation still had no name, no corporate logo, no premises for its central office and no final agreement to proceed to implementation.

In such a complex set of conditions, Brian Luby saw two abiding factors as being of paramount importance. First, by allowing 18 months for the transition process a realistic time-frame had been established. In such a time-frame there was room to address difficulties as they arose. Secondly, the fact that the congregational leaders showed an unwavering commitment to work towards the new organisation was of inestimable benefit during the time of transition. They shared a common understanding of the implications of changes in the Roman Catholic Church since the second Vatican Council, in particular with respect to the future of the Church and the changing roles of religious congregations and the laity

Nonetheless, the process required a careful understanding of the different ways in which each of the three congregations worked. It was vitally important to understand that they all had different characteristics, just as the children within one family can, while sharing the same parents, show a range of personalities. Discussions of finance and property were also difficult, since each congregational leader was responsible for the general good order of his or her organisation, which reached far beyond youth and family services.

Some congregations were better endowed than others, as were some agencies, and it was difficult to judge what portion of such endowments should be passed over to a new organisation. Through all these discussions, however, a strong principle of *equality* and *partnership* was maintained. That is, independent of their assets or liabilities, whether in personnel, property or funds, each congregation stood as an equal in relation to the others.

The congregations agreed to continue to support the new organisation they were creating, including financial assistance. The individual properties involved,

however, would in the first instance not be transferred from the congregations to the new organisation. They would, instead, be leased at a peppercorn rate for three years, at which time a decision on property ownership would again be considered.

Transparency, consultation and communication were given high priority in all processes. People were involved at all levels of the organisation. There was consultation of staff generally, and of some of the clients of the agencies' services, through many meetings. There were opportunities for people to make submissions directly or in writing. Management of the principles of change was also seen as important: that is, both the feelings of loss of the past and the feelings of hope about the future were recognised and restated. Nonetheless, it was also understood that no matter how benign and careful any transition policy was, there would always be stress and, occasionally, a sharp end to some decisions.

Many decisions were to be made, particularly with respect to the values and structures of the new organisation. In 1996 the Directors of the agencies met monthly with the Transition Officer to facilitate communication and team-building. Further opportunities were provided for staff to visit other agencies and to meet their future colleagues. Four workshops were held for respective board members, staff and volunteers to discuss the mission of their particular agency. Survey questionnaires were circulated to establish key values of the agencies, and mission statements were drafted. A further round of workshops was held to discuss organisational structure.

A key example of the transparency strategy was the development of an *Employee Impact Statement* which listed the name of every person employed in the existing agencies, their current position and status, and their position in the new organisation. There were some whose position would not be continued in the new organisation, but there were also vacant positions for which they could apply. Care was taken to release this document to staff, management and unions at exactly the same time. While all staff were anxious about impending changes, particularly when this document's release was delayed, the *Employee Impact Statement*, along with regular contact with respective unions, resulted in a wider confidence in the process and its intentions.

On the other side of the ledger, it was also essential to keep the congregational leaders fully informed of progress throughout the transition period, to ensure the retention of the charisma of the founders of the three congregations, and to maintain respect for the history, culture and support base of each agency.

It was eventually decided that the new organisation would be a company limited by guarantee. In October 1996 the six members of the company were announced, each religious congregation nominating two of its members to these positions. In December 1996 the congregational leaders announced the nine members of the Board of Directors of the new company, including experts in various fields of welfare, accounting, and industrial relations, and one representative of each congregation. Sr Mary Duffy was appointed chair of the new board. Her appointment, and the presence of several lay women on the new board, reflected a principle of equality between laity and religious and between female and male that had not always been evident in the governance of the original agencies.

In December 1996 the prospective members of the soon to be registered company, on the advice of a representative selection panel and supported by the Transition Committee, announced the appointment of Mr Paul Linossier as Chief Executive Officer of MacKillop Family Services, to take effect from 3 February 1997. MacKillop Family Services was to come into being on 1 July of that year. The Transition Committee formally disbanded itself as of 28 February 1997, recognising that the new Board of Directors was to take full responsibility for day-to-day decisions and longer term planning on behalf of the new agency. A business manager and a manager of human resources and contracting were appointed in March 1997, and directors for the Geelong and Melbourne regions were appointed a month later.

MacKillop Family Services was registered in April 1997 as a company limited by guarantee and formally assumed the management of all programs and services provided by the seven founding agencies on 1 July 1997. The founding congregations agreed to contribute to financing the first year of deficit, thus giving the new Board time and space to get reviews and priorities in place.