



PEOPLE, CULTURE & EMPLOYMENT GOVERNANCE

Secondment Governance: The Three-Way Relationship a Handshake Can't Cover

Both organisations carry a WHS duty during a secondment. An informal arrangement leaves both unclear which

A staff secondment, lending an employee to a partner organisation, a government body, or an affiliated association for a defined period, can be a valuable arrangement. Handled through a handshake and a few emails rather than a written agreement, it is also a source of legal risk that leaves the seconded employee vulnerable and both organisations exposed.

Which rules apply to your association?

The law depends on how your association is set up. A **company limited by guarantee** follows the Corporations Act 2001 (Cth) and its constitution. An **incorporated association** follows its state or territory associations Act and its rules. A **registered charity** also follows the ACNC Act and the ACNC Governance Standards, and some Corporations Act rules are replaced for charities that are companies. Check your own governing documents, and get advice before decisions with legal consequences.

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Why A Secondment Is A Three-Way Arrangement

A secondment creates a relationship involving three parties, the employee, the home organisation that remains their legal employer, and the host organisation directing their day-to-day work, and each of these relationships needs its own clear terms. The most common practical arrangement keeps the home organisation responsible for tracking and paying the employee's salary, superannuation, and leave entitlements, and for maintaining workers' compensation coverage, even while the host organisation directs the actual work being performed. Workers' compensation is state and territory based, so confirm with your insurer that the seconded employee remains covered, particularly if the host is in another state or overseas. The employee's contract, or an applicable award or enterprise agreement, may also require their consent to the secondment. This split is a sensible default, but it needs to be explicitly agreed in writing rather than assumed, since either party could reasonably interpret an informal arrangement differently once a dispute or incident actually arises.

The Dual WHS Duty Most Informal Secondments Overlook

Under the WHS laws in most jurisdictions, both the home and host organisations owe health and safety duties to the seconded worker and must consult, cooperate and coordinate with each other, the multi-employer obligation this series discussed earlier in the WHS context. Victoria's Occupational Health and Safety Act 2004 uses different provisions, so Victorian associations should check the equivalent duties. The host organisation typically controls the actual workplace, induction, and day-to-day supervision, while the home organisation retains an ongoing duty of its own. A secondment agreement should specify which party handles induction, hazard reporting, and incident response, rather than leaving both organisations to assume the other one has it covered. An informal secondment arrangement does not

remove either organisation's WHS obligations. It simply leaves both of them unclear about which party is meeting the duty each of them still carries.

The Return Position Most Arrangements Never Specify

A specific, practical protection worth building into every secondment from the outset is a clearly defined return position, what role, and on what terms, the employee returns to once the secondment period ends. Leaving this vague creates real uncertainty and risk for the employee specifically, and a well-drafted secondment agreement gives the home organisation a clean, agreed mechanism for the arrangement to end without the ambiguity an informal understanding leaves behind.

- Never rely on a handshake or informal email exchange for a secondment arrangement, regardless of how well the two organisations already know and trust each other.
- Document which organisation remains responsible for salary, superannuation, leave entitlements, and workers' compensation coverage throughout the secondment period.
- Specify clearly which organisation handles WHS induction, supervision, and incident response, connecting directly to the multi-employer WHS coordination duty discussed earlier in this series.
- Agree in writing, before the secondment begins, what role and terms the employee returns to, and what happens if that role changes during the secondment, rather than leaving this to informal goodwill.
- Address confidentiality, intellectual property, and early termination terms explicitly, since a secondment exposes both organisations' information and working relationships to the other party.

A secondment agreement is not bureaucratic caution getting in the way of a valuable professional development opportunity. It is what actually protects the employee, and both organisations, from exactly the ambiguity that turns a well-intentioned arrangement into a dispute once something inevitably does not go entirely as planned.

This is one of the practical governance topics built into our Board Director course, alongside the papers, tools and frameworks that turn the principle into your board's actual practice. [Explore the course](#)

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BOARDROOM ACTION WORKSHEET

Secondment Governance: The Three-Way Relationship a Handshake Can't Cover

Turn the resource into evidence, a decision and an accountable next step. Keep the completed record in your association's approved board records system.

1 What is the issue or decision?

State the governance question in one clear sentence.

2 What evidence do we already have?

Record the facts, source documents and stakeholder evidence available now.

3 What evidence is still needed?

Identify the legal, regulatory, financial, member or operational information still required.

4 What is the agreed next action?

Capture the owner, timeframe and how the matter will return to the board.

Action owner	Review date	Board decision or resolution

General education, not legal, financial, tax, clinical or governance advice. Confirm specifics at the relevant primary source or with your own qualified adviser. Nexus Leadership is operated by Lipstick Consulting Pty Ltd · ABN 15 619 120 482.

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