

# Disallowed persons

This fact sheet explains the disallowed person requirements under the Skills First program.

## Background

The VET funding contract includes a defined category of people or organisations that you can't engage, employ, contract or otherwise deal with in connection with your contract. They are called a 'disallowed' person.

This is to minimise risks to the integrity of the Skills First program and to ensure that the Victorian Government only funds high-quality training that meets ethical standards.

## Who can be a 'disallowed' person?

A disallowed person can be either:



an 'organisation' (including a body corporate, partnership, association, government or local government authority or agency)



a 'natural person' (an individual).

## Organisations

For an organisation to become 'disallowed', it must have been a registered training organisation (RTO) that was either:

- subject to one of the events described in the definition of disallowed person
- responsible for them by either their acts or omissions.

This applies whether or not the RTO had a contract with us.

## Individuals

For an individual to become 'disallowed', they must have been a relevant person at an RTO that was either:

- subject to one of the events described in the definition of disallowed person
- responsible for them by either their acts or omissions.

A relevant person means someone at a sufficiently high level within an organisation to have exercised a material degree of control or influence over the management or direction of the organisation in relation to training delivery.

This means they would have a high level of control over any conduct that could lead to a contract termination.

Check the contract for how we define the 'relevant person' or submit an enquiry via [SVTS](#) if you need further information.

## Disallowed person events

Both RTOs and relevant persons at RTOs can become a disallowed person if, since 1 January 2011, the RTO has been subject to either:

- a VET funding contract termination
- a termination of any equivalent funding arrangement in another state or territory, or removal of commonwealth approval to offer VET student loans.

The termination must be for a performance reason. Ending a contract voluntarily or if the government terminates contracts for a group of RTOs for policy reasons are not performance reasons.

## We consider disallowed persons when making decisions

We may ask if you employ or have engaged disallowed persons when we:

- award contracts during a provider selection process
- consider a notice of a change in control
- assess your application to subcontract training and assessment.

These scenarios don't limit your ongoing obligation to not engage, employ, contract or otherwise deal with disallowed persons in connection with the contract.

## Do your due diligence

We don't hold a list of disallowed persons. It's your responsibility to do due diligence when employing staff or entering contracts with individuals or organisations.

This includes making sure that anything they do on your behalf will still meet your obligations under the contract.

As part of your due diligence, consider:

- Were they a relevant person at the previous organisation?
- Was the contract terminated for performance reasons?
- What was the person's position relative to the termination?

Regardless of the role an individual might take in your organisation, you must consider their previous roles.

## Due diligence about contract terminations

You should use all the information that is publicly available to you:

- We publish a [list of contract terminations](#) since mid-2015.
- You should also research the websites of other government departments or agencies that fund VET.