

2025

**THE LEGISLATIVE ASSEMBLY FOR THE
AUSTRALIAN CAPITAL TERRITORY**

ELEVENTH ASSEMBLY

**ACT Integrity Commission Special Report Operation Luna - Part Two
Ministerial Response**

**Presented by
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Minister for Skills, Training and Industrial Relations**

2025

BACKGROUND

1. On 23 June 2022, the ACT Integrity Commission ('the Commission') announced its decision to investigate the circumstances surrounding the awarding of over \$8.5 million in consultancy contracts by the Canberra Institute of Technology ('CIT') to entities associated with Mr Patrick Hollingworth ('the consultant'). The Commission named the investigation 'Operation Luna'.
2. On 20 July 2023, the ACT Auditor-General gave the Performance Audit Report No.5 of 2023 on the Activities of the Government Procurement Board ('Auditor-General's Report') to the ACT Legislative Assembly ('the Assembly'). The Auditor-General's Report included a case study of the CIT procurement proposal and the consultant's contracts. The ACT Government responded to the Auditor-General's Report and subsequently made amendments to the *Government Procurement Act 2001* and *Government Procurement Regulation 2007* via the passage of the *Government Procurement Amendment Act 2024*. The amendments commenced on 19 February and 1 July 2024.
3. On 27 June 2024, the Commission gave the Speaker of the Assembly a Special Report titled 'Special Report - Operation Luna (Part One)' ('the Part One Report') in accordance with section 213 of the *Integrity Commission Act 2018* (IC Act). The Part One Report was prepared pursuant to section 206 of the IC Act and considered the conduct of the then CIT Chief Executive Officer (CEO), Ms Leanne Cover, and the then CIT Board Chair, Mr Craig Sloan, and specifically whether they failed to meet their duty to disclose key contract details to the CIT Board and the responsible Minister. In the Part One Report the Commission made a finding of serious corrupt conduct in relation to the conduct of the former CIT CEO Ms Cover.
4. On 27 August 2024, in accordance with section 215 of the IC Act, the former Minister for Skills and Training Chris Steel MLA prepared and presented a written response to the Assembly. The Minister accepted the Commission's findings in the Part One Report.
5. On 25 July 2025, the Commission gave the Speaker of the Assembly a Special Report titled 'Special Report (Part 2) Canberra Institute of Technology' ('the Part Two Report') in accordance with section 213 of the IC Act. The Part Two Report was prepared pursuant to section 206 of the IC Act and focusses on the sixth contract entered into between CIT and the consultant.
6. This is the second report of the Commission that relates to Operation Luna. In the Part Two Report the Commission makes adverse findings and concludes that the conduct of Ms Cover and Mr Andrew Whale, then Executive Director Education and Training Services, CIT, amounted to serious corrupt conduct as defined in section 10 of the IC Act.

MINISTERIAL RESPONSE

7. As the Part Two Report makes a finding of serious corrupt conduct, the Minister responsible for the ACT Public Sector entity is required to present a response to the Assembly within four months.¹
8. This response is provided in accordance with section 215 of the IC Act.
9. As the Operation Luna investigation continues this response is confined to the matters examined and conclusions reached by the Commission in the Part Two Report.

Commission's Findings

10. The ACT Government notes the Commission's Part Two Report presented to the Assembly pursuant to section 213 of the IC Act.
11. The Part Two Report makes adverse findings in relation to the conduct of Ms Cover and Mr Whale.
12. No recommendations have been made for Government consideration or action.

Relevant findings of fact

13. In the Part Two Report the Commission examined whether corrupt conduct occurred in relation to the negotiations, payment schedule, and procurement process associated with the sixth contract between CIT and the consultant.

Advance payments

14. The sixth contract required CIT to pay substantial amounts of the contract, worth a total price of \$4.99 million, in advance of the services being delivered. One third of the contract price was to be paid on execution of the contract, with ensuing instalments also payable in advance of the services to be provided. As a result, with 10 months still to run on the contract, over 80 per cent of the contract price would have been paid, and 99 per cent of the contract price would have been paid upon completion of slightly more than 80 per cent of the contracted services.
15. The Commission notes that the substantial advance payments under the contract were unusual, particularly because the services to be provided did not require upfront investment, or significant amounts, for the contracted services to commence or be undertaken. The Commission ultimately found discrepancies and misrepresentations of the justification for the advance payment.

The justification for advance payments

16. The material in the Brief to the delegate to approve CIT's entry into the sixth contract with the consultant was a key focus of the investigation. This Brief was prepared by Mr Whale and executed by Ms Cover. The Brief was an essential part of the procurement process since it provided the administrative justification for execution of the agreement by Ms Cover as Delegate for CIT.
17. The Commission provides that the consultant sought advance payment of the contract as they were concerned about the possibility of media controversy and that the

¹ In accordance with section 215 of the IC Act.

Government or the CIT Board intervention might forestall the making of the proposed contract or that it could be cancelled after commencement. It is noted that the consultant also advised in their initial tender for the contract that they would reduce their tender price of \$5.68 million, to \$4.99 million, if the whole amount was paid in advance on execution of the contract.

The obligations on Ms Cover and Mr Whale

18. The Commission provides that in relation to negotiating the terms of the contract, Ms Cover and Mr Whale were obliged to act solely in the interest of the Territory.
19. The Commission states that *'[n]o public official, acting with probity in the interests of the Territory, would enter into a contract that exposed the Territory to such a substantial risk on the basis that the contractor was concerned that the contract might be cancelled because it might attract controversy or be regarded as inappropriate by the Board, the government or a new agency executive'*.²

The consequence of the conduct

20. The Commission ultimately found that the fabricated justification for approving advance payments to the consultant, prepared by Mr Whale and endorsed by Ms Cover, facilitated the execution of a contract that delivered substantial commercial benefit to the contractor, at the expense of the Territory.
21. The consequence of the advance payments for the Territory was that in the event of a breach of contract it would be *'practically impossible or, at least doubtful and difficult'*,³ for the payment of damages or recovery of amounts to occur.

The Commission's conclusions

22. The Commission concluded that *'this was not a case where relevant information was omitted from or false information inserted in a document to merely cover up some unfortunate mistake'*. Instead, *'a fictional narrative was placed in a crucial authorisation with the intentional effect of enabling a multimillion-dollar procurement to be contracted in a form which gave substantial commercial and financial gain to the contractor at the cost of the Territory and deflecting or misleading scrutiny or inquiry'*.⁴
23. The Commission further concluded that *'the conduct seriously undermined the probity of the procurement process, enabled a substantively unjustified contract and, additionally, was directed to obstruct or hinder administrative and government oversight. It would inevitably threaten public confidence in the integrity of government or public administration'*.⁵

² Special Report (Part 2) Canberra Institute of Technology (July 2025), ACT Integrity Commission [86] p46.

³ Ibid, [86] p45.

⁴ Ibid, [118] p64.

⁵ Ibid.

Mr Andrew Whale (former Executive Director Education and Training Services of CIT)

Adverse findings

24. The Commission found that Mr Whale's conduct satisfies the definition of 'corrupt conduct' under section 9 of the IC Act.⁶ The Commission also found that Mr Whale's conduct satisfies the definition of 'serious corrupt conduct' under section 10 of the IC Act.
25. The Commission found that as part of the procurement process for the sixth contract, a document was created containing false and dishonest statements, which were known to Mr Whale. The document was presented as evidence of compliance with Territory procurement requirements.
26. The Commission concluded that *'intentionally making a false statement in an official record of a procurement process must constitute serious wrongdoing,'* and *'[f]or a public official to create (or be a party to the creation) of a fraudulent document of this kind plainly amounted to very serious wrongdoing'.*⁷

Mr Whale's justification for advance payments

27. The Brief provided on behalf of the Contract Negotiation team by Mr Whale, recommending endorsement of the proposed contract, stated that advance payments were being made to enable the small to medium business to make the necessary acquisitions and put resourcing and materials in place.
28. Conversely, the Commission's investigation found that *'it was never envisaged that the cost of acquisitions, resourcing or materials was required to be defrayed in advance to enable Mr Hollingworth to undertake the contract'.*⁸ The consultant did not identify any such needs, or request any payment related to this purpose. These reasons were not also mentioned during negotiations but were relied upon to justify the advance payments.
29. Mr Whale gave a different justification of the need for advance payments in evidence to the Commission, providing that the pre-payments were required due to the urgency of work and that the consultant had, prior to the commencement of the contract, already arranged for staff to undertake preliminary work before the contract had actually started, to enable work to start immediately on execution of the contract. The Commission found this explanation untrue.
30. The Commission concluded that the *'fictional explanation* [about the advance payments in the Brief] *was carefully elaborated and deliberately inserted to mislead'.*⁹

Misleading statements relating to PACT, GPB and ACTGS

31. The Brief also included misleading statements about the extent of reliance on interactions with Procurement ACT (PACT), the Government Procurement Board (GPB), and the advice of the ACT Government Solicitor's Office (ACTGS).

⁶ Specifically, section 9(1)(a)(ii) and (iii) and possibly (i), and section 9(1)(b)(i) and (ii)(A).

⁷ Special Report (Part 2) Canberra Institute of Technology (July 2025), ACT Integrity Commission [100] p56.

⁸ Ibid, [6] p6.

⁹ Ibid, [85] p45.

32. The Brief stated that the Contract Negotiation team *'has ensured probity at all times emerging from the Procurement Process and relied heavily on advice from the GSO [ACTGS] and ACTIA [ACT Insurance Agency] during negotiations to ensure decisions made to enable this Agreement are robust and provide value for money for the Territory'*.¹⁰ It further provided that relevant agencies were consulted throughout the course of the procurement.
33. The Commission concluded that it was not accurate to state those agencies were consulted *'throughout'* the course of the procurement, and that the Brief contained misleading statements as to the extent of reliance on interactions with PACT, GPB and ACTGS. PACT and GPB were not consulted on or advised about the advance payments; with the last documentation they received regarding the draft contract providing for payments to be made monthly in arrears of the services provided. ACTGS were also limited by CIT in the advice requested they provide on the draft contract, noting that the advance payment schedule was "a commercial matter for CIT" (in accordance with CIT's written instructions). These assertions were a fabrication and seriously misleading.
34. The Commission states that Mr Whale knew the draft contract was significantly different to the one considered by the PACT and GPB (and the one which went to market), and that it had not been referred back to them in its ultimate form.

Ministerial response

35. The Government notes the Commission's findings in relation to Mr Whale's conduct, including that the conduct could or might amount to a criminal offence/s (in addition to the conduct constituting a serious disciplinary offence and reasonable grounds for dismissal, dispensing or termination of their services). The Government is aware that the Commission has provided a copy of the Part Two Report to the Director of Public Prosecutions.
36. The Government notes that Mr Whale is no longer employed by the ACT Government.
37. Recognising procurement as a priority area for reform, the Procurement Reform Project was established in February 2022 to determine changes that needed to be made to the procurement framework to deliver efficient, effective, and accountable business outcomes, and to meet the policy objectives of Government, and otherwise strengthen procurement practices across the ACT public service.
38. The resulting Procurement Reform Program identified three focus areas as key to achieving reform:
- a. Transparent, evidence-based procurement decisions which are conducted with probity and which can withstand scrutiny;
 - b. Support for our workforce, local industries and businesses through clear roles and the delivery of consistent, accurate, timely, practical and customer-focused services through all phases of the procurement lifecycle; and
 - c. Streamlining legislative framework, policies, processes and templates to ensure that they are efficient and can facilitate timely procurement outcomes.
39. Under the Procurement Reform Program:

¹⁰ Ibid, [87] p46.

- a. The *Government Procurement Act 2001* was amended, among other things, to clarify the definition of value for money;
- b. The purpose of the function of the Government Procurement Board in the *Government Procurement Act 2001* and Government Procurement Regulation 2007 have been enhanced to include risk-based thresholds for review of procurement in addition to monetary thresholds. These include review of variations to procurement contracts not contemplated during the initial approach to market;
- c. The Goods and Services accreditation program for territory entities undertaking procurement allows entities to receive tiers of procurement services commensurate with the scale, scope and risk of a procurement and an entity's accreditation level;
- d. Central probity advisory services for procurements are available free of charge, across the ACT Public Service. This includes a procurement hub, an eNewsletter and a procurement community of practice to share knowledge and better practice; and
- e. Procurement ACT continues to develop eLearning modules as well as deliver bespoke training for delegates and decision makers.

Ms Leanne Cover (former CEO of CIT)

Adverse findings

40. The Commission found that Ms Cover's conduct satisfies the definition of 'corrupt conduct' under section 9 of the IC Act.¹¹ The Commission also found that Ms Cover's conduct satisfies the definition of 'serious corrupt conduct' under section 10 of the IC Act.

Knowledge of the false justification for advance payments

41. The Part Two Report provides that Ms Cover, on behalf of CIT, relied on the Brief to authorise entry into and execution of the sixth contract with the consultant.

42. The Commission found that Ms Cover knew the justification given in the Brief for advance payments was false.

43. The Commission stated that the consultant had explained the advance payments to Ms Cover in a phone call (meeting) that occurred during negotiations on the contract, which did not refer to any need for preparatory work or acquisitions as reflected in the Brief Ms Cover subsequently endorsed.

44. The Commission ultimately found that *'it is not credible that she [Ms Cover] was not concerned to understand the key point being made by Mr Hollingworth that the fixed sum paid in advance and not dependent on progress was an essential condition for his entry into the contract if this was discussed'*¹² in this phone call/meeting.

45. The Commission stated that Ms Cover accepted the references by the consultant to 'certainty' as their justification for the advance payments, and as a prerequisite to the consultant agreeing to the contract.

46. The Commission provides that Ms Cover was also kept informed of the progress of the contract negotiation and the variations in the proposed payments in advance by Mr Whale and others.

47. The Commission concludes that Ms Cover *'did not actually believe that the payment schedule could be, let alone was, justified for the reasons she gave [as evidence to the Commission] or as stated in the Brief'*.¹³

Knowledge of misleading statements relating to PACT, GPB and ACTGS

48. The Commission also concluded that Ms Cover was aware that the contract to be endorsed by the Brief was significantly different to the draft contract considered by the PACT and GPB (and the one which went to market), and that it had not been referred back to them in its ultimate form. The Commission provides that Ms Cover knew that references in the Brief to the PACT and GPB (and ACTGS advice to a lesser extent) were a fabrication and seriously misleading.

¹¹ Specifically, section 9(1)(a)(ii) and (iii) and possibly (i), and section 9(1)(b)(i) and (ii)(A).

¹² Special Report (Part 2) Canberra Institute of Technology (July 2025), ACT Integrity Commission [45] p24.

¹³ Ibid, [94] p52.

Ministerial response

49. The Government notes the Commission's findings in relation to Ms Cover's conduct, including that the conduct could or might amount to a criminal offence/s (in addition to the conduct constituting a serious disciplinary offence and reasonable grounds for dismissal, dispensing or termination of their services). The Government is aware that the Commission has provided a copy of the Part Two Report to the Director of Public Prosecutions.
50. The Government notes that Ms Cover resigned from her position as CEO of CIT and is no longer employed by the ACT Government.