



Memo to: Mayor Watton

Copy to: All Councillors, General Manager, Directors, Senior Leadership Group and Communications & Engagement Team

From: Robert Maginnity, Director Corporate and Community Services

Subject: Costs in relation to Cessnock Airport Legal Matter Finalisation

Date: 3 February 2026

Reference: CRM 1843/2026

Mayor Watton

I refer to your request of 24 January 2026 in relation the Councillor memo dated 18 July 2025 regarding costs associated with the Cessnock Airport legal matter finalisation.

Could I please have some more clarity regarding the below figures? Specifically, what was the final cost to council overall.

As a summary, the airport matter commenced in the early 2000s, when a licence agreement was entered into, with an agreement to transfer to a lease, upon completion of works at the airport in 2011. These works did not occur.

The company ceased operating and was deregistered in 2015 with the Council becoming the owner of the hangar. When the company re-established itself in the subsequent years, it filed a suit for breach of contract.

Council was awarded costs from the original hearing in 2021 however this was overturned on appeal in 2023 and ultimately that decision was upheld by the High Court in 2024.

The final cost to Council for the airport matter has been reported in various reports over time, including:

- CC60/2023 – Financial Statements for the year ended 30 June 2023 – Referral for Audit and Council Certification
- CC2/2024 – Annual Financial Statements for the year ended 30 June 2023
- DOC2025/144517 - Councillor Memo _ Cessnock Airport Legal Matter Finalisation _ 18 July 2025

The total cost to Council for this matter was \$8.55m inclusive of Council's legal costs and settlement payments.

In terms of the financial sustainability of Council, it should be noted that while legal costs in general play a part in the challenge Council faces, they are not the root cause. The costs for this matter for instance were made over a period of approximately 10 years. Overall council financial sustainability challenges remain structural in terms of long term underfunding from the rate peg, and asset maintenance and renewal costs.

Please note a copy of this memo will be uploaded to Council's website.

Enclosed: DOC2025/144517 Councillor Memo _ Cessnock Airport Legal Matter Finalisation