

21 January 2025

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## ECONOMIC MEMORANDUM

To: Minister of Justice  
c/- Alisa Neal  
Senior Associate  
Barkers & Associates  
Email: AlisaN@barker.co.nz

RE: MINUTE 2 OF THE EXPERT PANEL 19 DECEMBER 2025

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### INTRODUCTION

Minute 2 of the Expert Panel has requested the Applicant provide further information. This memorandum provides responses to the economic matters raised in Minute 2.

**Question: To what extent do time delays in hearings due to insufficient capacity influence 'regionally significant' infrastructure?**

Property Economics understands that the existing capacity constraints at the Waitākere Courthouse periodically require matters originating in West Auckland to be heard at alternative courthouses elsewhere in Auckland. This spillover to other courthouses in the region places an additional burden on Auckland's regional justice system infrastructure. These adverse impacts on other courthouses in the region are likely to continue to grow without additional capacity at the Waitākere Courthouse. This also represents an inefficiency as parties, counsel, witnesses, and agencies who are predominantly dealing with a West Auckland matter are required to incur additional travel time and costs. Increasing courtroom capacity at a localised level reduces these inefficiencies and improves the Court's / justice system's ability to service the West Auckland market in a timely and cost-effective manner.

Furthermore, West Auckland is experiencing rapid growth following the successful subdivision in Hobsonville and the ongoing development around Westgate and Whenuapai. Although the court demand depends on more than just population, assuming ceteris paribus we would expect this growth to place increasing demand on West Auckland's justice system.

As discussed by the Chief District Court Judge Heemi Taumaunu<sup>1</sup> the District Court experienced a significant backlog of criminal cases, reaching approximately 5,450 cases in January 2022. While this backlog was exacerbated by COVID-19 lockdowns, it followed an upward trend that had been evident since at least 2017. Judge Taumaunu identified a range of measures implemented to improve the efficiency of the court system and address these pressures. As a result of these interventions, the criminal case backlog has since reduced to approximately 2,557 cases by July 2025. Although these procedural changes have successfully reversed the trend, additional court capacity is likely to

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<sup>1</sup> [NZLS | Progress towards timely access to justice](#)

significantly support these efforts in improving delays in our Justice System within the Auckland Region.

Reducing delays in our justice system has a range of benefits, particularly to the community and the timely administration of justice. However, economically, the most significant impact relates to delays in the Civil Court and the Disputes Tribunal.

Research undertaken by Müller (2022)<sup>2</sup> in the United States examined how delays caused by congested bankruptcy courts affect the cost and availability of credit. The paper shows that when courts are busier, bankruptcy proceedings take longer and creditor recoveries become more uncertain. Lenders anticipate this enforcement risk and respond by charging higher interest rates, shortening loan maturities, and tightening credit terms ex ante. These economic effects are observed even before firms enter distress, indicating that court delays are priced into credit contracts as a systematic risk. The study provides empirical evidence that slower judicial processes worsen firms' risk profiles by reducing the credibility and timeliness of debt recovery, thereby increasing financing costs and constraining investment.

Consequently, it is our view that improvements to the court systems that reduces time delays in hearings within Auckland, particularly financial disputes, has regionally significant impacts on Auckland's economy.

**Question: The economics assessment appears to confine economic activity to development and construction employment. Is that the only regionally significant benefit. For example, why has the economic assessment not addressed the importance of this project as a keystone project within the Auckland Urban Development Office (formerly Eke Panuku) Unlock Henderson or the opportunity to redevelop the site vacated by the current District Court in the context of Henderson?**

Although our economic assessment was focused on the economic activity generated by the development itself, which is the primary economic benefit, the project represents a significant development within the Henderson Metropolitan Centre.

The Henderson Metropolitan Centre plays an essential role in the West Auckland community. However, the centre has struggled in recent years, particularly with the growth of Westgate as the major commercial centre around which growth has been centred. This has been exhibited through a significant reduction in business activity, including, for example, a 31% reduction in Retail Trade Employment since early 2000.

The redevelopment of the Waitākere District Court, therefore, represents a significant development that will support the Council's revitalisation goals set out in the Unlock Henderson plan<sup>3</sup>. The additional court capacity will increase the level of ongoing activity around the Court House as well, which supports local retail and Food and Beverage services in the centre.

Although this may not be significant for the Auckland Region based on a single economic metric, it is significant for the West Auckland sub-region, the historical Waitākere City territorial authority. As

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<sup>2</sup> [Busy bankruptcy courts and the cost of credit - ScienceDirect](#)

<sup>3</sup> [neighbourhoods\\_henderson02d2\\_2a\\_henderson-high-level-project-plan-part-one.pdf](#)

discussed in the Waihi- North Fast Track decision<sup>4</sup>, the expert panel did not see “regional” to mean the regional council area, but rather regional in a more general sense, which for their purposes, meant the Hauraki District. We have adopted a similar approach to ‘regional significance’ with project as no one development in Auckland is likely to reach a regional (geographic) level of significance adopting a strict metric approach. Under this methodology, the positive contribution to the economic environment of Henderson Metropolitan Centre could be considered regionally significant and the new courthouse a regionally significant asset.

However, we do not consider the additional redevelopment potential on the existing court site to be a net benefit, as it effectively comes at the cost of utilising the development potential on the new court site.

**Could Property Economics please comment on these matters in terms of regional benefits?**

This is incorporated in the answers to the two queries above.

If you have any queries, please give me a call.

Kind Regards

**Tim Heath**  
Director

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<sup>4</sup> [Waihi North Decision Report](#) [ para 845]