



Value for Money Review of Public Defence Service

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Final Report

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Preface

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Executive summary

Introduction

This value for money analysis of the Public Defence Service (PDS) has been prepared for the Ministry of Justice to inform consideration of expanding the PDS outside Manukau and Auckland. It builds on our May 2008 Evaluation of the Public Defence Service Pilot.

That evaluation found that the PDS represents value for money and has, or has the potential to have, a number of positive effects on the legal aid system and the wider criminal justice system. In particular it:

- maintained or improved the quality of legal aid services
- did not impact on defendants' right to choose their lawyer
- did not adversely impact on private lawyers' ability to practice
- provides opportunities for the mentoring and training of junior lawyers.

This value for money analysis considers a narrower set of questions than the May 2008 evaluation and considers:

- the comparative cost of provision of private and PDS provision
- the impact on case outcomes, including for Māori and Pacific Island peoples
- the impact on court time costs.

However, it goes beyond the May 2008 evaluation in including consideration of more recent data and we have verified the calculation of comparative costs of provision performed by the Legal Services Agency. Previously we relied on their calculation, as directed.

Limitations

This analysis is based on data provided by the Ministry of Justice, some of it originally sourced from the Legal Services Agency. We have not audited the data itself, and so our analysis and conclusions are dependent on its accuracy. Some of the data does not extend to coverage of 2008 cases finalised in 2008 and the currency of our conclusions is limited accordingly.

Similarly, the May 2008 evaluation was a review and synthesis of the body of evaluation work conducted by Victoria University of Wellington's Crime and Justice Research Centre (CJRC).

All aspects of this analysis are underpinned by the assumption that the case mixes handled by PDS and private provision are comparable. We have controlled where appropriate for case complexity and ethnicity, but the fact remains that each case is different. In a number of

instances, there are unexplained variations between years and locations. This means that any differences in results for PDS and private provision should be interpreted with caution.

Findings

Cost of provision

The cost of actual PDS provision was compared with the estimated cost of private provision of the same case mix by using the actual average costs of private provision for cases of equivalent complexity (ie categories 1, 2, 3 and 4).

Table 1: Comparison of total cost of provision

\$ 000	2004/05		2005/06		2006/07		2007/08	
	Auckland	Manukau	Auckland	Manukau	Auckland	Manukau	Auckland	Manukau
Total cost of PDS provision	1,135	705	1,482	980	1,614	1,144	1,621	1,104
Estimated cost of equivalent private provision	1,110	888	1,540	1,124	1,272	1,399	1,757	1,680
(savings)/premium of PDS provision	25	(183)	(58)	(144)	342	(255)	(136)	(576)
	(158)		(202)		87		(712)	
% of estimated cost of equivalent private provision	2 %	(21%)	(4%)	(13%)	27 %	(18%)	(8%)	(34%)

The cost of PDS provision is less in all instances, except Auckland in 2004/05 (by a small amount) and 2006/07 (where it was 27% more expensive). The reasons for this are not fully clear but a contributory factor may be a reduction in PDS cases in 2006/07, leading to a higher unit cost of PDS provision. With that exception, PDS provision overall offers substantial savings compared with the estimated cost of equivalent private provision.

Impact on case outcomes

Overall, the conviction rate for PDS clients was 69% compared with 71% for private clients. This is not statistically significant. However, the difference appears to be greater for the more serious cases. For cases with a seriousness rating of 1000 or more (such as more serious cases of aggravated robbery, and sexual violation¹) the conviction rate for PDS clients was 29% compared with 54% in private provision. This is statistically significant at the 90% confidence level. We conclude that there is no significant difference in outcomes for the majority of clients, but there is some inference of an advantage for clients charged with the more serious offences.

The conviction rates for Māori and Pacific Islanders is consistent with this overall pattern – they do not appear to be subject to any disadvantage from using the PDS.

¹ This category also includes rape and murder cases, but the numbers are very small.

Impact on case flow and court costs

The case flow of PDS cases is broadly similar to that for private cases, except that a greater portion of private cases go to a jury trial.

Table 2: Comparison of case flow, PDS vs private provision

Provision		Jury Trial	Pre Jury	Defended Hearing	Pre Hearing	Undeferred	Total
PDS	No of cases	3	25	130	143	90	391
	Distribution	1%	6%	33%	37%	23%	100%
Private	No of cases	56	90	500	385	216	1247
	Distribution	4%	7%	40%	31%	17%	100%

Note: Analysis based on data set provided. This covers cases finalised in 2006, 2007 and a small number in 2008.

The difference in the portions of cases going to jury trials is statistically significant, and since jury trials are expensive, contributes to the overall financial picture. We estimate that the annual saving in court time, including judge and jury of the jury trials avoided is of the order of \$400,000. In addition, it is likely that there will have been a significant saving in prosecution time.

It should be noted that the sample of cases which we were provided relates to cases commencing in the period July to December 2006. It would be appropriate to confirm the picture with more recent data.

Conclusion

The foregoing analysis has established that the PDS provides at least as good a service to clients in terms of conviction rates and there is some inference that it offers an appreciably better service for the more serious offences. Māori and Pacific Islanders benefit from this overall pattern. Furthermore, our May 2008 evaluation found that the PDS has, or has the potential to have, a number of positive effects on the legal aid system and the wider criminal justice system.

Issues of statistical significance and methodology suggest caution in assessing the quantum of any savings resulting from the use of the PDS. However, consideration of the cost of provision and of the impact on the value of court time both suggest that it offers value for money.

The cost of provision fluctuates from year to year and by location, but overall is lower than the equivalent cost of private provision of the same case mix. However, as noted, the cost of PDS provision was higher than the estimated equivalent cost of private provision in Auckland in 2006/07. A contributory factor is likely to have been a dip on the number of PDS cases leading to higher unit costs. This is because the PDS has relatively fixed costs. A fixed cost structure is

suited to a situation where volumes are stable. It can be appropriate as part of a mixed model of provision on a more volatile context, but requires appropriate management.

The case flow of PDS led to a two thirds reduction in the in the number of jury trials and material savings in court time and costs.

These conclusions lend support a decision to roll out the PDS to new locations. However, any such decision should take into account: the ability to manage changes in demand; establishment costs; and any cost of capital. It would also benefit from the analysis of the case flow and outcomes of more recent cases than in the sample provided to us.

Introduction

This review of Value for Money of the Legal Service Agency's (LSA) Public Defence Service (PDS) has been carried out at the request of the Ministry of Justice. The Ministry of Justice intends to use the findings as an input, alongside other material including our previous May 2008 evaluation, to assess the appropriateness of any expansion of the PDS service outside Manukau and Auckland.

Our May 2008 evaluation found that the PDS represents value for money and has, or has the potential to have, a number of positive effects on the legal aid system and the wider criminal justice system. In particular it:

- maintained or improved the quality of legal aid services
- did not impact on defendants' right to choose their lawyer
- did not adversely impact on private lawyers' ability to practice
- provides opportunities for the mentoring and training of junior lawyers.

This value for money analysis considers a narrower set of questions than the May 2008 evaluation and considers:

- the comparative cost of provision of private and PDS provision
- the impact on case outcomes, including for Māori and Pacific Island peoples
- the impact on court time costs.

However, it goes beyond the May 2008 evaluation in several respects:

- The comparative cost of provision has been extended to include all of financial year 2007/08. It previously finished in March 2008.
- We have verified the analysis of the comparative cost of provision undertaken by the LSA. Previously we relied on their calculation as agreed. In both cases we have relied on their underlying source data.
- We have attempted to attribute a monetary value to the impact on court time subject to certain assumptions.
- We have compared case outcomes based on conviction rates, including looking at the data for Māori and Pacific Islanders.

In carrying out the review, questions of effective management or procedural adequacy were placed outside scope – we were asked to compare the PDS with the private provision model as both currently operate in practice.

Approach and limitations

This analysis is based on primary data provided to us by the Ministry of Justice. Some data was originally sourced from the Legal Services Agency. We have not audited the data itself, and so our analysis and conclusions are dependent on its accuracy.

Similarly, the May 2008 evaluation was a review and synthesis of the body of evaluation work conducted by Victoria University of Wellington's Crime and Justice Research Centre (CJRC).

Overview of the Public Defence Service

Legal Aid context

Legal Aid is a scheme funded by government which pays a lawyer's fees where a person cannot afford a lawyer to represent them in court.² There are two kinds of legal aid: criminal and civil/family. Criminal legal aid is available for people charged with most criminal offences. Civil/Family legal aid is available for private disputes and non-criminal disputes that may go to court.

Legal Aid is delivered by approved legal aid lawyers listed with the LSA. They are paid a fee by the LSA for each case. Listed lawyers are eligible to deliver services to legal aid clients within the constraints placed on them by their Criminal – Proceedings Category.³ This system aims to ensure that the experience of legal aid lawyers is matched with the seriousness of the alleged offence and the complexity of the proceedings.

Criminal defendants can apply for legal aid prior to their attendance at court or on the first day at court. In the latter case, the court duty solicitor provides free legal help on the first day and assists the defendant to apply for legal aid. When applying for legal aid, potential recipients either choose a lawyer to represent them, or, if no preference is expressed, LSA grants officers will allocate a lawyer on rotation. The rotation system allocates assignments to lawyers with appropriate experience and case categorisation.

Prior to the introduction of the PDS pilot, all approved legal aid lawyers were private lawyers.

Public Defence Service

The PDS pilot was established in May 2004 by LSA as an in-house criminal legal aid service. It is headed by the Public Defender and employs salaried criminal lawyers, along with support staff, to take on up to one third of criminal legal aid cases in the Auckland and Manukau courts. The pilot concluded in August 2008 when the LSA Board agreed to make the service permanent.

The objectives of the PDS pilot were to:

- provide high-quality, consistent, independent, and value-for-money services to legally aided persons
- improve system flexibility and provide opportunities to test different approaches to meeting cultural and other needs of clients

² Access to legal aid is subject to certain eligibility criteria.

³ There are four Criminal – Proceedings Categories which govern which cases legal aid lawyers are permitted to undertake. Category 1 (4) cases are the least (most) serious and complex.

- improve the LSA's understanding of issues facing private practice lawyers when providing legal services to the public
- provide opportunities to test new and innovative approaches to management of legal services, and to encourage the development of areas of expertise.

Now the pilot has been completed, the objectives for the service are in draft.

The pilot was a new way of organising the provision of criminal legal aid defence that creates a mixed model of private and public provision. While the PDS changes the mix of criminal legal aid provision, it is not intended to:

- reduce the quality of services provided
- lower the level of access to justice
- deny private lawyers the ability to practice.

Summary of key PDS features

- PDS is a stand-alone service within the LSA, with its own separate structure
- The PDS operates in the Auckland and Manukau District Courts and may undertake work in the Auckland High Court, the Court of Appeal, and the Supreme Court
- Legal aid clients in the service area continue to have the ability to nominate preferred lawyers, whether private or public
- Clients who do not nominate a lawyer are allocated either a public or private lawyer by rotation. PDS is limited to 50% of all rotation cases
- PDS initially employed 19 staff (15 lawyers) but this has grown to 28 staff (20 lawyers)
- There are 2 PDS offices located near the Auckland and Manukau District Courts
- PDS has not marketed its services
- The service is limited to a maximum of one third of the total criminal legal aid caseload within the courts it covers.
- Since commencing in 2004, the service has grown from 1930 to 2645 cases per year, representing 24% of the total criminal legal aid caseload in the courts it covers
- The service deals mainly with the least serious category of criminal legal aid cases (90% of its cases are category 1)

Costs of Provision

How does the cost of PDS compare with private provision?

This section comments on the extent to which the PDS has provided value for money compared with the private sector model. It considers the efficiency by asking whether the PDS delivers the desired outputs at the same or lower cost than private provision.

We have based our approach on the methodology the LSA used to determine the efficiency of the pilot. The methodology is appropriate, but as with any cost modelling, necessitates making a number of assumptions. We set out below the implications of those assumptions on interpreting the results. In one instance we have used an alternative assumption.

Although we have tested LSA's calculations, we have not audited the financial information and related information on volumes provided. While we have no reason to doubt this information, we cannot reach unqualified opinions about the efficiency of the PDS for these reasons.

Approach to determining comparative cost of provision

The LSA estimated the comparative cost for private sector provision (equivalent to the notional revenue for PDS) as follows:

- Estimated private sector costs for case categories 1-3 were calculated by multiplying the number of cases finalised in a given period by private providers' average case cost for similar cases (in the same category) over the same period.
- Private providers average costs were calculated from data recorded in the LSA grants system. Specifically, average case costs were taken from all cases in the Auckland and Manukau courts. It comprises a yearly rolling average that is applied to all the cases for the year that match the specific court and case category.
- The LSA grants system includes a range of case costs within each category. Most case costs are clustered within a narrow range but there are some cases with costs far outside the normal bounds. The model therefore uses a restrictive average approach to avoid the skewing effect of these outliers.⁴
- Due to the unpredictable nature of category 4 costs, the LSA calculates the notional revenue generated for these cases by using actual solicitor hours billed for the case, rather than the approach outlined above. As category 4 cases represent a small number of cases and a low proportion of total revenue, this is unlikely to materially affect the results of the value for money assessment.

⁴ The restricted average uses threshold values, meaning that any provider case costs outside the threshold values are not included in the private provider average case cost calculation.

- For cases reassigned to the PDS from private lawyers, the estimated cost of private provision is based on:
 - average cost of private provision (where actual cost to PDS is > two-thirds of this average cost)
 - actual costs of PDS provision (all other cases).

This treatment is somewhat arbitrary, but the number of reassigned cases is low and does not materially affect the results.

The above process allows for comparison of total cost of provision. For a comparison of costs by location and case category, LSA allocated PDS costs as follows:

- Professional staff costs were allocated based on professional time as calculated using the total number of lawyer minutes on each category of case.
- Direct overheads (those relating to directly to Auckland and Manukau) were allocated based on numbers of cases.

An alternative approach is to allocate overheads on the basis professional time rather than numbers of cases. We have adopted this approach as most overheads will be driven on this basis. The effect of this is to increase the costs of more complex cases with an equal reduction in the costs of simpler cases.

In addition we have allocated indirect corporate overheads at a constant rate to all items except duty solicitor. These do not appear to have been allocated by LSA.

Table 3: Total cost of PDS provision versus estimated equivalent cost of private provision

\$ 000	2004/05 Auckland	2004/05 Manukau	2005/06 Auckland	2005/06 Manukau	2006/07 Auckland	2006/07 Manukau	2007/08 Auckland	2007/08 Manukau
TOTAL COST OF PDS PROVISION								
Not including reassigned cases								
Category 1	723	488	855	504	838	462	830	528
Category 2	88	30	95	42	152	82	262	85
Category 3	68	76	185	178	355	161	243	234
Category 4	220	83	323	234	152	373	146	137
Sub Total	1,100	678	1,458	958	1,498	1,078	1,482	984
Duty solicitor provision	-	-	-	-	73	20	70	59
Reassigned cases	35	27	23	21	43	46	69	61
Total	1,135	705	1,482	980	1,614	1,144	1,621	1,104
ESTIMATED EQUIVALENT COST OF PRIVATE PROVISION								
Not including reassigned cases								
Category 1	677	613	909	576	728	680	998	820
Category 2	90	65	141	84	92	81	186	139
Category 3	131	114	226	240	219	243	329	464
Category 4	182	71	243	198	125	313	120	110
Sub Total	1,080	864	1,519	1,098	1,164	1,317	1,634	1,533
Duty solicitor provision	-	-	-	-	73	20	70	59
Reassigned cases	29	24	21	26	35	62	53	88
Total	1,110	888	1,540	1,124	1,272	1,399	1,757	1,680
COMPARISON								
(savings)/premium of PDS provision	25	(183)	(58)	(144)	342	(255)	(136)	(576)
<i>% of estimated cost of equivalent private provision</i>	<i>2 %</i>	<i>(21%)</i>	<i>(4%)</i>	<i>(13%)</i>	<i>27 %</i>	<i>(18%)</i>	<i>(8%)</i>	<i>(34%)</i>

In interpreting the results shown in Table 3 regard must be given to the impact of case mix. Cases vary considerably in their duration even within categories. Variations in case mix are likely to contribute to the differences in average costs between years and locations and will be a factor in the difference between PDS and private provision.

Differences in Category 4 costs are an artefact of the overhead cost allocation model. To highlight the differences for Categories 1 to 3, the estimated cost of private provision is compared with the cost of PDS provision in Table 4.

Table 4: Relative costs of PDS and private provision, Categories 1 to 3

% (Savings)/Premium of PDS provision

	2004/05 Auckland	2004/05 Manukau	2005/06 Auckland	2005/06 Manukau	2006/07 Auckland	2006/07 Manukau	2007/08 Auckland	2007/08 Manukau
Category 1	7	(20)	(6)	(12)	15	(32)	(17)	(36)
Category 2	(2)	(54)	(33)	(50)	64	1	41	(39)
Category 3	(48)	(33)	(18)	(26)	62	(34)	(26)	(49)
Total for categories 1 - 3	(2)	(25)	(11)	(20)	30	(30)	(12)	(40)

In the table, (3) indicates that PDS provision was 3% cheaper than the estimated cost of private provision. The overhead cost allocation model appreciably affects the apportionment of costs between categories. Coupled with the variations year to year, and between locations, this suggests that little can be made of the differences between categories and so it is appropriate to focus on the total for categories 1 to 3.

Overall, PDS provision is cheaper than the estimated cost of private provision. A minor exception was Auckland in 2004/05. A major exception was Auckland in 2006/07. This outcome is attributable to both a relatively expensive cost of PDS provision in that year (based on average case costs compared with adjacent years) and a relatively low average cost of private provision (again compared with adjacent years.) There was a significant drop in the number of cases handled by the PDS in Auckland that year (987 versus 1210 in 2005/06 and 1250 in 2007/08). To the extent that the PDS is less flexible (in having fixed, salaried lawyers) than private provision in responding to changes in demand, that would contribute to the high average cost of PDS provision.

The extent of savings is consistently greater in Manukau than in Auckland, even though the cost of private provision in Manukau is consistently lower than in Auckland. We are not aware of any reason for the greater savings and this would be worth further investigation.

Impact on case outcomes

What is the impact on case outcomes, taking into account ethnic groups?

We analysed the impact on case outcomes, specifically looking at the conviction rates. Our analysis was based on the sample provided, which covered cases commencing in the period July to December 2006.

Conviction rates by case seriousness

We compared the conviction rates for PDS versus private sector provision, analysed by case seriousness. Each case is given a numerical serious rating. Since few cases have exactly the same rating, for this analysis we grouped the cases into seriousness categories as follows.

Table 5: Seriousness categories

SERIOUSNESS CATEGORIES

Category	Seriousness rating		Examples
	from	to	
A	0	1	Possession of class C drug, 1st or 2nd offence driving under influence
B	1	3	Shoplifting, trespass, repeat driving while disqualified
C	3	7	Breach of community work, possession of class A or B drug
D	7	10	Common assault
E	10	30	Male assaults female, theft of more than \$100, possession of offensive weapon
F	30	35	Male assaults female
G	35	50	Assault on child, cannabis dealing
H	50	75	Firearms offences, fraud
I	75	140	Assault with intent to injure
J	140	500	Assault with offensive weapon
K	500	1000	Wounding with intent, aggravated robbery, supply of class A
L	1000	7000	Aggravated robbery, sexual violation, rape, murder

Offences may span more than one category according to the seriousness, and combination with other offences

The thresholds between categories are inevitably somewhat arbitrary. They were selected to provide any insights over the greatly varying degree of seriousness of individual cases, and keep the categories of similar size (this was not possible for the most serious categories where the number of cases is relatively small). In practice, categories A to G are predominantly summary offences, categories H to J are 10% indictable, 90% summary, and categories K and L predominantly indictable. The results of our analysis are shown in Table 6.

Table 6: Case outcomes for PDS and private cases by seriousness category

CASE NUMBERS	Seriousness category												All
	A	B	C	D	E	F	G	H	I	J	K	L	Cases
Public Defence Service													
Convicted	48	44	51	39	33	49	47	56	54	54	4	4	483
Discharged without conviction	0	3	1	15	4	16	0	4	2	0	1	0	46
Not proved	7	12	14	12	15	30	7	30	19	11	9	10	176
Sub-total	55	59	66	66	52	95	54	90	75	65	14	14	705
Private provision													
Convicted	172	183	198	143	174	118	174	213	198	171	31	34	1809
YC proved	0	0	0	0	0	0	0	1	1	1	0	0	3
Discharged without conviction	11	16	1	29	8	26	3	9	7	4	0	0	114
Not proved	37	43	50	45	57	71	28	82	72	58	30	29	602
Other	0	0	0	0	0	0	0	1	3	0	1	0	5
Sub-total	220	242	249	217	239	215	205	306	281	234	62	63	2533
Total cases	275	301	315	283	291	310	259	396	356	299	76	77	3238
CONVICTION RATES %													
Public Defence Service	87	75	77	59	63	52	87	62	72	83	29	29	69
Private provision	78	76	80	66	73	55	85	70	70	73	50	54	71

The results show that the conviction rates for most categories are lower with the PDS, with a small difference overall. We considered whether the differences are statistically significant using a chi-square distribution:

- At the 95% confidence interval, none of the differences are statistically significant.
- At the 90% confidence interval, the difference for categories J and L are statistically significant.

Our interpretation of these results is that the overall outcomes for PDS clients are no worse than for private provision. There is tentative evidence that in the most serious offence categories PDS clients are more likely to have no conviction than private clients.

Conviction rates by ethnicity

We considered whether case outcomes are different for Māori and Pacific Islanders. Given the findings above, and the relatively small numbers of Māori and Pacific Islanders in the data set, we did this for all categories of case seriousness in aggregate.

Table 7: Comparison of conviction rate by ethnicity**Comparison of conviction rate by ethnicity**

	PDS		Private	
	# defendants	conviction rate	# defendants	conviction rate
Maori	260	72%	975	74%
Pacific Islanders	214	66%	689	71%
Other	207	65%	781	68%
Unknown	24	79%	88	73%
Total	705	69%	2533	71%

For each ethnicity, there is a small difference in the conviction rates for private and PDS provision, consistent with the overall difference. Given the relatively small numbers and differences in conviction rates, we did not consider it appropriate to test for statistical significance. We conclude that the PDS offers no comparative disadvantage for Māori or Pacific Islanders⁵.

We also considered whether there was any significant difference in the rates of use of the PDS by ethnic group. The differences are minimal as shown in Table 8:

Table 8: Comparison of legal service provision by ethnicity

	PDS	Private
Maori	37%	38%
Pacific	30%	27%
Other	29%	31%
Unknown	3%	3%
Total	100%	100%

Impact on court and prosecution time

What is the impact on court and prosecution time?

We examined case flow to see whether private or PDS provision had an impact on court and prosecution time. This analysis was based on the same data set as case outcomes, ie cases commencing in July to December 2006. Since the findings have a significant impact on the overall value for money picture, it would be worth repeating the analysis with more recent data.

⁵ The table conviction rates for Māori (across PDS and private provision) are higher than for the population as a whole, but that is a matter beyond the scope of this review.

Table 9: Comparison of Case Flow

Provision		Jury Trial	Pre Jury	Defended Hearing	Pre Hearing	Undefended	Total
PDS	No of cases	6	31	180	256	232	705
	Distribution	1%	4%	26%	36%	33%	100%
Private	No of cases	76	120	711	936	690	2533
	Distribution	3%	5%	28%	37%	27%	100%

Data shows numbers of cases finalised at each stage

A greater portion of PDS cases are undefended than private ones. This is reflected in the lower portions of PDS cases reaching all other stages, compared with private cases. In most cases the differences are small. However, the difference in portions reaching jury trial is statistically significant. It is also has a material impact on value for money given the relative expense of jury trials.

The portion of cases proceeding to jury trials increases sharply with the more serious charges as less serious charges are not eligible for jury trials. To estimate the number of jury trials 'saved' by the PDS we disaggregated the case flows by the seriousness categories used above and applied the portions of private cases proceeding to jury trials to the PDS population. This gave a figure of 13 jury trials 'saved'.

The length and cost of jury trials varies considerably, but the Ministry of Justice estimates that the average cost of a jury trial was \$15,480 in 06/07. This figure includes court operational, juror and judge costs, but not the costs of earlier phases at which a case may conclude.

This provides an annualised estimate of \$400,000 'saved' in cost of jury trials for cases commencing in the period July to December 2006.

We do not have an estimate of the cost of prosecution time involved in jury trials, but it is likely to add significantly to the costs estimated above.

Conclusion

The foregoing analysis has established that the PDS provides at least as good a service to clients in terms of conviction rates and there is some inference that it offers an appreciably better service for the more serious offences. Māori and Pacific Islanders benefit from this overall pattern. Furthermore, our May 2008 evaluation found that the PDS has, or has the potential to have, a number of positive effects on the legal aid system and the wider criminal justice system.

Issues of statistical significance and methodology suggest caution in assessing the quantum of any savings resulting from the use of the PDS. However, consideration of the cost of provision and of the impact on the value court time both suggest that it offers value for money.

The cost of provision fluctuates from year to year and by location, but overall is lower than the equivalent cost of private provision of the same case mix. However, as noted, the cost of PDS provision was higher than the estimated equivalent cost of private provision in Auckland in 2006/07. A contributory factor is likely to have been a dip on the number of PDS cases leading to higher unit costs. This is because the PDS has relatively fixed costs. A fixed cost structure is suited to a situation where volumes are stable. It can be appropriate as part of a mixed model of provision on a more volatile context, but requires appropriate management.

The case flow of PDS led to a two thirds reduction in the number of jury trials and material savings in court time and costs.

These conclusions lend support a decision to roll out the PDS to new locations. However, any such decision should take into account: the ability to manage changes in demand; establishment costs; and any cost of capital. It would also benefit from the analysis of the case flow and outcomes of more recent cases than in the sample provided to us.