In New Zealand, on the other hand, the liability extends not only over the whole industrial field, irrespective of the nature or size of the industry, but even beyond it, and the demand is for the removal of the few remaining exemptions. The administrative cost in New Zealand, therefore, of a collective-liability system on the Ontario model, applied to all employers under the Act, however distantly situated from the administrative centre and without regard to the smallness of the wage-sheet, must of necessity be much higher than in Ontario, and might be expected to approximate that of Queensland, where State monopoly (not a collective-liability system as in Ontario) operates over a field of coverage more comparable with that in New Zealand. The expense ratio in Queensland in 1929 was 15·6 per cent.

It is clear that any saving which might be effected by the establishment of a collective-liability system in New Zealand would be counterbalanced by the loss of much of that service which the present system now supplies to the employer, and to a lesser extent to the worker. The change would be felt particularly in the country districts. In addition, it is reasonable to believe that the administration would be hampered by the antagonism of employers, solicitors, displaced agents, and others who so long have been interested in the maintenance of the present system.

The evidence has satisfied us that there is effective control of rates in New Zealand through the State Accident Office, and that the margin in premiums allowed for working-expenses, profit, and reserves is lower probably than under any competitive system elsewhere. We have arrived at the further conclusion that without the support of both employers and workers the establishment of a monopoly—whether State or collective liability—would at the present time and under present conditions be a doubtful experiment of a far-reaching character not warranted by the possible saving in cost.

EXPLANATORY MEMORANDA ON OUR RECOMMENDATIONS.

Definition of Worker. (See Recommendation No. 2.)

The present Act does not include any person employed otherwise than by manual labour whose remuneration exceeds £400 a year. The Commission was asked to amend this by increasing the amount; and after considering the evidence on this point, and having regard to the fact that a higher limit is provided in several Australian States, it was agreed to recommend that this clause be amended by substituting £520 for the £400 now stated.

Extension of Act to include certain Classes of Workers not now covered. (See Recommendation No. 3.)

Evidence has been given regarding the hardship imposed upon certain classes of workers, not employed in and for the purpose of any trade or business carried on by their employer, by reason of their exclusion from the benefits of the Act, owing to their employment not being included in the occupations covered under the First Schedule of the Act. This hardship is not confined to New Zealand; indeed, our Act gives protection to a greater number of workers not employed "in and for the purposes of the employer's trade or business" than the law in England or in the Australian States. At the same time we recognize that in principle there can be little justification in excluding from the benefits of the Act, for instance, a gardener employed in the grounds of a private home, or a labourer engaged by an employer (who is not in trade or business) to do jobbing-work about his home. However, to place all workers, and particularly casual workers, not employed in and for the purposes of the employer's trade or business, on the same footing might react on the unemployed man seeking work, particularly if insurance becomes compulsory. Employers requiring a man for an odd day or even two, not having had previous occasion to take out a policy, might be loth to engage the casual applicant if by doing so they immediately become liable not only for compensation, but also for penalties for not having insured. Similarly, the housekeeper engaging