Return-to-work rate lowest

MARIA MOSCARITOLO

SOUTH Australia's rehabilitation and return to work performance has fallen to its worst level in four years, despite attempts to reform the WorkCover system.

SA had the lowest return to work rate of all the states in 2011-12, and injured workers who did return took longer to make the transition back to work than interstate counterparts.

It also had the highest proportion of injured workers on compensation, according to the latest Australia and New Zealand Return to Work Monitor.

While an average of 84 per cent of injured workers nationally returned to work after an injury last year (compared with 86 per cent the year before), just 77 per cent of SA workers had achieved this goal – the lowest proportion reported since 2007-08, when 75 per cent recovered sufficiently to return to their duties.

SA's return to work performance surged slightly in 2008-09, to 82 per cent of injured workers, at the time Parliament legislated major reforms to the system, and settled at 80 per cent for the following two years.

The latest report showed that South Australians who did return to work had been back for a mean of 133 days at the time they were interviewed, compared with a national mean of 149 days.

Despite attempts to try and wean injured workers from the burdened system, 42 per cent said they remained on some form of compensation six to nine months after submitting their claim – almost double the rate of some states and compared with 25 per cent of injured workers nationally.

WorkCover SA chief executive Rob Thomson said the results were disappointing, but it was still too early to see the full impact of the 2008 legislative reforms to the system.

He said the state should expect to see improved results within two years as recent and ongoing changes, such as the recent introduction of the Experience Rating System for calculating employer levies, took effect.

WorkCover also will introduce more competition by having two claims agents – Employers Mutual and Gallagher Bassett – next year and providing better financial incentives for improved return to work outcomes.

"While we are confident these reforms can improve our return to work rates . . . this will not occur overnight but we expect to see improvements over the next two years," Mr Thomson said.

Risks in tying carbon price to EU scheme

LINKING Australia's emissions trading scheme to other markets is a good idea, but joining it to Europe's is risky, says the chairman of the Carbon Market Institute.

Last week, the Federal Government scrapped its proposed $15 floor price for the ETS, due to start in mid-2015.

Instead, Australia's scheme will be linked to the European Union carbon market, which Carbon Market Institute chairman Les Hosking said was a risky move given the problems it is experiencing.

"The concept of linkages between markets is a good idea in the sense that we've got a patchwork of multiple markets and what we want is a global solution," he told the ABC's *Inside Business* yesterday.

"But I think there are considerable sovereign risks in connecting to Europe given the problems they are having with their scheme at the moment."

The European carbon market has been inconsistent, which has reduced the carbon price, he said.

"There's a bit of the same problem as in Australia – they keep on changing their mind and changing the rules," Mr Hosking said.

> "I think there are considerable sovereign risks in connecting to Europe . . .
> – LES HOSKING

"There's an oversupply of certificates and some of the countries within the scheme, such as Greece, are behaving differently to others, so the price is depressed."

Mr Hosking agreed that if the European price stayed around $10 per certificate and the Australian floor price was abolished there would be less revenue for the Australian government as more businesses bought emissions trading units from overseas. Also, it would have little impact on carbon emissions.

"You need a higher price for carbon to get the technology innovation to reduce emissions. "There is no incentive at $10 for any reduction in emissions," he said.

> "We are dealing with really the largest entities on the planet, BHP and Rio Tinto . . .

FOUNDER: Matthew Michalewicz will stay with the company. Picture: CHRIS MANGAN

Firm now model of a global force

CAMERON ENGLAND

ADELAIDE software company SolveIT Software aims to become a global leader in optimisation and predictive modelling after being acquired by Schneider Electric.

The business, founded by Matthew Michalewicz in 2004, has grown from scratch to about 150 employees today.

It has developed software which helps firms like miners and food producers wring the last drop of efficiency out of their supply chains, using high-level mathematics.

Mr Michalewicz said the company had been working with Schneider Electric for a couple of years, and their customers, which include the largest mining companies in the world, suggested they think about linking up.

He said the move would allow SolveIT to piggyback on Schneider's huge global footprint and build relationships in areas such as electricity distribution.

"They've got six primary divisions; one of those is industry solutions which we come under," Mr Michalewicz said.

"They have a vision of having an integrated offer, to a miner for example . . . a total integrated offer for a new mine and this was a missing component in their portfolio."

Mr Michalewicz, who will remain with the company, said Adelaide would remain SolveIT's head office and would become a global centre of excellence in planning, scheduling and optimisation.

It would be heavily focussed on mining initially.

"We are dealing with really the largest entities on the planet, BHP and Rio Tinto, so you're a really, really small company at 150 people, even at 1000 people," he said.

Schneider bought fellow Adelaide company Clipsal for about $750 million in 2003.

SolveIT's sale price was not divulged.

Iraqi oil exports are highest in 30 years

IRAQ'S oil exports reached their highest level in more than three decades last month as the country's output continued to increase, oil ministry officials say.

Exports averaged 2.565 million barrels per day in August, bringing in $8.23 billion ($US8.45 billion) in revenues on the back of average oil prices of $106 a barrel, the State Oil Marketing Organisation said.

Exports averaged 2.516 million bpd in July.

Oil production currently averages around 3.2 million bpd.

Iraq has proven reserves of 143.1 billion barrels of oil and 3.2 trillion cubic metres of gas, among the largest in the world.

Crude exports account for the lion's share of government income, and Baghdad is looking to ramp up both production and sales in the coming years.