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Papyrus-Sage dispute settled

BANANA-WASTE paper and veneer maker Papyrus Australia has settled its dispute with Sage Automation, almost halving its first-half current liabilities.

Yesterday, the Australian Securities Exchange-listed firm said it had executed a confidential deed of release with former partner Sage, resulting in a reduction of \$400,000 from its liabilities.

Papyrus' current liabilities at the end of December 2009 were \$970,377, of which \$439,652 was claimed by Sage Automation.

Sage Automation – an independent automation and control systems integration company – was contracted to build Papyrus' Beta Veneer Unit, or first commercial manufacturing line, to produce banana ply in 2006.

Then in June 2009, Papyrus informed shareholders of delays relating to mechanical failures with the outer trunk-cutting blade mechanism contained in the Beta Veneer Unit.

However, Papyrus negotiated to have access to the software and the automation system contained in the veneer unit and get its own team to fix the problems.