

# Submission to the Legislative Council Select Committee on the Tasmanian Forests Agreement Bill 2012

Radial Corporation Limited and Andrew Karl Knörr

## **Preamble**

We claim that The Tasmanian Forest industry, communities and authorities have been denied information on and misled about the benefit and worth of a natural and fundamentally beneficial industrial advance.

It is submitted that Tasmanian industry cannot progress and the Tasmanian community and economy cannot achieve proper benefit from the utilisation of Tasmanian public and private forest resources until facts and truth about the worth and value of the claimed industrial advance are established.

This submission describes the acts and steps taken to misrepresent the technology and the failure of obliged parties to provide proper and accurate information about the technology.

## **Purpose of Submission**

The purpose of this submission is:

- to convince the Legislative Council Select Committee that they should act to investigate the truth of claims made about Radial Technology so as to establish the worth and benefit of Radial Technology to Tasmanian industry, community, economy and environment
- to warn the Parliamentary Inquiry that certain industry parties and experts on which industry, Governments and the community rely, have compromised positions relative to Radial Technology and these parties should not be relied on to provide opinion unless sound and logical reasoning and basis is also provided and that reasoning and basis is made available for scrutiny.

## **Background**

Andrew Karl Knörr (Knörr), has invented and has been involved in developing a sawmill and timber and wood product technology that:

- is applicable to and provides benefit in the processing of native forest, plantation hardwood and softwood logs
- increases the recovery of target timber products

- reduces the production costs of a given volume of target timber products when compared to incumbent processing systems
- enables the production of target quality timber products from younger, smaller and shorter rotation logs
- makes the production of target timber products simpler and easier
- reduces drying costs and problems
- reduces the amount of solid waste produced during the sawing process and reduces or eliminates the reliance on woodchips to maintain or generate profits.

The technology is commonly known as radial sawing and radial timber product technology (Radial Technology)

Radial Corporation (Radial) owns the development rights of the technology and was established in May 2005 to commercialise the technology.

Radial is an unlisted public company with around 170 shareholders.

At establishment, part of Radial's commercialisation strategy involved ensuring industry would be provided with open and accurate scientific and expert based information on and about Radial Technology.

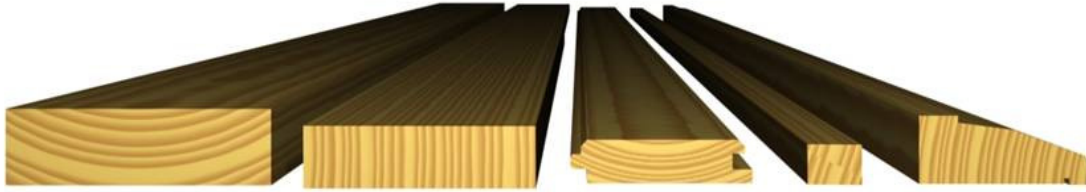
### **Radial Technology Offers Unique and Broad Ranging Opportunity to Tasmanian Industry and Community**

Radial Technology offers Tasmanian industry and community unique opportunity to support and strengthen the existing wood processing and plantation industries and provide new high value timber processing operation opportunities.

Radial technology offers opportunity in processing regrowth and plantation logs to efficiently and economically produce:

- conventional "value added" target products such as flooring and mouldings
- "highest possible quality" standard profile structural and industrial timbers from both pine and hardwood
- "cheap" woodchips and biomass
- Cross Laminated Timber panel elements with unique and advantageous product characteristics
- fibre strands for products such as Oriented Strand Lumber and Board

- a broad range of specialist manufacturing elements such as picture frame, joinery and manufacturing components based on wedge sectors and sector based profiles.



*Radial processing efficiently produces high volumes of target timber profiles including such products as conventional backsawn sections (left ) quartersawn sections (second from left) and products such as standard tongue and groove flooring in both backsawn and quartersawn. Radial processing produces very high volumes of wedge sector based products such as laminating stock (as exemplified second from right) and quartersawn windowsills (right) that take full advantage of radial sector sawing patterns.*

Diagram Copyright Radial Corporation

### **Claim Radial Technology can Solve Problems Facing Tasmania and Reinvigorate Tasmanian Forest Industry**

It is claimed the Radial technology has attributes and wide ranging applications that can solve the problems facing the Tasmanian timber industry.

It is claimed that these attributes and applications can reinvigorate the industry while providing broad economic, social and environmental benefit.

### **Ready to Answer any Criticism of or Concern about Radial Technology**

Radial and Knörr stand ready to answer and deal with any criticism of or concern about Radial Technology.

Extensive analysis of each misrepresentation of the technology and criticisms and concerns raised about Radial Technology show them to be without proper expert or scientific basis.

We have prepared extensive analysis of the advantages of Radial Technology. We are prepared to stand behind and provide analytical support for the claims of advantage for Radial Technology that we have made, or claims made by others about the technology that we have endorsed.

### **Claim that Tasmania Denied Expert and Independent Information on Radial Technology and Mislead by the Provision of False Information**

It is claimed that Tasmania has been denied the positive development opportunities provided by Radial Technology. This denial has been caused both by misrepresentation of the technology and the refusal and failure to provide proper information on the technology. This misrepresentation, refusal and failure involved those who either:

- were paid to support, foster and promulgate industry innovation
- had taken upon themselves a position of responsibility in being involved in industry processes designed to support and foster innovation and industry development.

It is claimed that the Tasmanian industry and community has been improperly denied independent expert and scientific advice on Radial Technology and have been misled by the provision of false and baseless information.

It is claimed that certain parties have made and or allowed false and misleading claims to be made about Radial Technology for such purposes as:

- the maintenance of market share as related to wood products, plantation schemes and the provision of expert services.
- the maintaining of a low price and high availability of logs for the pulpwood market.

### **Claim that Tasmania Denied Opportunity and Benefits**

It is claimed that Tasmania has been denied opportunities and benefits provided by Radial Technology. These denied opportunities and benefits include:

- the production of increased value and higher profits from utilisation of existing resource
- the ability to process regrowth and plantation logs to higher value products while reducing or eliminating production and product problems
- the increased value and worth of logs
- the economic and social benefits that flow from efficient locally and regionally applicable manufacturing systems.

### **Yarram Radial Mill Supplies High Quality Timber Over 20 Year Period**

The Yarram Radial Timber Australia (RTA) (formerly Radcon) radial mill operates under license to Radial and continues to manufacture high quality timber products

produced by the radial sawing method. These products are distributed across Australia. Many projects to which timber is supplied continue to be award winning projects.

The first award for a project featuring extensive use of radial sawn conventional rectangular profiles, bevelled boards and wedge shaped profiles was the Eltham Library Project. The Eltham Library won the 1995 **Kevin Borland Timber in Architecture Award** “for excellence in design and use of timber in architecture”.

The Eltham Library Project, in which over 40,000 lineal metres of radial timber products were used, stands as a testament to:

- Radial Technology’s ability to produce both conventional rectangular profiles and innovative wedge based products with outstanding performance and behavioural characteristics
- the manufacturing processes used to produce those products.

### **Forestry Tasmania Recognises Radial Technology Potential in 1998 Wood Productivity Awards**

In 1998 Radial Technology’s potential to benefit Tasmania was recognised with Radcon being joint inaugural winners of the 1998 Forestry Tasmania Wood Productivity Award. The Forestry Tasmania award citation reads:

*A high degree of innovation and development in a system which offers significant opportunities for Tasmanian hardwood sawmilling and processing.*

### **Early Misrepresentation of Radial Technology: The Radcon Report**

In January 1993 CSIRO’s Division of Forest and Forest Products (CSIRO FFP) published to the Victorian Government’s Department of Conservation and Natural Resources a written report of an evaluation of Radial Technology. The report detailed Radial Technology’s ability to significantly increase the recovery of target backsawn products but essentially found or concluded that the increased recovery achieved could not provide benefit to Victorian industry or community because of an apparently inherent ‘slowness’ that impeded the technology to an undefined but significant level.

CSIRO’s finding of “undefined slowness” was apparently a disadvantage that impeded Radial Technology to a level that the value of the identified significant increase in recovery of target products was eaten up or made unrealisable by CSIRO’s claimed inherent slowness.

It is claimed that the finding of “slowness” of Radial technology is totally baseless and has no scientific or expert foundation. Despite there being no foundation at an

engineering, technical or logical level the myth of “slowness” has been improperly maintained by subsequent expert reports and reviews.

### **Early Misrepresentation of Radial Technology: FWPRDC/CSIRO PN006.96**

In 1996 CSIRO FFP approached Radcon with a request for Radcon to backsaw plantation bluegum logs as part of a Forest and Wood Products Research and Development Corporation (FWPRDC) sponsored plantation eucalypt drying trial with FWPRDC project number PN006.96.

Radcon was never informed that Radial Technology would be evaluated as part of the PN006.96 drying trial and Radcon was never asked to provide comment or information to either FWPRDC or CSIRO. Despite this in 1997 PN006.96 was published with an “evaluation” of Radial Technology.

PN006.96 contains false and baseless findings and claims about Radial Technology reached by ignoring logic and normal and expert scientific practice.

PN006.96 report evaluation findings:

- ignore and contradict CSIRO *Radcon Report* findings of Radial Technology increasing recovery of target timber products
- ignore and fail to report on the high level of automation exhibited in the Radcon Yarram mill backsawing process as witnessed by CSIRO during the PN006.96 trial
- misrepresents Radial Technology backsawn product recovery and makes artificial and baseless findings about product width output
- fails to evaluate, define or describe the Radial Technology stress control and release method
- ignores Radial Technology’s ability to quartersaw and produce high volumes of “perfectly” quartersawn industry target material from a log.

### **Boral Timber 1998 Report on Radcon Sawing Trial Contradicts 1998 FT Award Citation**

In November 1997 employees of companies trading as Boral Timber witnessed a radial saw trial of very high quality Boral Timber Northern NSW saw logs. The logs were plantation hardwood and native forest logs typical of sizes processed by Boral Timber in NSW.

It is claimed that what Boral Timber employees witnessed, and what the radial saw trial produced by way of sawn timber, accorded with and confirmed what FT had found. The words “Boral Timber NSW” could have been properly and ably substituted for ‘Tasmania’ in the FT Radcon award citation.

The NSW log trial at the Radcon Radial Technology mill produced high volumes of very high quality backsawn boards. These boards were suited for high recovery production of Boral Timber (NSW) target products such as standard flooring and were produced on the Yarram mill system that demonstrated a high production capacity.

In late 1998 Radcon received written report prepared by Boral Timber on the 1997 saw trial (the Boral Report). It is claimed that the Boral Report:

- did not accord with either what had happened during the 1997 Yarram saw trial or what Boral timber employees had witnessed during the trial
- did not accurately or properly report on or comment on either the volume of timber produced or the characteristics of the timber produced during the trial
- improperly, did not mirror the findings made by FT and as summarised by FT in the Radcon award citation.

It is claimed that the Boral Report improperly mimicked adverse and baseless findings made by CSIRO in the FWPRDC PN006.96 report. Boral Timber had high level involvement with both CSIRO and FWPRDC at or around the time of the compilation and publication of FWPRDC PN006.96.

### **Improper Sentiments Contained in Radcon Report, PN006.96, Boral Report Become Industry Norm**

We claim that wrong, baseless, inexperienced and unscientific findings as contained in the Radcon Report, PN006.96 and the Boral Report were promulgated and became accepted and further promulgated by sections of industry and the environmental movement.

### **Radial Technology Excluded**

It is claimed that subsequent to publications of the Radcon Report, PN006.96 and the Boral Report, Radial Technology was improperly excluded and misrepresented by experts and scientists. Industry research reports from which it is claimed that Radial technology was improperly excluded and misrepresented include such projects and reports as:

- FWPRDC PN02.3018: Sawing Regrowth and Plantation Hardwoods with Particular Reference to Growth Stresses
- FWPRDC PN04.3002: Eucalypt Plantations for Solid Wood Products in Australia - A Review.

## **Radial Technology Caught in Forest Wars**

It is claimed that Radial technology has been caught in what are known to some as the Forest Wars- a fight between sections of the industry and sections of the environmental movement.

Some in industry viewed Radial Technology as a technology that could be used to force the industry out of native forest harvesting and into plantations.

Some environmentalists support Radial Technology, but others, who are totally opposed to any native forest harvesting, viewed Radial Technology as a threat. These environmentalists realised that Radial Technology processes would make native forest processing more profitable. They realised that if adopted, Radial Technology processes could stop and reverse the inexorable native forest industry economic decline, a decline they welcomed.

## **Radcon, Radcon Successor Body Radial Timber Australia and Inventor Attempt to Ignore Misrepresentation and Develop Radial Technology**

Radcon, its successor body Radial Timber Australia (RTA) and inventor Knörr attempted to ignore Radial Technology misrepresentations and get on with the positive development, promotion and selling of Radial Technology and radial sawn products.

At that time Radcon, RTA and Knörr had limited resources and expertise to deal with misrepresentations of Radial technology. They believed that the fundamentals of the technology were well demonstrated at the Yarram Mill and that industry would ignore the misrepresentations.

Instead of the effect of the misrepresentations diminishing, their effect grew. RTA and Knörr found it difficult and impossible to sell the technology or to raise sufficient capital to enable demonstration of existing and new developments of Radial Technology.

## **RTA Seeks Independent and Expert Verification to Enable Accurate Radial Technology Information Dissemination**

In 2002-03, with misinformation about Radial technology spreading and becoming pervasive, RTA proposed:

- an independent expert evaluation of Radial Technology production systems and potential production systems with an emphasis on the manufacturing process and an evaluation and valuation of the technology
- separate independent comparative sawing trials between Radial Technology systems and conventional systems to establish costs of production and quality and value recovery of industry standard products



- publication to industry and community of combined evaluation and saw trial results so as to confirm to industry, community and Government the claimed product and manufacturing advantages produced by Radial Technology.

### **Radial Technology Commonwealth Government Sponsored Invetech Evaluation**

In 2003 RTA was granted Commonwealth Government funding for an evaluation and valuation of Radial Technology under the Sustainable Regions Programme.

Invetech, a company expert in automation and manufacturing evaluation and development carried out the evaluation and valuation of Radial Technology.

The Invetech evaluation was completed in December 2004. The evaluation confirmed the positive claims made by Radcon, RTA, Knörr and others about Radial Technology.

Key findings of advantage as related to the claims about Radial Technology are contained in the Executive Summary of Invetech Phase 2, 3 & 4 of the evaluation, being that Radial Technology:

- a. *Increased average recovery of typical square section solid timber target products (average of 20% improvement for log diameter < 600 mm)*
- b. *Greatly increased recovery from growth stressed, small diameter regrowth or plantation hardwood, because the sawing technique best manages stress relief during cutting and produces consistently back sawn boards where growth stresses are distributed evenly*
- c. *Simplicity of operation and reduced reliance on the skills of the sawmill operator enables greater automation of the sawing process.*

### **Phase 5 of Invetech Evaluation was to Combine PN05.2016 Comparative Saw Trial Results with Evaluation for Publication to Industry, Community and Government**

Phase 5 of the Invetech evaluation was to combine comparative saw trial results with Invetech evaluation results in a Phase 5 document for publication to industry, community and Government.

PN05.2016 was an FWPRDC project financed by FWPRDC (Commonwealth and industry funding), CSIRO, RTA and Radial that was carried out by CSIRO.

Originally PN05.2016 was to be a comparative saw trial comparing radial backsawing and quartersawing with conventional sawing across a range of log sizes as available to industry from both native forest regrowth and plantations.

For reasons only known to FWPRDC and CSIRO the comparative saw trial was approved as a comparative saw trial of small diameter pruned plantation hardwood logs only, and, the comparison was made to be with a HewSaw (the same saw as used by Forest Enterprises Australia in their original hardwood EcoAsh production) using a value added backsawing pattern.

CSIRO promised that other saw trial results of similar logs would be included in the PN05.2016 study to enable a valid and accurate comparison to be made between Radial Technology and a range of conventional processing systems.

### **Radial Corporation Established on Basis of Positive Invetech Valuation, Known Positive Results of PN05.2016 Trial and Anticipated Publication of Invetech Phase 5 Report Document**

Radial Corporation was established in May 2005. Invetech's positive evaluation had been received in December 2004 and the PN05.2016 comparative saw trial carried out in January 2005.

Knörr's analysis of patterns and saw trial outcomes confirmed that PN05.2016 saw trial results would be in accordance with Invetech's positive findings and that Radial Technology had produced comparatively very high values of timber during the sawing trial.

At the establishment of Radial, Radial and Knörr had the proper and rightful anticipation of highly positive PN05.2016 results for Radial and the anticipation Invetech would combine findings and modelling into a Phase 5 report document. The Phase 5 Report Document was anticipated as being as the 'perfect' marketing and information tool to overcome earlier misrepresentations of Radial Technology and the required tool to provide accurate information to industry, community and Government.

### **June 2006 CSIRO/FWPRDC Attempt to Publish Corrupted and Misleading PN05.2016**

In June 2006 Radial were sent a corrupted and misleading PN05.2016 report and informed that PN05.2016 would be shortly published on the FWPRDC website.

The PN05.2016 report as presented to Radial was not the promised scientific document and was not a scientific or expert document.

## **After publication of Radcon Report, PN006.96, Boral Report Knörr Swore Not to Allow Further Publication of Misleading and Deceptive Material about Radial Technology**

Following publication of documents such as the Radcon Report, PN006.96, Boral Report and PN04.3002 and the establishment of Radial, Knörr had sworn not to accept publication of substandard or improper material about Radial Technology.

Knörr knew the advantages of the technology and saw the damage and harm caused to the industry, community and economy by the publication of misrepresentations. Radial analysis based on Invetech findings and PN05.2016 analysis showed that the damage, harm and loss caused was substantial.

In the past Knörr (and Radcon and RTA) had got on with their business but in the present circumstance the only option was to stop and take time to ensure that a proper PN05.2016 was published.

Radial produced a detailed analysis of the faults and baseless findings and conclusions in PN05.2016 with this analysis being sent to FWPRDC so that FWPRDC would take steps to get CSIRO to correct PN05.2016. The Radial PN05.2016 analysis contained all the material that CSIRO needed to check against their PN05.2016 data to correct PN05.2016.

## **FWPRDC and CSIRO Delay and “Put Up Shutters” and Radial Carries Out Further Analysis of Earlier Misrepresentative Documents**

Radial provided its PN05.2016 analysis document to FWPRDC in July 2006 and expected both FWPRDC and CSIRO to act in a timely manner to correct and ensure correction of PN05.2016.

Months passed without Radial being provided with a corrected PN05.2016 and with no response or rebuttal being provided to Radial regarding the numerous flaws in PN05.2016 detailed in the Radial analysis.

During preparation of the PN05.2016 analysis Radial noted that similar (baseless) methods were used to misrepresent Radial Technology in PN05.2016 as had been used in the Radcon Report, PN006.96, Boral Report and PN04.3002.

Radial produced further similar analysis of the Radcon Report, PN006.96, Boral Report and PN04.3002 detailing serious flaws and inconsistencies in these reports. These further analysis documents were provided to CSIRO in May 2007.

These documents claimed industry, community and Government had been misled by false and baseless findings made by CSIRO as related to Radial Technology.

## **CSIRO Improper Denial**

At a legal meeting held in June 2007 CSIRO (Ensis) claimed that “there is not one thing wrong” with PN05.2016 or with what CSIRO had ever done in relation to Radial Technology (in such documents as the Radcon Report, PN006.96, PN04.3002). These claims were essentially confirmed by way of later letter.

It is claimed that these CSIRO claims were and are false. In support of this claim of falsity CSIRO has never provided one rebuttal to Radial’s detailing of multiple failings and misrepresentations of Radial Technology for which CSIRO is responsible or involved in.

In a 2009 Freedom of Information Application Knörr sought CSIRO documentation related to the analysis documents provided to them in 2007. Information sought from CSIRO was the base data, product width allocation, figuring and analysis prepared by CSIRO to enable them to make the claim that “there is not one thing wrong” with publications made about Radial Technology and that Radial’s numerous claims and detailing of faults are baseless and wrong.

CSIRO refused to provide the information and reasoning used by them to determine why Radial was wrong in its claims and why industry, community and Government had not been misled by false and baseless findings made by CSIRO as related to Radial Technology.

## **PN05.2016 Not Published**

Despite CSIRO claiming there was not one thing wrong with PN05.2016, neither FWPRDC nor the FWPRDC successor body Forest and Wood Products Australia (FWPA) (who dealt with PN05.2016 and has obligations as related to FWPRDC PN05.2016) published PN05.2016 as intended and promised.

PN05.2016 cost CSIRO, FWPRDC, RTA, Radial, industry, Government and the community over \$160,000.

## **PN05.2016 Base Data Confirms Radial Technology as Industry Changing Industrial Advance**

Analysis of PN05.2016 base data, CSIRO Mill financial modelling and other findings improperly removed from PN05.2016, confirms Radial Technology as a highly significant industrial advance immediately applicable to Australian and Tasmanian industry.

## **PN05.2016 Reveals Much Higher Value for Small and Short Rotation Logs**

PN05.2016 data and modelling and associated analysis reveals that Radial Technology:

- produces much higher value for small and short rotation logs than conventional systems
- produces a comparatively very high value of industry target products from short rotation pruned hardwood logs
- would provide similar advantage when processing a range of plantation and regrowth log types
- changes the economics of log processing and produces improved economic results that provide for:
  - higher net present and future values for plantation and regrowth forests
  - reason to change the target product in Managed Investment Scheme (MIS) plantations and other plantation systems
- enables a large proportion of logs that are currently unprofitable for processing to timber and that are being used for low value products such as pulp to be very profitably processed to high value solid timber products
- enables the very profitable processing of regrowth and plantation logs in small and large capacity radial mills.

## **Corrupted PN05.2016 Report Denies Industry, Community and Government Economic and Environmental Benefits Proven by PN05.2016 Trial and Modelling**

Analysis of PN05.2016 base data, financial modelling and saw trial events and outcomes confirms the significant advantage of Radial Technology that was found to exist by Invetech.

Phase 5 of the Invetech process was for Invetech to incorporate PN05.2016 data results and modelling results to provide accurate and independent results and information on Radial Technology for publication.

The corrupted PN05.2016 report improperly and effectively contradicted Invetech findings, the corrupted PN05.2016 report was never corrected, the Phase 5 report could not be published and industry, community and Government were not provided with accurate information about Radial Technology.

## **Claim Both CSIRO and FWPRDC Knew PN05.2016 Report and PN05.2016 Preparation Process Compromised**

Subsequent investigation by Radial and Knörr revealed that FWPRDC had a documented system of “external input” to FWPRDC research projects which allowed for “external stakeholders” associated with FWPRDC to have input to project reports.

It is known that external stakeholders had input to PN05.2016.

It can be demonstrated that CSIRO had (improper) reason and pressures to allow or contribute to the improper input of others to PN05.2016.

Despite CSIRO claiming there ‘was not one thing wrong’ with PN05.2016 it is claimed that PN05.2016 was corrupted by inputs to the level that it was unpublishable.

Following CSIRO stating there was not one thing wrong with PN05.2016, Radial made it clear by way of letter that while Radial did not agree with CSIRO that there was nothing wrong with PN05.2016 and Radial wanted a correct report, if there was nothing wrong with PN05.2016 then it should be published.

Despite CSIRO’s claims, PN05.2016 was not published by FWPRDC or FWPA. FWPRDC/FWPA did not publish PN05.2016 despite FWPRDC/FWPA Annual Reports showing further payment being made to CSIRO for the unpublished PN05.2016 report and what Radial claims is an unpublishable corrupted document that baselessly accords with earlier misrepresentations of the technology.

## **CSIRO and FWPRDC External Stakeholders Potential Bias Against Radial Technology**

External stakeholders were represented in FWPRDC by the Hardwood Advisory Group (HAG) members.

Subsequent investigation by Radial and Knörr revealed that FWPRDC HAG had had input to the corrupted PN05.2016 report and that HAG member had potential for bias against Radial Technology. At the time of preparation of and dealing with the PN05.2016 report from 2005 to 2007:

- HAG member Gunns Limited was involved in a political and operational fight to established its proposed Pulp Mill and were progressively being provided with data by CSIRO during the PN05.2016 report preparation process that showed Radial Technology produced much higher values of timber from small and short rotation logs with this being a potential operational (as related to resource price, availability and security) and political threat (as related to opponents proposing an alternate or better use for pulp logs) to Gunns Pulp Mill
- HAG member Forestry Tasmania (as represented by Pulp Mill Task Force leader Mr Robert Gordon (Gordon)) who was progressively being provided

with data by CSIRO during the PN05.2016 report preparation process that showed Radial technology produced much higher values of timber from small and short rotation logs with this being a potential operational (as related to resource price, availability and security) and political threat (as related to opponents proposing an alternate or better use for pulp logs) to Gunns Pulp Mill with both Forestry Tasmania and Gordon being overt supporters of the proposed Pulp Mill

- HAG member Boral Timber who was progressively being provided with data by CSIRO during the PN05.2016 report preparation process that showed Radial technology produced much higher values of timber from small and short rotation logs than other known systems with this being a direct contradiction to and in conflict with the findings of the Boral Report
- HAG members being industry representative bodies such as Forest Industries Association of Tasmania (FIAT) and New South Wales Forest Products Association (NSWFPA) who were, or their representatives who were, also supporters of the Pulp Mill, and who may also have had an ideological and operational opposition to a technology that produced very high values of timber from small diameter logs and that may be used as a political tool in the fight over native forest logging.

### **PN05.2016 also Provided by FWPRDC to Independent Experts for Review and Input**

During the PN05.2016 report preparation process PN05.2016 was also provided to three “independent experts”.

It is not known who the independent experts were. FWPRDC claimed it had and was relying on the three independent experts but refused to disclose who these independent experts were.

It is not known by Radial:

- what the expert’s expertise was
- what information was provided to the experts by FWPRDC
- whether the experts were viewed as being expert relative to radial technology because of their earlier involvement with earlier claimed compromised reports such as the Radcon Report, PN006.96, Boral report or PN04.3002.

### **Claim CSIRO, FWPRDC and HAG Members Compromised or Misled**

It is claimed that subsequent to Radial’s provision of its PN05.2016 analysis to FWPRDC (and the provision of the analysis by FWPRDC to CSIRO) both CSIRO, FWPRDC and likely FWPRDC HAG members must reasonably have become aware of:

- the corrupted nature of the PN05.2016 report
- the compromised nature of the report preparation process.

Despite this knowledge that reasonably must have been acquired, no steps were taken by any party to make the matter right and no steps were taken to ensure that others in industry and the community and Government were not misled and continued to be misled about Radial Technology.

This further compromised CSIRO, FWPRDC and any FWPRDC HAG member that had or who gained this knowledge.

If FWPRDC and FWPRDC HAG members had a compromised position it would be very difficult for one member to step outside and take advantage of Radial Technology as this would be taking advantage over other members and would likely lead to exposure of wrongdoing and bitterness.

If a HAG member took advantage of Radial Technology and did well, how long would it be before others in industry asked: “How come I wasn’t told about this?”

It is claimed that in the circumstances of this matter that this is likely to have happened and that Radial’s marketplace was and is broadly compromised, impacted and misled by those:

- who had a compromised position relative to Radial Technology by reason of being involved in and having knowledge relative to the FWPRDC/CSIRO PN05.2016 process
- in FWPRDC HAG (such as the National Association of Forest Industries (NAFI) representative) who may have no particular expertise in hardwood sawmilling but who would likely accept the expertise of others
- who had been fed and accepted earlier misrepresentations of the technology such as those exhibited in the Radcon Report, PN006.96, Boral Report and PN04.3002
- who knew about PN05.2016, knew that a PN05.2016 report had not been published and who would conclude that Radial Technology must not provide any advantage to industry, community, economy or environment or that those who were obliged to provide or whose function it was to provide such information, would have ensured that such information was provided.

### **Radial Becomes Aware of Likely Compromised Positions after Positive Approaches to HAG Members**

Between 2006 and 2009 Radial approached Gunns Limited, Forestry Tasmania and FIAT with positive approaches in relation to Radial Technology.



It is claimed that these approaches were inappropriately rejected or ignored.

It was after these rejections that Radial started investigating the role of these parties relative to FWPRDC, FWPRDC HAG and the PN05.2016 project and report compilation process.

### **Radial Seeks Independent Investigation and Action to Make Matter Right**

Radial has made submissions to and requested the following authorities to investigate the misleading of Governments, investors, consumers, industry and community:

- Victorian Auditor General
- Victorian Timber Industry Strategy
- Commonwealth Attorney General Department
- Australian Competition and Consumer Commission (ACCC)
- Australian Securities and Investment Commission (ASIC)
- Australian Federal Police (AFP)
- Individual Commonwealth Ministers
- Tasmanian Governor (requesting appointment of Commission of Inquiry)
- Tasmanian Premier
- Tasmanian Integrity Commission (TIC)

All requests for action and investigation have been rejected.

### **In 2008-09 Radial Makes Tasmanian Attempt to Confirm What PN05.2016 Actually Confirmed in 2005**

As part of Radial's due diligence process as part of an attempted capital raising Radial sought independent review (with the aid of Commonwealth COMET funding) from industry experts Pöyry Forest Industry Pty Ltd.

Review was sought from Pöyry of Radial's analysis of PN05.2016 and Radial's claims of the advantages of Radial Technology.

In December 2008 at the request of Radial, Pöyry wrote a letter in support of an application for funding from AusIndustry North East Tasmanian Innovation Fund (NETIIF).

Radial was essentially seeking funding to prove what the PN05.2016 saw trial had proved in 2005 but with that information being denied to others.

In the letter Pöyry confirmed it had examined Radial's sawing patterns and confirms the potential of Radial Technology to solve problems associated with eucalypt sawing.

This was a potential that has been repeatedly proven by Radcon, RTA and Radial with information of that proof having been denied to others.

Pöyry later carried out detailed modelling of very high capacity mill systems utilising small diameter eucalypts for the production of "best possible quality" structural timber and wood particles for biomass or woodchips.

The 2009 Pöyry modelling served to confirm:

- the inherent advantages of Radial Technology as demonstrated at the Yarram Mill from 1995 onwards but misrepresented in expert and scientific publications
- the correctness of financial and production modelling analysed and reviewed by Invetech as part of the 2004 evaluation process that decided Radial Technology produced significant advantage
- the correctness of CSIRO Mill modelling contained in early versions of PN05.2016 and that confirmed the revolutionary efficiency of Radial Technology, but that was improperly removed from PN05.2016 and suppressed.

The Pöyry letter as dated 10 December 2008 is included with this submission as Annexure A.

Radial's NETIIF application was unsuccessful.

### **Knörr Instigates Legal Action**

In December 2011 Knörr commenced a legal action in the Victorian Supreme Court in relation to the matter of the misrepresentation of Radial Technology and the failure of those with obligations relative to Radial Technology and the advancement of the timber industry to meet those obligations.

The action was commenced against:

- CSIRO
- FWPRDC
- Commonwealth of Australia

- Boral Timber
- University of Tasmania
- Mallesons Stephens Jaques Lawyers
- FWPA
- MBAC Consulting Group Pty Ltd
- State of Victoria

The action was commenced by Knörr as an unrepresented litigant. In November 2012 the action was dismissed. This ruling is currently being appealed.

### **Invitation and Request**

Radial and Knörr invite further inquiry from the Legislative Council Select Committee.

Radial and Knörr seek to make a visual presentation and oral submission to the Legislative Council Select Committee.

The purpose of the presentation and submission would be to outline and detail the wide ranging advantages and applications of Radial Technology for Tasmanian Industry, and to answer any question raised by this submission.



11 January 2013

Andrew Knörr

Managing Director  
Radial Corporation Limited  
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Date December 10, 2008

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Dear Sir/Madam,

I am writing in regard to the application for North East Tasmania Innovation and Investment Fund (NETIIF) funding by Radial Corporation (Radial).

Pöyry have undertaken an initial review of Radial technology and will continue to support Radial in 2009 through the ongoing review of the technology and associated business opportunities.

Pöyry have been requested by Radial to review the aims of the project proposal as detailed in the NETIIF Application under the heading "Project description"

Pöyry have not reviewed the full application and provide no comment or opinion on other aspects of the application.

In Pöyry's opinion, analysis of Radial's sawing patterns confirms the potential for Radial to increase the overall recovery of timber produced and to maximise the production of timber that is less prone to defects during the drying phase of production.

Radial sawing appears to have the potential to overcome some of the difficulties associated with plantation hardwood processing. The economics of processing the smaller plantation wood have not yet been tested by Pöyry.

In general terms Pöyry confirms, that with proper resources, the project outcomes and objectives (summarized in points 1-9 of the funding application summary) could be achieved. Pöyry believe the development of a working facility and the undertaking of trials on a range of Tasmanian log types and species to be a logical step in better understanding the economics and potential benefits of this technology. The development of a new technology that can potentially increase total recovery, improve grade recovery and be utilised on difficult species would be of significant importance to the Tasmanian and national timber industries and have the potential to attract interest on a worldwide basis.

Yours sincerely,



Grant Fenton

Senior Consultant

PÖYRY FOREST INDUSTRY PTY LTD