



Speech by

**Hon. PETER BEATTIE**

**MEMBER FOR BRISBANE CENTRAL**

Hansard Wednesday, 12 May 2004

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## **MINISTERIAL STATEMENT**

### **Biotechnology and Sugar**

**Hon. P.D. BEATTIE** (Brisbane Central—ALP) (Premier and Minister for Trade) (9.47 a.m.): As I advised the House last month, I will be leading a trade and investment mission to the United States, Brazil and Chile from 26 May to 8 June. I want to thank a number of sugar industry representatives who will be joining me. Amongst other things, the mission will marry two areas of great importance to the future of our state: biotechnology and sugar. Biotechnology and sugar are where an emerging and traditional industry meet, and both gain from the experience. Sugar can make use of biotech to branch out with more value adding, while bio industries can take advantage of the sugar industry's plentiful raw materials. Ethanol is just one example, albeit an important one, of this symbiosis.

Other products that have great potential in the Smart State include lactic acid, bioplastics and furfural. Lactic acid is made by fermenting glucose and is widely used in the food industry to increase shelf life. Finasucre has a European subsidiary, Lactia, which makes lactic acid from sugar. Lactic acid is also used to make bioplastics. Toyota bases a proposed process for producing bioplastics on lactic acids and a lactic acid polymer. The polymer has very similar properties to polythene, used currently in plastic bags. I know that you know all of this, Mr Speaker, but I thought I would share this with the House.

Furfural is an organic solvent derived from woody vegetable material such as bagasse. The government, through the Department of State Development and Innovation, has given \$250,000 to Proserpine Cooperative Sugar Milling Association to develop a detailed engineering design for a furfural plant at Proserpine mill. Furfural is the only chemical produced from renewable resources that can replace crude oil based compounds. It is a strong solvent with a flash point of 80 degrees centigrade, similar to the flash point of kerosene. It is used in the manufacture of lubricating oils and to produce high-value polymers such as plastics, resins and man-made fibres. It has recently been used in South Africa and Spain as an agricultural chemical replacing highly toxic chemicals, and applications for its use are under way in the USA.

The relevance of this is simple. Our new sugar industry reform package will spur the development of such value-added industries. The government is also investing in research and development at the Cooperative Research Centre for Sugar Industry Innovation through biotechnology, the bureau of sugar research stations and the Sugar Research Institute.

This is the future. This is about taking Smart State strategies to enhancing our sugar industry. I seek leave to have more details incorporated in *Hansard*.

Leave granted.

I intend to strengthen the links between the Queensland sugar industry and biotech through my involvement with Bio 2004 and my visit to Brazil—the global behemoth of the sugar industry.

Brazil is the largest economy in South America, and Queensland's 2002-03 exports of \$275 million represented two-thirds of Australia's exports to the country.

This will be the first visit to Brazil by a Queensland Premier and my proposed engagements include:

- A meeting with the Minister for Agriculture, Livestock and Supply, Mr Roberto Rodrigues, who had a very productive meeting last year with then State Development Minister, Tom Barton.
- A meeting with representatives of Unica—the agency responsible for more than 60% of Brazilian production—when I'll learn more about the reasons for the industry's success and its reform process.
- An agribusiness reception in Sao Paulo.
- A meeting with Volkswagen AG Brazil, which makes 42% of Brazilian-manufactured cars and has a pact to build 100,000 ethanol-powered vehicles in Brazil, and
- Meetings with major ethanol producers.