

AUSTRALIAN POLITICAL EXCHANGE COUNCIL

THIRD AUSTRALIAN DELEGATION TO THE REPUBLIC OF KOREA

7-13 July 2012



DELEGATION

Ms Zoe Bettison MP (Australian Labor Party) **Delegation Leader**
State Member for Ramsay, South Australia

Mr Mark Ryan (Australian Labor Party)
Former State Member for Morayfield, Queensland

Mr Finn McCarthy-Adams (Australian Labor Party)
Secretary Kalinga/Woolloowin ALP Branch, Queensland

Mr Bradley Rowswell (Liberal Party of Australia)
Adviser to Senator Helen Kroger, Chief Opposition Whip in the Senate, Senator for Victoria

Mr Ross Macdonald (Liberal Party of Australia)
Chief of Staff to Senator Gary Humphries, Senator for the Australian Capital Territory

Ms Erin Adams (The Nationals)
Campaign Officer, Australian Capital Territory

Ms Belinda Henderson – Council Representative
Executive Officer, Australian Political Exchange Council

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Executive Summary

This report is submitted by the members of the third Australian Political Exchange Council delegation to the Republic of Korea (ROK).

The delegation consisted of six members, comprising three from the Australian Labor Party, two from the Liberal Party of Australia and one from The Nationals. In addition the delegation was accompanied by a representative from the Council, Ms Belinda Henderson. Mention must be made of Ms Henderson's dedication to her duty and efficient execution of her roles and responsibilities.

The delegation began on Saturday, 7 July and concluded on Friday, 13 July 2012. The delegation was hosted by the Korea Foundation.

Members of the delegation met with a number of government officials, statutory agency representatives, industry representatives, politicians, business leaders, Australian officials and members of the United Nations Joint Stabilisation Force, to discuss a range of issues relevant to the ROK, Australia and the ongoing bilateral relationship of both countries.

The details of the meetings are outlined in the text of the report and include topics surrounding trade and industry, economics, information technology, political relations, ROK-Australian relations, social welfare and considerations surrounding North Korea.

Australia and ROK have benefited from a very stable relationship that has existed for many decades. The 40th anniversary of bilateral diplomatic relations between the two nations was celebrated in 2011. Australia is held in high regard and is seen as a strong contributor to Korean history following Australia's involvement in the Korean War in the early 1950s. Australia committed over 17,000 troops to the conflict and fought with distinction. This set the foundations for an ongoing dialogue and interoperability of the two nations' defence forces who continue to serve side-by-side around the world including recent conflicts in Iraq and Afghanistan. The ongoing strength of the relationship between our defence forces is imperative to global security, particularly in the region.

During the delegation's visit, two prominent events were witnessed. The former Leader of the [currently] governing Saenuri Party (SP), Ms Park Geun-hye, announced her presidential bid. Ms Park is the daughter of the former president, General Park Chung-hee, who ruled Korea from 1961 to 1979. It is predicted that while the presidential race will be a close contest, Ms Park will win.

The second major event was a change in stance on commercial whaling. One week prior to the delegation's visit to Korea, the Korean Government had indicated to the International Whaling Commission its intention to allow the sale of whale meat from animals caught for 'scientific research'.

The growth of the Korean economy and comparative survival through the Asian Financial Crisis and the Global Financial Crisis is largely due to the adaptive nature and abilities of Korean industry. The government of Korea is very supportive of the industry that drives the economy and as such works closely with industry representatives to ensure a cohesive relationship and continual growth.

Despite the age of Korea as a nation, the culture is adaptive and has excelled as an exporter of industry, technology and the arts. The growing interest in Korean pop music or K-Pop in Australia is due to an aggressive marketing strategy across Korea and throughout the region. Unlike in most western countries, pop music is not limited to a single gender or age demographic and instead attracts a fan base of men and women of all ages. Detailed below are the outcomes from the meetings and cultural visits that each of the delegates engaged in during their time in South Korea

Meeting Schedule and Findings

On the delegation's first day in South Korea, we visited the very sacred Gyeongbokgung Palace, translating to 'Palace Greatly Blessed by Heaven'. First constructed in 1394, during the Joseon Dynasty, the palace was home to the royals of South Korea for many years and holds great cultural significance to the people of Korea. After an extensive tour of the Palace, the delegation visited the National Folk Museum of Korea. There we viewed historical Korean artifacts dating back thousands of years. The delegation also visited the Korean Markets and the Chongdong theatre in Seoul where a traditional Korean performance called *Miso* was showing. The delegation toured the N-Seoul Tower and experienced their first meal of traditional Korean food. This was the first chance to try the Korean diet staple, kimchi and soju.

Hon Kim Jong-hoon, Head of International Relations Committee of the Saenuri Party

The delegation visited the National Assembly of the Republic of Korea. The delegation's first meeting was with the Hon Kim Jong-hoon, Head of the International Relations Committee of the governing party, the SP. Mr Kim had a great knowledge of Australia and its current political climate and policies.

In relation to Australia's Mineral Resources Rental Tax (MRRT), Mr Kim was a little concerned with the possible effect on competitiveness it may have for Australian commodities. Mr Kim went on to say that South Korea imports almost all of its mineral resource and thus need and continual supply are more of the defining factor. This led to a discussion on power production and usage in South Korea with most raw materials needed to produce power imported. Mr Kim's view was that it is imperative that South Korea find ways to reduce its need for electricity and look at more green forms of power generation.

Mr Kim spoke very highly of Australia and expressed his deep respect for the sacrifice made by the Australians who fought in the Korean War.

Tour of the National Assembly of the ROK

The delegation received a guided tour of the National Assembly of the Republic of Korea. The 300 member unicameral legislature is currently in what is known as the sixth Republic, having last held elections on 11 April 2012.

Hon Park Ji-won, Floor leader of Democratic United Party (DP) and Hon Lee Un-joo, Deputy Spokesman of DP

The delegation met with the Hon Park Ji-won, Floor Leader of the DP and the Hon Lee Un-joo, the Deputy Spokesman of the DP. Mr Park has a long-standing involvement and deep affection for Australia. Having been a government member in the year 2000, Mr Park was extensively involved in Korea's involvement in the Sydney 2000 Olympic Games. Mr Park discussed issues surrounding Korean tourism in Australia and the need for strengthening the reciprocal tourist from Australia to Korea.

Ms Lee spoke of developments in the workforce in relation to female involvement and highlighted the importance of female representation in the National Assembly and the role she plays in boosting equality both in the legislature and in society. Korea, like the West, has seen a growth in female participation - something deemed vital for the continued growth in the Korean economy.

Mr Kim Tae-hwan - Department Head of the Korea Foundation

A working luncheon was hosted by Mr Kim Tae-hwan, Department Head of the Korea Foundation. During the meeting, the delegation discussed a variety of issues primarily focusing on a South Korean response to the potential for a North Korean collapse. It was highlighted that such a collapse would cost \$1 billion and pose serious security, humanitarian aid and financial challenges for the region.

Saenuri Party Representatives

The delegation met with two Members of the SP, the Hon Kim Sae-yeon, and the Hon Park Min-sik. We discussed Australia's relationship with Korea and the role as representatives in the National Assembly. Similarly to Australia's Federal Parliament, members represent a district of South Korea and travel to the central parliament for parliamentary work. The National Assembly often sits around 100 days a year, which makes it very hard for representatives to spend meaningful time in their districts.

The Hon Kim Sae-yeon

The delegation was hosted for dinner by the Hon Kim Sae-yeon, whom we had met earlier that day. This was a good chance to talk in-depth and in a far less formal environment about issues ranging from Korea's low birth rate, relations with North Korea and whaling.

Australian Ambassador to Korea

The delegation was hosted by His Excellency, Mr Sam Gerovich, Australian Ambassador to Korea. The Ambassador talked to the delegation about the means for strengthening ties between our two nations and his role. He encouraged the delegation to engage in frank conversation during meetings and in particular to petition South Korean government members on Australia's strong stance against whaling.

Korean Communications Commission

The Korean Communications Commission briefed the delegates on South Korea's telecommunications and high-speed internet capacity. South Korea is known as an international market leader in technology and broadband, with a comprehensive and wide reaching network of hard wire and wireless communications.

In January 2006, the ROK became the first country to achieve over 50 per cent broadband penetration per capita. A mix of government and private enterprise investment has seen Korea's internet capability grow to become one of the best in the world. The country's investment in broadband over the next ten years is astounding; they are committed to speeds of one gigabyte per second over wireless technology and fixed line services of 10 gigabytes plus.

Korean Educational Development Institute

The delegation visited the Head of International Cooperation Office of the Korean Educational Development Institute. The Institute, known as KEDI, is somewhat of an educational think-tank with its core business focused on education delivery across Korea. The government-funded institute develops policies and platforms for government to strengthen the education model of South Korea. During the meeting, the high youth unemployment rate, low birthrate, and over-skilled workforce of South Korea were discussed. A high rate of tertiary educated young Koreans has resulted in a diminished workforce for Korean industry as production line or labouring jobs are often deemed below an individual's ability.

Samsung D'light Exhibition Hall

The delegation visited the Samsung D'light Exhibition Hall. Samsung is one of Korea's greatest and most well-known exports to the international market. The market leaders in technology displayed their current capacity and developing technologies that would revolutionise the family home or workplace.

AUSTCHAMKOREA

The delegation was hosted to dinner by Mr Peter Feltis, Chairman of AUSTCHAMKOREA, the Australian Chamber of Commerce in Korea. The organisation plays an important role not only in providing a business link for expatriates Australians but also in developing new relationships beneficial to both nations.

Korean Federation of Industries

The delegation met with Federation of the Korean Industries' Vice Chairman, Mr Byung Chul Jung. Founded in 1961, the Federation represents big business both to government and on the international stage. Mr Jung outlined the Federation's mission within Korea and in building relationships within Australia. When asked about the MRRT, Mr Jung expressed some concern regarding the potential issues it may have for the Australian market in relation to world prices pressures on commodities.

Hyundai Motors

The delegation travelled to Ulsan by the KTX express train and was impressed with the free high speed wifi available to passengers. Upon arrival, the delegation was given a guided tour of Hyundai Motors. Hyundai plays a major role in the culture of Korean industry. The brand, recognised around the world, was founded in 1967. Despite a difficult global economic environment, in 2010, Hyundai sold 3.61 million vehicles in the global market and took 65th place among the top 100 brands in the world with a brand value of \$5 billion.

The Hyundai plant in Ulsan employs over 30,000 staff and produces over 6,000 cars per day. The company has recently begun investing in cleaner technologies both in its product and in the production of its cars. Hyundai is very proud of its reduction in emissions.

POSCO Steelworks

The delegation was given a guided tour of POSCO steelworks. The delegation considered this to be one of the highlights of the tour as we witnessed the production of a number of steel products from start to finish. POSCO has recently invested in clean technology that has seen a huge reduction in emissions - a fact that POSCO is very proud of.

POSCO Museum

The delegation learned about the history of POSCO and the important role it plays in developing economic growth for the nation and for the local community.

Demilitarized Zone (DMZ)

The ROK has been at war with the Democratic Peoples' Republic of Korea (North Korea) since 1953. North Korea has, from the time of the division faced condemnation from the west for human rights abuses, provocative military action and a closed state averse to engage internationally.

The reality of the tensions became clear to the delegation during our visit to the DMZ where we received briefings from a Captain of the Royal Australian Navy and from a Lieutenant of the Royal New Zealand Navy.

Following a detailed briefing on the United Nations Joint Security Force's Mission in Korea, the delegation was taken on a tour of the area. This tour included a visit to tunnels that had been dug by the North Koreans in an attempt to infiltrate the South. In addition, the delegation visited the area known as conference row. This area is occupied by a number of buildings in which non-hostile meetings of the two Koreas take place.

The reality of the tensions which sees South Korea's capital, Seoul, within artillery firing range from the North is never far from the minds all those we spoke to. Great consideration is given to the strategic importance that the DMZ would play in the potential downfall of the North Korean regime.

Conclusion

In summary, the delegation found the meetings and cultural program greatly beneficial to representatives of both nations.

Australia must take all practicable measures to nurture existing relationships and develop new ways of collaborating with the ROK. With a strong growth rate, exponential increase in GDP, manufacturing capacity and strategic position within the Asia-Pacific, the bilateral relationship with the ROK will continue to benefit both nations into the future.

Australia and Korea have, in the assessment of the delegation, many more similarities than Australia has with most other nations in the region. The influence of the West is evident in many aspects of Korean life. This can be seen in their approach to schooling, focus on education, English language ability and eagerness to engage the west in business and leisure.

It is the view of the delegation that Australia and the ROK have forged a strong bond over many years, but there is still more to do to ensure this continues to grow into the future.