



**Submission No 49**

**Inquiry into Australia's Relations with the Republic of Korea; and  
Developments on the Korean Peninsula**

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**Australian Government**  

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**Department of Industry  
Tourism and Resources**

**Submission**

**by the**

**Australian Government Department of Industry, Tourism and  
Resources**

**to the**

**Inquiry into Australia's relationship with the Republic of Korea**

**by the**

**Joint Standing Committee on Foreign Affairs, Defence and Trade  
Foreign Affairs Sub-Committee**

**October 2005**

## **Introduction**

This submission by the Department of Industry, Tourism and Resources (DITR) addresses the follow-up questions arising from the Senate inquiry into Australia's relationship with the Republic of Korea. The questions are in regard to the Australia–Korea Joint Committee for Energy and Mineral Resources Consultations which provides a framework for the exchange of views on energy and minerals trade, energy use and demand forecasts and cooperation in energy and minerals research.

The questions from the Senate inquiry are as follows:

The Australia-Korea Joint Committee for Energy and Mineral Resources Consultations and Cooperation last met in Korea in February 2004. DITR has listed seven key outcomes of that meeting on its website.

- A meeting was held last year. What were the outcomes of this meeting?
- Would you update the Committee on the implementation of these outcomes?

In response, the submission details the outcomes from the 20<sup>th</sup> meeting held in February 2004. In addition, DITR would like to inform the Committee of the more recent meeting of the Australia- Korea Joint Committee for Energy and Mineral Resources Consultations and Cooperation held on 12-13 July 2005. While this information has not yet been included on DITR's website, DITR has provided details of the outcomes of the 2005 meeting in this submission for the committee's information.

These details (from both the 20<sup>th</sup> and 21<sup>st</sup> meetings) are presented in tables below.

## **Outcomes from the 20th Meeting of the Korea-Australia Joint Committee on Energy and Mineral Resources Consultation and Cooperation**

The 20<sup>th</sup> meeting of the Australia-Korea joint Committee for energy and mineral resources was held in Gwangyang, Korea, in February 2004. The key outcomes (listed on the Departmental website), and the associated follow up actions, are detailed below:

<b>Outcomes</b>	<b>Action taken</b>
Exchanges of information on energy policies, including Korean gas and electricity restructuring.	<ul style="list-style-type: none"> <li>Item covered in presentations on Australia and Korea's respective energy policies at the 20<sup>th</sup> meeting.</li> </ul>
Promotion of Australian LNG supply capabilities.	<ul style="list-style-type: none"> <li>Item covered in presentations on Australia's LNG supply capabilities during the meeting.</li> </ul>
Increased Korean interest in participating in major energy conferences in Australia during 2004, including the Sydney World Energy Congress.	<ul style="list-style-type: none"> <li>The meeting dedicated an agenda item to the World Energy Congress in an effort to encourage attendance.</li> </ul>
Agreement to conclude a bilateral treaty on resources cooperation (signed in August 2004)	<ul style="list-style-type: none"> <li>The Agreement, which has the strong support of Australian energy and minerals companies, was signed by the Australian Minister for Industry, Tourism and Resources, the Hon Ian Macfarlane MP, and the Korean Minister for Foreign Affairs, Mr Ban Ki Moon, at Parliament House in Canberra.</li> <li>DITR has recently completed all stages of the finalisation process and is currently working towards the exchange of diplomatic notes to bring the Agreement into force.</li> </ul>
Australia to provide contact details for Geoscience Australia regarding technical cooperation in the minerals and resource sectors.	<ul style="list-style-type: none"> <li>The Korean Institute of Geoscience and Mineral Resources (KIGAM) has been in regular contact with Geoscience Australia regarding possible cooperative projects.</li> <li>KIGAM representatives visited Geoscience Australia on 13 July 2005 to discuss the potential for collaboration in minerals-related geoscience research, especially geoscience information management and delivery.</li> </ul>
Korean project proposals for joint cooperation in the areas of community mining, pre-concentration of ores; techno-economic feasibility study of minerals processing and geological survey proposals.	<ul style="list-style-type: none"> <li>CSIRO and Geoscience Australia have (separately) held discussions with KIGAM regarding cooperative projects.</li> <li>KIGAM representatives visited CSIRO in recent months. KIGAM and CSIRO recently (September 2005) signed a Memorandum of Understanding to establish the framework for future collaboration over the next 5 years.</li> </ul>
Further dialogue on bilateral trade in steaming coal and Korea's long term purchasing strategy.	<ul style="list-style-type: none"> <li>Item covered in presentations during the meeting.</li> </ul>

Australia to provide details of improvements to Australia's rail network and port facilities.	<ul style="list-style-type: none"> <li>• Item covered in presentations during the meeting.</li> </ul>
Australia to provide information on coal bed methane projects in Australia.	<ul style="list-style-type: none"> <li>• Relevant information provided to the Korean Embassy in August 2004.</li> </ul>
Australia to assist potential Korean investors in the Australian mining industry.	<ul style="list-style-type: none"> <li>• In October 2004, Invest Australia participated in meetings with the Korean Government's Public Procurement Service delegation.</li> <li>• In March 2005, Invest Australia assisted and accompanied a Korean industry delegation focussed on coal investment opportunities in Australia.</li> <li>• Officials from Invest Australia Tokyo visited Korea in February 2005 and met with key Korean resource companies. A follow up visit is took place in the week commencing 11 July 2005.</li> <li>• In addition, Invest Australia's Minerals and Energy Team, in conjunction with Invest Australia Tokyo, will be visiting Korea in early November 2005 to meet with Korean minerals companies considering investments in Australia, with the objective of discussing how Invest Australia can assist with their investment plans.</li> </ul>
Australia to provide information on potential opportunities in oil and gas exploration and production activities.	<ul style="list-style-type: none"> <li>• Relevant information has been provided.</li> </ul>
Australia to provide information on Australian investment projects in the minerals sector.	<ul style="list-style-type: none"> <li>• Relevant information has been provided.</li> <li>• Invest Australia has also maintained ongoing contact with the Korean Embassy's Commercial Attaché and provided a comprehensive information package on Australia's minerals sector, including information on proposed projects representing potential investment opportunities for Korean firms.</li> </ul>

**Outcomes from the 21<sup>st</sup> meeting of the Australia-Korea Joint Committee for  
Energy and Mineral resources.**

The 21<sup>st</sup> meeting was held in Canberra on 12-13 July 2005. The table below outlines the follow-up activities and the action that has been taken:

Outcomes	Action taken
<p>Australia to provide Korea with information on the Mandatory Renewable Energy Target (MRET) as well as on the various renewable programs in place, including those announced in the Energy White Paper.</p>	<ul style="list-style-type: none"> <li>▪ Relevant information has been provided.</li> </ul>
<p>It was agreed that the Australian and Korean governments would explore opportunities:</p> <ul style="list-style-type: none"> <li>▪ for technology collaboration on land fill/waste, hydrogen, photovoltaics, wind, and manufacturing technology capability assessment and deployment;</li> <li>▪ to accelerate renewable energy deployment opportunities through the APEC Energy Working Group (EWG), including investigating the possibility of a renewable Energy Dialogue/Forum in 2006.</li> <li>▪ to use the EWG to identify barriers to investment in the renewable energy sector and work through the EWG to develop harmonized standards for renewable statistics.</li> </ul>	<ul style="list-style-type: none"> <li>▪ To facilitate technical collaboration on renewable energy projects, a list of key Australian research and development agencies has been provided.</li> <li>▪ These matters were investigated at the APEC Renewable Energy Workshop in Beijing, on 26-27 September 2005. The workshop aimed to exchange experiences and lessons in renewable energy development, advance commercialization and application of renewable energies, promote technology transfer between economies, and reduce trade barriers on renewable energy among members.</li> <li>▪ The APEC EWG has set up a Task Force on Energy Efficiency and Renewable Energy Financing of which Australia and Republic of Korea are both members. APEC has recently approved a number of related projects for 2006: <ul style="list-style-type: none"> <li>- EWG 02/2006 Renewable Energy Products Database: Paving the Way for Deployment of Renewable Energy;</li> <li>- EWG 04/2006 Information Sharing on Financing Public Sector Energy Efficiency and Renewable Energy Projects; and</li> <li>- EWG 01/2006T Local Banks Training Program for Financing Energy Efficiency and Renewable Energy Standards (under consideration).</li> </ul> </li> </ul>

<p>Australian industry and the Korean Institute of Energy Research agreed to collaborate on possible renewable projects that will facilitate electricity utilities' obligations under the Korean renewable energy policy.</p>	<ul style="list-style-type: none"> <li>▪ Hydro Tasmania has advised that in the period since the High Level Group meeting they have contacted the Senior Trade Commissioner from the Korea Trade-Investment Promotion Agency (KOTRA) and are investigating genuine investment opportunities.</li> </ul>
<p>Australian companies agreed to work with the Australian and Korean governments to explore opportunities for participation in Korean Clean Development Mechanism (CDM) projects.</p>	
<p>In order to facilitate business partnerships, resource assessment and project identification, it was agreed that the Australian and Korean governments would develop and share industry capability profiles of Australian and Korean companies.</p>	<ul style="list-style-type: none"> <li>▪ Relevant information has been provided.</li> </ul>

Korea also agreed to provide additional information in certain areas and these are detailed below.

Summarised Request
<p>Korea to provide information on the policy framework for its renewable energy industry, including key departmental contacts.</p>
<p>In order to facilitate business partnerships, resource assessment and project identification, it was agreed that the Australian and Korean governments would develop and share industry capability profiles of Australian and Korean companies.</p>
<p>In regard to LNG, Korea agreed to clarify the tender situation in relation to third party facilities such as pipelines and terminals, before the next LNG round.</p>
<p>Korea agreed to provide information on the competitiveness of uranium energy generation when compared to other energy sources.</p>