



Submission No 29

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

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Australian Government



**Submission to the Joint Standing Committee on
Foreign Affairs, Defence and Trade's Inquiry
into Australia's Relationship with Korea**

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1. Introduction

The Australian Film Commission (AFC) is an Australian Government agency, operating as part of the Commonwealth Film Program to ensure the creation, availability and preservation of Australian screen content. The AFC enriches Australia's national identity by fostering an internationally competitive audiovisual production industry, making Australia's audiovisual content and culture available to all, and developing and preserving a national collection of sound and moving image.

The AFC also administers and advises on the Australian Government's Official Co-Production program. It provides information to the industry about the program and reviews applications for official co-production status. Treaties and Memoranda of Understanding are currently in place with France, the UK, Canada, Italy, New Zealand, Israel, Ireland, Germany and China.

As the major collector and analyser of data about the industry, the AFC leads opinion, outlook and policy about the audiovisual industries and screen content in Australia.

The AFC has a longstanding interest in trade, particularly in audiovisual services and the development of the creative industries in Australia. The AFC welcomes the opportunity to comment on Australia's relationship with Korea.

2. Background on trade and the role of culture

The debate about the place of culture in trade agreements is as old as the establishment of the post war framework for trade liberalization in the General Agreement on Tariffs and Trade (GATT). That agreement provided for countries to be able to introduce quotas on national films to encourage the post war rebuilding of national cinema industries, particularly in Europe, without specifically removing culture from the GATT.

The issue of culture became a source of intense debate during the Uruguay round of negotiations that culminated in the establishment of the World Trade Organisation (WTO) and the completion of the General Agreement on Trade in Services (GATS) and the Trade Related International Property Rights Agreement (TRIPS). This was for two reasons. First, the agenda for trade liberalization was being widened to include services and intellectual property and this clearly encompassed trade in cultural services and goods. Second, since the establishment of the GATT many countries, Australia included, had introduced measures designed to support and encourage their cultural expressions.

The main argument was between the European Union (EU) and the United States of America and revolved around the treatment of audiovisual services in the GATS. The EU, led by the French, sought the introduction of an exemption from the agreements for cultural measures. This was strongly opposed by the US, not least because the audiovisual copyright industries were becoming a very fast growing part of their exports. The US sought complete liberalisation (or relaxation of government regulations) of audiovisual.

The eventual compromise was that the GATS was structured as a positive list agreement so that in order to establish new standards of liberalisation countries had to make positive commitments to liberalise. The US and a few countries like New Zealand made commitments to liberalise in audiovisual. Australia and the majority of WTO members made no commitments on audiovisual.

By the time that the next round of multilateral negotiations commenced in Doha there had been a number of significant developments around the issue. The first to note is there had been a growing international debate about the importance of cultural diversity and the need for appropriate recognition in international agreements and in the work of international agencies. International discussion about culture has expanded from ideas of cultural protection and the preservation of cultural heritage, to a more active engagement with the idea of culture as an indelible part of strategies for development and the growth of a civil society.

The discussion of cultural diversity at the level of governments reached a new stage with the formation of the International Network on Cultural Policy (INCP) in 1998 and subsequent discussions in government forums such as the Council of Europe and the association of francophone nations – Francophonie. This has culminated in the current consideration by UNESCO of a ‘Convention on the protection of the diversity of cultural contents of artistic expressions’, which attempts to set out the rights and obligations of countries in relation to cultural diversity and expression. The objective is in part to set an international consensus on the treatment of culture in international relations, including trade relations.

The second development to note is the changed approach of the US, which has explicitly recognised that the ability of countries to pursue cultural policy outcomes is an issue that has to be dealt with. In the Doha round in July 2002 the US acknowledged current cultural measures but requested WTO members to make stand still commitments, which would preserve these measures, but not allow further measures. The apparent concession by the US is only in relation to cultural measures as they affect analogue production and distribution. In relation to digital products and distribution that include cultural expressions the US has argued that current cultural measures should not be extended to include these.

The third major development has been the trend towards bilateralism led by the USA. The failure of Seattle to initiate a new global round and the slow pace of progress in the Doha round reinforced the resolve of the Bush administration to pursue bilateral and regional agreements as a means of creating a new international agenda for free trade. As the United States Trade Representative (USTR) has commented:

*The President has promoted the agenda for trade liberalization on multiple fronts: globally, regionally, and with individual nations. This strategy creates a **competition in liberalization** (emphasis added) with the United States as the central driving force. It enhances America's leadership by strengthening our economic ties, leverage, and influence around the world.¹*

Since 2002, when the Congress renewed the President's Trade Promotion Authority, the US has completed bilateral negotiations with Chile, Singapore, Australia, Morocco and with the countries of Central America. A principal attraction of these agreements is that they include standards of trade liberalisation that are higher than has been achieved in the GATS and build leverage for the US agenda in the WTO.

2.1 Background: Australia's position

In the WTO, Australia has maintained the position it has held for well over a decade. Despite the request of the USA, in making the announcement of Australia's offers on 1 April 2003, Minister Vaile said:

The Government will ensure that the outcomes of negotiations will not impair Australia's ability to deliver fundamental policy objectives in relation to social and cultural goals and to allow for screening of foreign investment proposals.²

As a result Australia stood by its previous stance and made no offers in audiovisual or cultural services.

Australia has also participated in the recent trend of bilateral agreements and has negotiated agreements with Singapore, Thailand and the US; and is examining the possibility of bilateral agreements with the ASEAN, New Zealand and the UAE and now with China.

In the Singapore Australia Free Trade Agreement, Australia successfully argued for a broad cultural exemption to the application of free trade principles. Culture is defined broadly enough for it to apply to culture

¹ Statement of Robert B. Zoellick U.S. Trade Representative before the Committee on Ways & Means of the U.S. House of Representatives February 7, 2002

² The Hon. Mark Vaile, MP, Minister for Trade, *Media Release: Australia's Initial Offer in Services Trade Negotiation*, 1 April 2003, http://www.trademinister.gov.au/releases/2003/mvt028_03.html

wherever it existed, across new, emerging and future technologies.³ The need for this exemption stems from the fact that the Singapore agreement is a negative list type agreement in which an overarching commitment to liberalisation is made subject to nominated exemptions or the allowance of non-conforming measures.

The Australia US Free Trade Agreement (AUSFTA) is also a negative list agreement and although the Singapore style exemption could not be achieved in that negotiation, Australia was still able to reserve all existing cultural measures and to retain a flexibility to act in relation to future interactive audio and/or video services.

The Thailand Australia agreement is structured as a positive list and Australia made no commitments in relation to audiovisual.

2.2 Korean Position

Korea has only recently come to start the process of negotiating free trade agreements with other nations. In large part because it discovered that it was the only nation, aside from Mongolia, who was a member of the WTO and did not have a bilateral agreement with another nation. This despite the fact that the Korean economy is heavily dependent upon the export of manufactured goods. It has not necessarily been a popular move and some sections of the economy, such as the highly protected agriculture sector, are deeply suspicious. The first agreement was with Chile and this was ratified by the National Assembly in March 2004, but only after a long process of discussion and uncertainty.⁴

The Government of President Roh Moo Hyun is very publicly committed to free trade and has embarked on an ambitious plan to complete 15 Free Trade Agreements by the end of 2007 just before his term expires. His Trade Minister Kim Hyun Chong has publicly stated:

*A long-term strategy to expand trade is necessary for the South Korean economy facing unfavorable external conditions, such as soaring oil prices, the stronger won against the U.S. dollar and more trade barriers. The only solution is to have more FTAs that give South Korean companies greater access in foreign markets. We will no longer remain out of the race for free trade zones.*⁵

³ This exemption reserved Australia's right to adopt or maintain any measures relating to

the creative arts, cultural heritage and other cultural industries, including audiovisual services, entertainment services and libraries, archives, museums and other cultural services. cultural expression, and digital interactive media and hybrid arts work which uses new technologies to transcend discrete artform divisions.

⁴ Weisbart W, 'Leading on Free Trade', *Korea Times*, 10 April, 2005

⁵ Jong-Heon Lee, 'Analysis: S.Korea's FTA push', *UPI*, 30 March 2005

Korea has begun discussions with Japan, Canada, ASEAN, Singapore and the members of the European Free Trade Association (EFTA) (Iceland, Liechtenstein, Norway and Switzerland). Agreement has been reached with Singapore, but not yet ratified, and the discussion with the EFTA is likely to conclude in the middle of the year.

As detailed below Korea has a number of government measures in place to support audio-visual production and to regulate broadcasting. Korea is a member of the INCP and there is within Korea a strong civil movement in support of cultural diversity, part of which stems from the memory of Japanese colonization and the ever present awareness of living in a nation divided by war and ideology. In 2004 the Korean government helped support the Third International Meeting of Cultural Professional Associations in Seoul which was an international mobilisation of organisations pursuing the goals of cultural diversity.

It is not surprising therefore to see in the agreement with Chile that Korea has reserved all its existing cultural measures and has taken a reservation for future measures in the following terms:

Korea reserves the right to adopt or maintain any measures related to digital broadcasting.

Korea reserves the right to adopt or maintain any measure related to satellite broadcasting, including DTH (Direct To Home), DBS (Direct Broadcasting Satellite), DAB (Digital Audio Broadcasting).

Satellite broadcasters include satellite broadcasters and program providers using foreign satellites.⁶

As well, e-commerce appears not to be dealt with in the agreement and certainly not in the manner that it is in the Australia US Free Trade Agreement.

3. South Korea's Audiovisual sector

3.1 Film

Korea has the third most successful domestic film industry in the world measured by the share that its films have of the box office⁷. In 2004 Korean films took a 60.3 per cent of the domestic market.⁸ Only Hollywood and Bollywood have higher shares where it is estimated that in the US and India

⁶ Annex 2, Reservations for future measures, Korea-Chile Free Trade Agreement. Text accessed at the Korean Ministry of Foreign Affairs <http://www.mofat.go.kr/ko/division/data/AnnexII.pdf>

⁷ 'Local film industries record level: majority of markets experienced overall increase in 2003', *Screen Digest*, 1 August 2004

⁸ 'Korean film enjoys bumper box office harvest in 2004', *Screen Daily*, 12 January 2005

local films take between 90-100 per cent of their domestic market. The best year for Australian box office share was in 1986 when the success of *Crocodile Dundee* took domestic share to 24 per cent.

Not only is the box office share impressive but when local films become hits they significantly outperform imported Hollywood films. In 2004 two films *Tae Guk Gi* and *Silmido* each took \$US64.5 million and \$US60.1 million respectively compared with \$US21 million and \$US18 million for each of *Troy* and *Shrek 2*⁹: see Appendix 1 for charts of the top ten films for 2003 and 2004 by admissions. To the end of April 2005 Korean films continued to perform well, with only one foreign film, the US *Constantine*, among the ten most attended films.¹⁰

Interestingly despite its much larger population of 48 million people the cinema market in Korea is presently not that much bigger than Australia, although it has been growing at a much faster rate since the mid nineties. Korea has fewer cinema screens than Australia – 1130 in 2003 compared to 1907 in Australia. But the number of admissions has increased dramatically climbing from 42 million in 1996 to 139 million in 2004¹¹. During that period the number of Korean films released each year has varied between 49 and 65. Korea now sits just ahead of Australia in terms of global box office, ninth (4.72 per cent of non-US world box office) and tenth (4.56 per cent) respectively. Japan dominates the share of Asian box office, but Korea ranks third in the region after India.¹²

Film exports are also increasing. In 2004 Korea sold 194 films internationally to 62 territories, however Japan is the largest consumer of Korean cinema with nearly 70 per cent of sales going to Japan. This growth has been remarkable given it was only in 1998 that Japan lifted a 50 year ban on the importation of Korean films. Other significant markets for Korean films are China, Thailand, France and the USA.¹³ Like most countries Korea still imports more films than it exports, but the growth in exports means that the balance of film trade has been declining.

Despite being available in Korea since 1997, DVD has failed to capture the enthusiasm of the Korean public which remains firmly wedded to the VCR and more interested in renting than purchasing. In 2003 more than half the expenditure (56 per cent) on video software was spent on the rental of VHS tapes.¹⁴ The failure of DVD to catch on in Korea has meant that although it remains in the top 20 video markets in the world it has not enjoyed the

⁹ Ibid

¹⁰ <http://koreanfilm.org/kfilm05.html>

¹¹ *Screen Daily*, 12 January 2005

¹² 'West Europe has half non-US BO: but the US accounts for almost half the world box office total', *Screen Digest*, 1 October 2004

¹³ 'Korean film exports double again', *Screen Digest*, 1 February 2005

¹⁴ 'South Korea fails to adopt DVD: VHS still dominates as DVD continues to disappoint', *Screen Digest*, 1 December 2004

phenomenal growth in video revenue seen in most other markets as a result of the DVD boom. For example the video market in Australia has grown by 156 per cent in the last five years, but by only 9 per cent in Korea.¹⁵ The widespread use and access to broadband is also likely to have played a significant role in the failure of DVD in Korea.

The beginnings of the boom in Korean cinema can be traced back to the movement from military dictatorship to democracy in the early nineties and the lifting of many of the previous controls and interference of the previous regime. Darcy Paquet argues:

...the current boom being enjoyed by Korean cinema is less of an extraordinary circumstance, than a case of the industry finally reaching its natural state. Since its earliest beginnings, Korean cinema has been hampered by Japanese colonisation, national division, civil war, authoritative military governments, strict censorship, and highly restrictive, distorting film regulations. Only in the 1990s did Korean cinema finally benefit from a supportive government, a stable economic environment and a sensible film policy.¹⁶

The main Government support to the film industry is through direct investment by the Government in development, production and exhibition through the national funding agency, the Korean Film Council (KOFIC), which grew out of the Korean Motion Picture Promotion Corporation, established in 1973. Its main function is to promote and support Korean films both in Korea and abroad. It has a wide mandate and in Korean terms, a fair degree of autonomy from the government. In addition to this there are a number of regional film commissions that provide location support and other assistance to attract filmmaking.

Most of the funding for KOFIC's activities comes from direct allocation by the Government. A small amount is also allocated to KOFIC by the Korean Culture and Arts Promotion Fund, which collects a levy on the box office of all cultural and heritage sites including cinemas. A total of 160 billion Won (AUD\$203 million) was raised between 1999 and 2003 from both these direct and indirect sources.

Aside from direct investment KOFIC has also used its funding to stimulate private investment through financial vehicles known as investment unions that combine venture capital, ordinary investors, film capital and public funds. Investment unions are intended to aggregate enough investors to ensure a minimisation of risk and a diversity of investment. However, there are no tax concessions available specifically for investment in Korean films.

¹⁵ 'US video revenue overtaken by ROW: world sales rising importance to distributors bottom line', *Screen Digest*, 1 October 2004

¹⁶ Paquet, D, *A Short History of Korean Film*, At <http://koreanfilm.org/history.html>

Private sector investors have been attracted to the industry by its performance and the prospect of decent returns.

The banking sector has also been attracted to film investment. One of Korea's larger financial institutions the Hana Bank in 2000 established the Hana Cinema Trust Fund in partnership with the second largest distributor in Korea Cinema Service. This fund invests in about five to seven films a year.

Private investment also comes in the form of venture capital and stock market raisings. For example, CJ Entertainment, the largest distributor and producer in the country listed on the stock market in 2002.

3.1.1 The Screen Quota

The screen quota is seen by the industry as an integral part of the support measures provided by the Government. Since it was introduced in the mid-1960s under the Park Chung-Hee administration, the screen quota has helped underwrite the recent success of Korean cinema. Under the rules, cinemas must show locally produced films for between 106 and 146 days a year, depending on the number of domestic films released and when they are screened. In major cities of 300,000 or more, the exhibition sequence of Korean and imported films must be alternated.

In 1999 and 2000, the National Assembly passed resolutions that the consideration of a relaxation of the screen quota should be commenced when the box office share of Korean films reaches 40 per cent. The Ministry of Finance and Economy has criticised the quotas as being anti-competitive and asked that the Ministry of Culture and Tourism to review them. A consultation process with the industry commenced in August 2004 after President Roh Moo Hyun indicated that he favoured a review with the prospect of reducing the level. The issue has not been resolved yet because not only is the film industry opposed but so too is the entire cultural sector.

The existence of the screen quota has also been a stumbling block to a trade agreement with the United States. Direct distribution of Hollywood films had been forbidden since shortly after the US occupation ended in 1948. This restriction was eased in 1988 leading to a sharp increase in US films in the Korean market. The two governments began discussion on a Bilateral Investment Treaty in the late nineties but talks were suspended in 1999 because the screen quota issue could not be resolved. This was because the Korean government was unable to accede to the US requests to abolish the quota in the face of very trenchant opposition from the cultural sector, including the mobilisation of large public demonstrations against the removal of the quota.

The industry fears that without the quota Korean screens would very quickly become dominated by Hollywood films. The position of the industry was expressed last year by Yang Gi-hwan, general director of the Coalition for Cultural Diversity in Moving Images:

“The United States should bring the issue to the World Trade Organization if it believes the Korean film industry is overly protected in violation of fair trade rules. But it can’t because movies are cultural products and regarded as exceptions to such trade rules.”¹⁷

The Korean Trade Minister is due to meet with the new US Trade Representative at the APEC Forum in June to discuss the reopening of discussions. The US is reported as maintaining that resolution of the screen quota issue is a precondition for any agreement.¹⁸

3.2 Television

Television commenced in Korea in 1956, initially as a private service which subsequently went off the air in 1959. In 1961 television broadcasting started again under government control, with new private broadcasters starting in the mid to late sixties. The advent of military dictatorship in 1980 saw the nationalisation of the private broadcasters and it is only comparatively recently, since the return to democracy, that new private broadcasters have been licensed. As a result the television market is still dominated by the public broadcasters, rather like many of the European television markets.¹⁹

There are now three national publicly owned terrestrial broadcasters and a network of regionally based private terrestrial broadcasters. There are also cable and DBS providers, as well as the American Forces Korea Network serving the large contingent of US military personnel stationed in Korea. About 70 per cent of households are cable subscribers.

3.2.1 The regulation and shape of the television system

The industry is regulated by the Korean Broadcasting Commission (KBC) under the *Broadcasting Act 2000*. Prior to this legislation regulatory responsibility was diffused amongst a number of government departments

¹⁷ Yang Sung-jin, ‘Screen quota system in dispute – again’, *Korea Herald*, 20 October 2004

¹⁸ Seo Je-yeon, ‘Korea, US to Discuss FTA in Cheju Meeting’, *Korea Times*, 11 May 2005

¹⁹ This section is derived from the following sources of information:

Korean Broadcasting Commission, *Korean Broadcasting Outlook: A guide to KBC and Korean Broadcasting Industry*, At <http://www.kbc.go.kr/english/common/korean.asp>

Museum of Broadcast Communication, *South Korea*, At www.museum.tv/archives/etv/S/southkorea/southkorea.htm

Ki-Sung Kwak. *Public service television in South Korea*, Korea-Australasia Research Centre, University of New South Wales, 2003

Korea Net, Broadcasting, At http://www.korea.net/korea/kor_loca.asp?code=F0402

and agencies. The KBC is responsible for licensing, content regulation and supervision of the Internet. It also has a role in recommending the appointment of directors to the boards of the public broadcasters. The KBC is funded by the Broadcasting Development Fund (BDF) which is financed by a tax on advertising revenue of the terrestrial broadcasters and by franchise fees from the cable operators. As well as funding the cost of regulation, the BDF can also be applied to program production, research and education.

The Korean Broadcasting System (KBS) is the main public and dominant broadcaster. It has two terrestrial channels and is also present on the cable and satellite platforms. The two terrestrial channels are differentiated by the absence of advertising on KBS 1 and the focus of that channel on sport, news and cultural programs. In contrast KBS 2 is a general entertainment channel. KBS is financed by viewer licence fees and advertising, the latter accounting for over half its revenue.

The second public broadcaster is MBC. Although MBC is a private company the dominant shareholder is a government institution, the Foundation for Broadcast Culture (FBC). FBC owns 70 per cent of the MBC with the remainder owned by a private foundation. It was into the MBC that the previous private channels were merged in 1980. MBC has one terrestrial channel, which is totally funded by advertising and four cable and satellite channels. This is an entertainment service that specialises in drama.

EBS is a curriculum-based educational channel, which was originally a division of KBS, but is now run by the Education Ministry and is funded by the BDF and by advertising.

Privately-owned television was re-introduced in 1990 and although there are twelve regionally based terrestrial broadcasters it is in effect a network dominated by the Seoul-based station SBS. These stations are funded by advertising and compete with KBS and MBC for a share of the \$US3 billion television advertising market in Korea. Since its inception SBS has recorded strong growth but its revenue still lags behind KBS and MBC.

As in the United States, the introduction of subscription television was preceded by many decades of community antenna television (CATV) to deal with the problems of reception in many parts of the country. Subscription television was introduced in the early nineties and direct to home satellite television more recently. The sector is divided into the program providers, who are licensed to provide the channels, the cable system operators and the network operators that link the cable systems. There is increasing concentration of ownership between the system operators and program providers. About 62 per cent of households subscribe.

3.2.2. Digital television

The terrestrial broadcasters commenced digital broadcasting in 2001 and are currently required to provide about 13 hours per week of digital programming. Penetration remains at around 5 per cent not least because until the middle of 2004 there was some confusion over the broadcast standard being used. Korea chose the US Advanced Television System in 1987 but this choice was criticised by trade bodies who advocated a change to the European DVB standard that Australia and the rest of the world outside the USA have adopted. In July 2004, the Korean government ended this uncertainty by reaffirming its commitment to the ATV system.²⁰

3.2.3 Advertising

The terrestrial broadcasters do not sell their own advertising time. This is done for them by the Korean Broadcasting Advertising Corporation, which was established by the government in 1981 with the intention of separating the broadcasters from the advertisers as a means of preserving the 'integrity' of the broadcasting system. The broadcasters cannot accept advertising from any other source. Consideration is being given to the liberalisation of this system.

The amount of advertising is regulated so that terrestrial broadcasters cannot air more than 10 minutes of advertising per hour and are prevented from interrupting programming for advertisements. The same limit applies to satellite and cable channels, except that they may interrupt programs with advertisements.

3.2.4 Ownership

As in many other countries there are strict limitations upon foreign ownership. No foreign ownership of terrestrial broadcasters is permitted, while in cable it cannot exceed 49 per cent of a single entity and cannot exceed 33 per cent of single satellite entity.

3.2.5 Local and independent production

Terrestrial broadcasters are required to transmit programs produced domestically for a minimum of 80 per cent of the total amount of transmission time every month. In addition there are sub-quotas for:

- a) Movies: a minimum of 25 per cent of the total broadcasting hours for movies every year
- b) Animations: a minimum of 45 per cent of the total broadcasting hours for animation every year

²⁰ 'Korea sticks with digital television standard', *Screen Digest*, 1 July 2004

c) Poplar music: a minimum of 60 per cent of the total broadcasting hours for popular music every year

For cable and satellite broadcasters the minimum is 50 per cent of transmission time each month and with subquotas for:

- a) Movies: a minimum of 30 per cent of the total broadcasting hours for movies every year
- b) Animations: a minimum of 40 per cent of the total broadcasting hours for animation every year
- c) Popular music: a minimum of 60 per cent of the total broadcasting hours for popular music every year.

In addition no more than 10 per cent of the channels offered by a system operator or satellite platform can be of foreign origin and across all broadcasters no more than 60 per cent of the foreign programs can originate from one country. This latter measure is designed to promote diversity.

Since the start of private terrestrial television there has also been a requirement that all broadcasters devote no less than 33 per cent of transmission time each month to programs produced independently of their own in-house production facilities. The intention was to encourage diversity in the production of television and promote competition. This requirement was originally somewhat imprecise leading to KBS and MBC establishing production subsidiaries to meet the requirement and as a result they are limited to only 21 per cent of their independently commissioned programs coming from these sources.

2.3 New Media

*Korea was a late starter to industrialisation, so we were determined to be a leader in the age of knowledge based economies.*²¹

Korea leads the world in broadband uptake with nearly 80 per cent of households having access to broadband. Korea also has the fastest speeds of connectivity in the world, with 10Mbits per second being common and premium services being offered at 20Mbits per second.²²

Korea is also a world leader in 3G mobile phones. When Koreans leave their broadband connected homes many of them carry broadband mobiles which can be used for video, music, games downloading, photo messaging and as a replacement for credit cards, rather than voice and simply SMS.

²¹ Paek Ki-hun, Ministry of Information and Communications quoted in Ward, D, 'Where high speed access is going mainstream', *Financial Times*, 9 June 2004

²² Cole, G, 'Present, fast and future Broadband is transforming Korea's creative sector. What can UK companies learn?', *Financial Times*, 30 November 2004

The Korean government predicts that by 2008, broadband mobile will have the same penetration as broadband cable does today.²³

This level of connectivity is also driving the Government to plan for the upgrading of the national network infrastructure so that it will be capable of providing 100 Mbits per second connectivity as a matter of course. In co-operation with the two large conglomerates Samsung and LG the government is envisaging the creation of fully networked smart homes in which all electronic appliances and communications facilities are fully networked. The goal is to have ten million of these homes by 2007.²⁴

The \$US54 billion annual turnover Samsung and the \$US30 billion LG have expanded dramatically on the back of this digitisation of Korean society. Not only do they manufacture new digital products that are exported around the world, but their construction divisions are building the new “smart” homes of the future. Samsung in particular has become a world leader in digital television equipment and is now the second largest mobile phone manufacturer in the world.

The management consultancy Deloitte has identified six reasons for the successful uptake of broadband:

- Government policy – \$US14 billion of public money was invested in the construction of the network. Aside from the assistance given to network construction the Korean government also provides support to the digital content industries. In 1998 it established the Korean IT Industry Promotion Body (KIPA) and within that a Digital Contents Business Group which provides support programs for domestic digital content producers and to develop exports. These strategies have focused around computer graphics production, e-Learning and online gaming.
- Competition – The introduction of several ISPs to compete with Korea Telecom helped to drive down prices so that Korea still has the lowest broadband prices in the OECD for broadband access.
- Culture – A tendency to be early adopters and to not be left behind by the Japanese.
- Population density – The country is highly urbanised and densely populated, with 21 million people living in the Seoul/Inchon conurbation, many of them in high rise buildings that make cabling easier.

²³ Lewis, P, ‘Broadband Wonderland’, *Fortune*, 20 September 2004

²⁴ Ibid

- PC rooms – There are over 30,000 ‘bang’, which are a combination of an internet café and entertainment centre. Fitted with high speed access these fuelled the demand for domestic access.
- Online gaming – The popularity of gaming amongst all age groups, but particularly with young Koreans has been an important driver.²⁵

Added to this is the value that Koreans put on education. Not only is learning something of a national obsession, but government policies also marketed the internet and broadband as an essential educational tool. Families are happy to purchase computers for their children to gain access to the online education. In December 2003 there were an average of 2.6 PCs per elementary and middle school student and this was expected to rise to 5 per student by 2005. Over 50 per cent of university classes are delivered electronically and some 17 cyber universities have been established. Added to this the government is also promoting the use of the Internet for life long learning.²⁶

The impact of these forces on the Korean economy and society can be illustrated by three examples – on line gaming, music swapping and political communication.

More than half of the Internet users in Korea play online games and although it is particularly popular with teens and young adults it is not restricted to them. The popularity of gaming is reflected in the television coverage it is accorded. Unlike other nations console games are not that popular so that the PC and the Internet are the platform for gaming. It is not unusual for more than 100,000 people to be using their home PC or an Internet café to participate in a single multi-user role play game. The result is that online gaming has grown to be worth about \$US1 billion and has become a growing export industry for Korea. In 2004 Korea exported \$US250 million worth of online games, mainly to China and Taiwan.²⁷

The increase in bandwidth has also greatly increased the facility of music downloads with some devastating effects on the local music industry and international recording companies doing business in Korea. Since 2000 the value of CD sales in Korea has halved and although many local artists remain extremely popular they and their recording companies are having a harder time making profits from their work. The Government has been slow to act and only in 2004 changed the Copyright Act to increase the level of protection for music transmitted over the Internet bringing its laws

²⁵ Ward 2004

²⁶ National Computerisation Agency, Ministry of Information and Communication, 2004 *White Paper Internet Korea*, At [http://www.nca.or.kr/homepage/ehome/ehome.nsf/0/a4dcc16ac2fca835c9256ed70020fe41/\\$FILE/2004whitepaper.pdf](http://www.nca.or.kr/homepage/ehome/ehome.nsf/0/a4dcc16ac2fca835c9256ed70020fe41/$FILE/2004whitepaper.pdf)

²⁷ Soong Jung-A, ‘South Korea top for online gaming’, *Financial Times*, 31 December 2004; also Lewis 2004 and Ward 2004

up to world IP standards. The Government and the industry have made some attempts to try and close down illegal sites or make them convert to user pays, with some success, but not enough to alter the growing expectation of Koreans that music should be freely available on the Internet.²⁸

Traditional Korean society is authoritarian and conservative in its values, which in the past has led to episodes of repression and dictatorship. However, the level of connectivity in Korea is playing an important part in the permanent establishment of a liberal democratic polity. In 2002 the current President Roh Moo Hyun was widely seen by the mainstream conservative media as a rank outsider. However, the growth of the internet had also allowed for the creation of alternative news sources like OhMynews and for Roh to use the internet as a grass roots campaigning tool. His success at the polls is credited to the mobilisation of young voters through the Internet to come out and support him. .²⁹

Not surprisingly President Roh is very publicly committed to pushing new ICT as the future of growth for the Korean economy, stating:

‘Over the next five years the government will foster new generation mobile communication, intelligent robots, digital televisions, post PCs and various software industries as the new engine of growth.’³⁰

In 2003, the Roh Government identified what it calls the “10 next generation growth engines” that will act as a spur to further economic development and meet the challenge of keeping pace with a newly developing China. Three of these 10 industries are audiovisual related: digital televisions and broadcasting; next-generation mobile telecommunications, and; digital content and software. In association with the private sector, the Government plans to invest over \$US3 billion by 2008 in developing these ‘growth engines,’ with the Government emphasis on funding research and development.

However, as the International Intellectual Property Association points out, this growth agenda is potentially jeopardised because:

...technological advances are increasing the opportunities for piracy, and pirates are taking full advantage of them. Piracy is becoming firmly embedded in Korea’s digital economy.’³¹

²⁸ International Intellectual Property Alliance, *2005 Special 301 Report, South Korea*. At http://www.iipa.com/rbc/2005/2005SPEC301SOUTH_KOREArev.pdf
Ward, A, ‘Piracy makes harsh music for S Korea industry’, *Financial Times*, 24 September, 2004

²⁹ Fifield A, ‘Korea’s citizen reporters take on traditional media’, *Financial Times*, 6 November 2004

³⁰ Lewis 2004

³¹ IPPA 2005, p.237

The problems faced by the music industry in Korea are spreading into film and television, even book publishing is affected by rampant illegal copying and digitisation of school and college textbooks. The Korean government is reacting by moving to update its copyright laws and IP enforcement measures. Consequently the US Trade Representative in its 2005 Special 301 Report on intellectual property protection downgraded Korea from its 'priority watch list' to its 'watch list'. However the USTR has said:

*...more needs to be done to further update Korea's intellectual property regime to keep pace with the digitization of Korea's economy, and to prevent the proliferation of unauthorized copying of copyrighted material.*³²

4. Australia's relationship with Korea

Australia has a significant trade relationship with Korea in the audiovisual and cultural sectors.

A number of Korean films have been shot or, more often, post-produced in Australia. The AFC is aware of at least seven since 1996. A full list of these are at Appendix B.

There is a significant trade in film and television between Korea and Australia with a number of Korean films being distributed in Australia (Appendix C) and a large number of Australian titles sold into the territory (Appendix D)

4.1 Embassy Roadshow

The AFC's Embassy Roadshow has travelled to the Republic of Korea twice now with the most recent held in Seoul in July 2004. The Seoul screening saw a doubling of the previous total audience; trumping a similarly timed French film festival. Korean audiences received the films very positively and the festival itself attracted substantial media coverage including television news crews.

4.2 Korean Film Festival, 2004

The Sydney Asia Pacific Film festival held a Korean Film Festival, September 20 – October 6 2004, in Sydney, Brisbane, Canberra and Melbourne.³³

³²USTR, *2005 Special 301 Report*, p.42 At http://www.ustr.gov/assets/Document_Library/Reports_Publications/2005/2005_Special_301/asset_upload_file195_7636.pdf

³³ <http://www.sapff.com.au/2004/whatson/kff04.html>

SAPFF has recently confirmed that it will again be collaborating with the Japan Foundation, the Korean Consulate in Sydney and the China Film Bureau to present National Travelling Festivals of Japanese, Korean and Chinese Film in late 2005.

4.3 AFC at The Pusan International Film Festival, 2004

The AFC attended the Pusan International Film Festival (PIFF) in 2004. The first Australian focus in Pusan was a resounding success, especially the Celebrate Australians at PIFF reception held at the aquarium in Pusan. The Australian reception, co-hosted by the Australian Ambassador to Korea, Mr Colin Heseltine, the Australia–Korea Foundation (AKF) and the AFC, was arguably the best-received event of the Festival, attracting key Korean industry figures and international festival directors.

Four Australian films screened at this year's Festival, held 7–15 October 2004: the features *Human Touch* (director Paul Cox) and *Tom White* (director Alkinos Tsilimidos), the feature documentary *Letters to Ali* (director Clara Law), and the short animation *Birthday Boy* (director Sejong Park). The AKF organised for Australian journalists and festival directors to travel to Korea, and the AFC provided travel support for the directors to attend the Festival.

In its short festival history, Pusan has managed to establish itself as the key festival for the discovery of Asian films. In addition, the Pusan Promotion Plan (PPP), an Asian version of the Cinemart project³⁴, is developing into a serious opportunity for raising financing for feature scripts. While there was an Australian project in the PPP a few years ago, discussions with the organisers during the Festival revealed that Australia is not perceived as an obvious participant in this mart, which prides itself on projects with 'Asian sensibilities'. The AFC however was able to convince the organisers to consider projects it will submit for the next round in April May 2005. AFC Film Development has been asked to assist Marketing in recommending Australian projects with appropriate themes and sensibilities at such time.

4.4 Australia-Korea Foundation

AFC Chief Executive, Kim Dalton is currently on the board of the Australia-Korea Foundation. The AKF was established by the Australian Government in 1992 to develop contacts and exchanges between the peoples of Australia and Korea. The Foundation promotes people-to-people and institutional links covering the spectrum of Australia's relations with Korea.

³⁴ A cinemart is a common film industry event where a select number of filmmakers are invited to present their film projects to potential producers, bankers, funds, sales agents, distributors, and TV stations.

This includes education, science and technology, commerce and industry, arts, the media and sport. It administers and funds projects and programs, which will assist in achieving its purposes and aims.

The AKF has provided support to a number of film-related events and cultural exchanges. Examples of AKF support during 2002/03 and 2003/04 are at Appendix D.

Kim Dalton recently travelled to Korea in early June 2005 as a part of a broad, high level Australian delegation to participate and speak on Australian broadband and digital content in the 2nd Australia Korea Broadband Summit held in Seoul.

4.5 Co-operation Agreement

In mid 2004 the AFC met with representatives of the Korean Ministry of Culture and Tourism and the Korean Film Commission (KOFIC). Korea has expressed interest in pursuing a co-operation agreement with Australia in order to promote the screening of each other's film in the two countries, provide training opportunities in Australia for Korean film technicians and generally strengthen ties between the film industries of each country. Korea is also negotiating a similar Agreement with France.

Korea has neither negotiated a cultural exemption nor a Most Favoured Nations exemption to the WTO. For this reason, Korea is unable to enter bilateral co-production treaties at this time, which would favour the treaty partner by providing "national treatment" to co-productions made under it. It is the AFC's understanding that Korea is seeking to address this issue in the future to allow it to enter bilateral co-production treaties.

The AFC and KOFIC have undertaken to continue to discuss developing a co-operation agreement between the two countries.

5. Negotiating position on any possible future free trade agreement

As the preceding discussion has shown, the Korean government has put in place a range of measures that are designed to stimulate and preserve their cultural industries. Some of these undoubtedly act as a barrier to trade. However, in every trade negotiation in which it has participated Australia has supported the right of nations to introduce measures to support and preserve their domestic expression.

The AFC would expect therefore that both the Korean and Australian governments would be in accord with the principle that cultural policy should not be affected by any free trade agreement between the two nations. The AFC therefore argues that it would be consistent to apply the same basic negotiating position to the discussion with Korea in this area as was the case with Singapore and Thailand.

As a first priority the AFC submits that Australia should seek to have any possible future proposed agreement structured as a positive list approach as in the recent agreement with Thailand and that Australia should make no commitments in relation to culture and audiovisual. This is the approach that will most clearly ensure that the freedom of Australia to act in relation to its cultural policy is not constrained by entering into an agreement with Korea.

If a positive list approach can not be negotiated and the agreement is structured as a negative list then the AFC believes that Australia should seek a reservation in the same terms as that negotiated with Singapore.

Appendix A

2003 Cinema Admissions

All Films	Nationwide	Seoul	Release Date	Weeks
1	Silmido (Korea)	11,074,000	3,262,000	Dec 24* 15
2	Return of the King (NZ/US)	5,960,000	1,978,409	Dec 17* 8
3	Memories of Murder (Korea)	5,101,645	1,912,369	Apr 25 12
4	My Tutor Friend (Korea)	4,809,871	1,622,064	Feb 7 10
5	The Matrix Reloaded (US)	3,600,000	1,500,000	May 23 7
6	Untold Scandal (Korea)	3,345,268	1,293,642	Oct 2 7
7	Old Boy (Korea)	3,260,000	1,170,000	Nov 21* 9
8	Oh! Brothers (Korea)	3,125,256	948,604	Sep 5 6
9	A Tale of Two Sisters (Korea)	3,110,000	1,000,471	Jun 13 5
10	Once Upon a Time in a Battlefield (Korea)	2,835,000	923,000	Oct 17 6

* Includes tickets sold in 2004. Source: Korean Film Council (KOFIC).³⁵

2004 Cinema Admissions

All Films	Nationwide	Seoul	Release Date	Weeks
1	Tae guk gi (Korea)	11,746,135	3,509,563	Feb 5 13
2	Troy (US)	3,851,000	1,513,408	May 21 8
3	Shrek 2 (US)	3,300,533	1,285,594	Jun 18 5
4	My Little Bride (Korea)	3,149,500	876,600	Apr 2 8
5	Once Upon a Time in High School (Korea)	3,115,767	1,023,601	Jan 16 6
6	Howl's Moving Castle (Japan)	3,014,800	979,800	Dec 24* 8
7	The Day After Tomorrow (US)	3,006,400	959,010	Jun 3 6

³⁵ 2003 review, At <http://koreanfilm.org/kfilm03.html>

8	Ghost House (Korea)	2,890,000	751,340	Sep 17	6
9	A Moment to Remember (Korea)	2,565,078	797,593	Nov 5	4
10	Harry Potter and the Prisoner... (US)	2,532,000	892,900	Jul 16	5

* Includes tickets sold in 2005. Source: Korean Film Council (KOFIC).³⁶

³⁶ 2004 Review, At <http://koreanfilm.org/kfilm04.html>

Appendix B

Korean films which have shot or post-produced in Australia since 1996

Musa AKA Warrior (2001) China/South Korea - production companies Beijing Film Studio [cn], CJ Entertainment [kr], China Film [cn], Intz.com [kr], KTB Network [kr], Muhan Technology [kr], Sidus. Post in Australia by Audio Loc Sound Design

Happy End AKA Happy Ending (1999) South Korea –post in Australia by Audio Loc Sound Design

Wanted (1997) South Korea - production company Cine 2000 (Korea), shoot & post in Australia

Jeon tae-il (1996) South Korea - post in Australia by Movielab

Eunhaengnamoo chimdae AKA Ginko Tree Bed AKA Ginko Bed (1996) South Korea - production company Shin Cine Communications (Korea), post in Australia by Movielab

Petal, A (1996) South Korea - production company Miracin (Korea), post in Australia by Movielab

Karuna AKA Kaluna (1996) Korea – production company Il Moc Film Productions (Korea), post in Australia by Audio Loc Sound Design

Appendix C

Korean films released theatrically in Australia

STARCHASER 3D, LEGEND OF ORIN (South Korea / USA)

Animation

Released 1/8/1986

Production companies:

Daewoo Entertainment / Dr. Movie / Filmation Associates / Mehan Films / Young Sung Production Co.

LIES aka GOJITMAL

Released 21/2/02

Production companies:

Korea Films / Shin Cine Communications

PERFECT MATCH, A aka JOHEUN SARAM ISSEUMYEON SOGAE SHIKEOJWO

Released 14/11/02

Production company:

Movie World

TOGETHER aka HE NI ZAI YI QI (China / Korea)

Released 11/9/03

Production companies:

21 Century Shengkai Film / 21st Century Hero Film Investments / Big Bang Creative / China Film Group Corporation / China Movie Channel / Chinarunn Entertainment Inc.

SPRING, SUMMER, AUTUMN, WINTER...AND SPRING aka BOM YEOREUM GAEUL GYEOUL GEURIGO BOM

Released: 23/9/2004

Production companies:

Korea Pictures / LJ Films / Pandora Filmproduktion GmbH / Cineclick Asia

BROTHERHOOD aka TAEGUKGI HWINALRIMYEO

Released 21/10/2004

Production company:

Kang Je-Kyu Film Co. Ltd.

SILMIDO

Released 28/10/2004

Production companies:

Cinema Service / Hanmac Films

OLDBOY

Released 3/3/05

Production companies:

Egg Films / Show East

Also to be released during 2005:

3-IRON aka BIN-JIP (South Korea / Japan)

Production companies:

Kim Ki-Duk Film [kr] / Cineclick Asia

Source: MPDAA, May 2005

Appendix D

FFC Sales

FFC-financed titles sold to South Korea

Features

TITLE	PRODUCTION COMPANY	BUYER
ADVENTURES OF PRISCILLA, THE ALL MEN ARE LIARS	LATENT IMAGE PRODUCTIONS P/L ARENAFILM PTY LIMITED	NOT ADVISED MAXMEDIA WESTERN PRODUCTS COMPANY
ANGEL BABY BEWARE OF GREEKS BEARING GUNS	ASTRAL FILMS MEDIA WORLD FEATURES PTY LTD	MBC ORION CINEMA DAEWOO CINEMA NETWORK MUSIC NETWORK SAMHO
BLACK ROBE	SAMSON PRODUCTIONS PTY LTD	WESTERN MEDIA DISTRIBUTION SEJIN CO LIMITED
BLACKROCK BLINKY BILL, THE MOVIE BREAKAWAY BRILLIANT LIES CHOPPER COUNTRY LIFE CRACKERS	PALM BEACH PICTURES (WS) P/L YORAM GROSS FILM STUDIOS P/L BREAKAWAY FILMS PTY LTD BAYSIDE PICTURES P/L CHERUB PICTURES PTY LTD DALTON FILMS PTY LIMITED TROUT FILMS PTY LTD CUBBYHOUSE PRODUCTIONS PTY LTD	NOT ADVISED HBO ASIA DAE SUNG FILM CO WORLDWIDE NET INC JUM JIN ENTERTAINMENT
CUBBYHOUSE	CUSTODIAN FILM CO PTY LTD, THE VIEW FILMS PTY LTD ARTIST SERVICES P/L DEADLY PRODUCTIONS PTY LIMITED SAXLOS PTY LIMITED	WOO SUNG CINEMA CO. LTD CINETEL KOREA INC DONG-A EXPORT CO LTD WORLDWIDE NET INC
CUSTODIAN, THE DAYDREAM BELIEVER DEAD LETTER OFFICE	OILRAG PRODUCTIONS GENESIS FILMS PTY LTD AVALON FILMS PTY LTD	DONG-A EXPORT CO LTD NOT ADVISED
DEADLY DELINQUENTS, THE DOING TIME FOR PATSY CLINE EBB-TIDE EXCHANGE LIFEGUARDS	TOVEFELT PTY LTD BARRON FILMS LIMITED ECLECTIC FILMS PTY LIMITED R.A. BECKER & CO P/L HARVEST PRODUCTIONS	MBC KOREA NOT ADVISED DAI-ICI ENTERTAINMENT MUNHWA BROADCASTING CORPORATION HYUNDAI STARMAX CO LTD B.J. ENTERTAINMENT GAYA FILMS INC KG ENTERTAINMENT SCREEN ENTERTAINMENT YOUSONG FILMS CO LTD VISION ENTERTAINMENT, INC WOO JIN HMJ FILMS KOREA MOTION PICTURES
FATAL BOND FATHER GARBO GROSS MISCONDUCT HAMMERS OVER THE ANVIL	WILDHEART FILMS VIEW FILMS PTY LTD DUO ART PRODUCTIONS SEON FILMS INTERNATIONAL P/L THE JAMES GANG P/L BILL BENNETT PRODUCTIONS P/L JAN CHAPMAN PRODUCTIONS PTY LTD LOVE'S BROTHER AND CO. PTY LIMITED WEIS FILMS P/L	WOO SUNG CINEMA CO. LTD
HARD WORD, THE HEARTBREAK KID, THE HEAVENS BURNING ISABELLE EBERHARDT KICK KISS OR KILL		
LOVE SERENADE		HWA CHUNG
LOVE'S BROTHER LUCKY BREAK		LINE TREE ENTERTAINMENT HWA CHUNG

LUST AND REVENGE	RUMOROSO PTY LTD	REDWOOD ENTERTAINMENT LEE BROTHERS ENTERTAINMENT
MAGIC RIDDLE, THE	YORAM GROSS FILM STUDIOS P/L MAP OF THE HUMAN HEART PTY LTD	GB ENTERTAINMENT
MAP OF THE HUMAN HEART	DANIEL SCHARF PRODUCTIONS P/L	KOREA FILMS
METAL SKIN	HOUSE & MOORHOUSE FILMS	HAH MYUNG JOONG FILM LTD
MURIEL'S WEDDING	INTREPID FILMS P/L	Q CHANNEL SAMSUNG
MY MOTHER FRANK	FILM AUSTRALIA LTD	DAEWOO CINEMA NETWORK
NAPOLEON	PALM BEACH PICTURES (WS) P/L	POLYGRAM VIDEO
NO WORRIES	SIMPSON LE MESURIER FILMS	DONG-A EXPORT CO LTD
NOSTRADAMUS KID, THE		SAEWOON PRECISION CINEMA CO LTD
PASSION	MATT CARROLL FILMS PTY LTD SOUTHERN STAR XANADU NO.3 P/L	DAEWOO ELECTRONICS CO MBC KOREA
POLICE RESCUE - THE MOVIE		CHISAN INTERNATIONAL WESTERN PRODUCTS COMPANY
PRAISE	EMCEE FILMS PTY LTD	
REDHEADS	ROXY FILMS MACAU LIGHT FILM CORPORATION	KAPEL INTERNATIONAL GMI
RESISTANCE	BENEFICIARY FILMS	DONG-A EXPORT CO LTD
RISK	VICTORIAN INTERNAT. PICS P/L	HAH MYUNG JOONG FILM LTD
SECRETS	MOMENTUM FILMS P/L	OH SUNG FILM PRODUCTION CO
SHINE		
SHOTGUN WEDDING	DAVID HANNAY PRODUCTIONS ARTIST SERVICES PRODUCTIONS P/L	FINE COMMUNICATIONS MEDIART INC
SIAM SUNSET	CANEALIAN PRODUCTIONS	EASTERN ENTERTAINMENT GTV
SIGNAL ONE	SAMSON PRODUCTIONS PTY LTD	WORLDWIDE NET INC
SIRENS	DENDY FILMS PTY LIMITED	MUNHWA BROADCASTING CORPORATION
SPIDER & ROSE		EK COMMUNICATIONS KIM MEDIA OPEN CINEMA CO.
SPOTSWOOD	MERIDIAN FILMS PTY LIMITED	
STRANGERS	GENESIS FILMS PTY LTD	MBC KOREA
STRICTLY BALLROOM	M&A FILM CORPORATION PTY LTD	BMG KOREA
		MBC KOREA
SUM OF US, THE	SOUTHERN STAR ENTERTAINMENT PTY LTD	KEO SUNG FILMS CO.
THUNDERSTRUCK	EDDIE WONG FILMS PTY LTD	POLYGRAM FILMED ENTERTAINMENT UK
TO HAVE AND TO HOLD	ORNER, EVA & STEPHENS, SARAH	
TRAPS	AYER PRODUCTIONS PTY LTD	SOUTHERN STAR KOREA
TUNNEL VISION	AVALON FILMS PTY LTD	
TURNING APRIL	TOTAL FILM AND TELEVISION [PRODUCTION]	SAMBO
UNTIL THE END OF THE WORLD	VILLAGE ROADSHOW PICTURES	IVISION
VISITORS	BAYSIDE PICTURES P/L	DAMOA
WENDY CRACKED A WALNUT	HOYTS PRODUCTIONS PTY LTD	
	GMF - GREG MCLEAN FILM PTY LTD	MIRAMAX FILM CORPORATIC
WOLF CREEK		

Mini-series

TITLE	PRODUCTION COMPANY	BUYER
ADVENTURES OF SAM, THE	SOUTHERN STAR ENTERTAINMENT PTY LTD	BUENA VISTA INTERNATIONAL PUSAN BROADCASTING CORPORATION
BATTLERS, THE	SOUTH AUSTRALIAN FILM CORP	EDUCATIONAL BROADCASTING SYSTEM
BLINKY BILL - MINI SERIES	YORAM GROSS FILM STUDIOS P/L	KOREA EDUCATIONAL CENTRE
BLUE MURDER CASSIDY	SOUTHERN STAR ENTERTAINMENT PTY LTD FIVE ARROWS FILMS PTY LTD SOUTHERN STAR XANADU NO.3 P/L	DAEWOO CINEMA NETWORK STARMAX CO LTD
CHILDREN OF THE DRAGON	SOUTHERN STAR ENTERTAINMENT PTY LTD	CHEIL COMMUNICATIONS, INC
DIFFICULT WOMAN, A	SOUTHERN STAR SULLIVAN PRODUCTIONS P/L	MBC KOREA
ELLY & JOOLS	FILM AUSTRALIA LTD PAUL DAVIES FILM AND TV PTY LTD	KBS EDUCATIONAL BROADCASTING SYSTEM
ESCAPE FROM JUPITER	ROADSHOW COOTE AND CARROLL	KBS
FLAIR		NOT ADVISED PUSAN BROADCASTING CORPORATION
FRANKIES HOUSE		EDUCATIONAL BROADCASTING SYSTEM
GENIE FROM DOWN UNDER SERIES 2	ACTF PRODUCTIONS LIMITED	NOT ADVISED KBS
GENIE FROM DOWN UNDER, THE	ACTF PRODUCTIONS LIMITED	KEESAN MEDIAMANAGEMENT INC
GIRL FROM TOMORROW	FILM AUSTRALIA LTD	DARO FILM DISTRIBUTION SKC KOREA
GREATEST TUNE ON EARTH HALF A WORLD AWAY	ACTF PRODUCTIONS LIMITED FOREST HOME FILMS PTY LIMITED JONATHAN M SHIFF PRODUCTIONS PTY LTD	KBS
KELLY 1 LIL ELVIS & THE TRUCKSTOPPERS	ACTF PRODUCTIONS LIMITED	MIRACLE ENTERPRISES LTD KBS
MIRACULOUS MELLOPS, THE	MILLENNIUM PICTURES PTY LTD	SOUTHERN STAR INTERNATIONAL
MORE WINNERS	ACTF PRODUCTIONS LIMITED JAN CHAPMAN PRODUCTIONS PTY LTD	K J ENTERTAINMENT EDUCATIONAL BROADCASTING SYSTEM
NAKED		EDUCATIONAL BROADCASTING SYSTEM
OCEAN GIRL 1	WESTBRIDGE FILMS PTY LIMITED JONATHAN M SHIFF PRODUCTIONS PTY LTD	EDUCATIONAL BROADCASTING SYSTEM
OCEAN GIRL 2	JONATHAN M SHIFF PRODUCTIONS PTY LTD	EDUCATIONAL BROADCASTING SYSTEM
OCEAN GIRL 3	JONATHAN M SHIFF PRODUCTIONS PTY LTD	EDUCATIONAL BROADCASTING SYSTEM
RETURN TO JUPITER	FILM AUSTRALIA LTD SOUTHERN STAR SULLIVAN PRODUCTIONS P/L	EDUCATIONAL BROADCASTING SYSTEM
RING OF SCORPIO	ACTF PRODUCTIONS LIMITED	SERYUNG VIDEO PRODUCTIONS DARO FILM DISTRIBUTION
ROUND THE TWIST 1		MBC KOREA
ROUND THE TWIST 2	ACTF PRODUCTIONS LIMITED	MBC KOREA

ROUND THE TWIST 3	ACTF PRODUCTIONS LIMITED	DARO FILM DISTRIBUTION
ROUND THE TWIST 4	ACTF PRODUCTIONS LIMITED	DARO FILM DISTRIBUTION
SHADOWS OF THE HEART	SOUTH AUSTRALIAN FILM CORP	HYUNDAI
SHIP TO SHORE 1	BARRON FILMS LIMITED	MBC KOREA
SHORT CUTS	BURBERRY PRODUCTIONS PTY LTD	DISNEY TELEVISION INTERNATIONAL
SKY TRACKERS, THE SERIES	ACTF PRODUCTIONS LIMITED	PARK INTERNATIONAL ENTERTAINMENT
SUN ON THE STUBBLE	FILM AUSTRALIA LTD	EDUCATIONAL BROADCASTING SYSTEM
TOMORROW'S END	FILM AUSTRALIA LTD	KEESAN MEDIAMANAGEMENT INC
TRACKS OF GLORY	BARRON FILMS LIMITED	EDUCATIONAL BROADCASTING SYSTEM
WAYNE MANIFESTO, THE	ARTIST SERVICES P/L	EDUCATIONAL BROADCASTING SYSTEM
WHICH WAY HOME	WAYANG PRODUCTIONS PTY LIMITED	SERYUNG VIDEO PRODUCTIONS

Telemovies

TITLE	PRODUCTION COMPANY	BUYER
BLACKWATER TRAIL	RUTHERFORD FILMS HOLDINGS P/L	COSMO ENTERTAINMENT
DEVIL GAME, THE	BARRON TELEVISION LTD	CATCH ONE
HARD KNOX	SOUTHERN STAR ENTERTAINMENT PTY LTD	CHINA ENTERTAINMENT TELEVISION BROADCAST LTD
HEAT	BARRON TELEVISION LTD	WORLDWIDE NET INC
LAST BULLET, THE	TWENTY FIRST CITY AUST. P/L	CATCH ONE
ROAD FROM COORAIN, THE	CHAPMAN PICTURES PTY LTD	DAMOA
SEVENTH FLOOR	RUTHERFORD FILMS HOLDINGS P/L	JBC
SKYTRACKERS, THE TELEMOVIE	ACTF PRODUCTIONS LIMITED	A & C KOLON INC
		MBC KOREA
		WESTERN PRODUCTS COMPANY

Series

TITLE	PRODUCTION COMPANY	BUYER
HALIFAX F.P. 1	SIMPSON LE MESURIER FILMS	DONG-A EXPORT CO LTD
HALIFAX F.P. 2	SIMPSON LE MESURIER FILMS	DONG-A EXPORT CO LTD
SINGAPORE SLING 2 [SERIES]	BARRON TELEVISION LTD	CATCH ONE
		KOREA MOTION PICTURES

Source: FFC

Appendix E

Examples of Support provided for film related exchanges by the Australia Korea Foundation

2003/04

New ways of thinking about the future of digital media

AKF funding was provided to Dr Brian Yecies, University of Wollongong, to attend an International Symposium on Korean Cinema, in Seoul, in December 2003. Dr Yecies presented a paper on 'The transition to sound in Korea' to local film industry representatives, policy makers and cultural research academics and some of them were invited to participate in a symposium held in Sydney in conjunction with the 4th Sydney Asia Pacific Film Festival in August 2004.

Women's Film Festival in Seoul

The Women's Film Festival in Seoul (WFFIS) requested a moderate amount of funding from the AKF to enable Ms Louisa Achille from Australia to present her film, '-The Naked Feminist'- in the section entitled Young Feminist Forum.

51st Sydney Film Festival

Korean feature-film 'Untold Scandal' was screened at the 51st Sydney Film Festival (11–26 June 2004). AKF funding was provided for the film's director, Mr E.J-Yong, to attend the screening. The positive experience in Sydney of Mr E.J-Yong and his introduction to industry representatives will facilitate networking between Australian and Korean film making communities. The screening of four other Korean productions attracted 5,059 audiences. The Korean productions were rated extremely well by viewers.

52nd Melbourne International Film Festival

This year the Melbourne International Film Festival invited Mr Park Chan-wook, director of 'Old Boy', as the official Festival guest. With funding provided by the AKF, the Festival staged 17 Korean films, including short films, and attracted 8,000 viewers in 21 sessions. The media interest in the Korean films and Mr Park's visit was strong and he hinted that his future projects would directly engage with the Australian film industry.

2002/03

51st Melbourne International Film Festival Korean Film in the Spotlight

The 51st Melbourne International Film Festival ran from 23 July to 11 August, 2002 screening over 400 films to a record audience of 157,000. In recognition of Korea's emergence as an exciting and adventurous center for film the Melbourne International Film Festival made Korean cinema a major focus of their 2002 program. During the festival a wide selection of the latest cinema from Korea was screened 19 feature films, 4 shorts and a forum on South Korean Film titled 'Riding the Wave' was held. The screenings included a retrospective of the full works of director Mr Kim Ki-duk who attended the festival with producer and world sales agent Mr Paul Yi. Mr Kim and Mr Yi introduced film screenings, participated in question and answer sessions with audiences, were part of free forums and discussion sessions, conducted media interviews and met with key members of the Australian film industry. This project was an overwhelming success with over 11,000 admissions recorded to the 40 Korean sessions and articles on Korean cinema appearing in The Australian, The Age, The Sunday Age and the full range of film industry journals. Paul Yi and Kim Ki-duk were also interviewed on Radio National, 774 ABC Melbourne, Triple R, PBS, 3CR and SBS.

A-ri-rang (Sad Story) development of a film script

The Foundation supported a script development and research project for a film that is to focus on adopted Korean adopted children Mr Michael Park, the film-maker himself is an adoptee. While providing support for the project the board they noted that it would be inappropriate for the AKF to be seen to be endorsing the end product of any artwork, literature or film to which they gave financial support.

Women's Film Festival in Seoul

The 5th Women's Film Festival was held in Seoul from 11-18 April 2003. An annual event, the festival is a major forum for women film-makers and film professionals. With Foundation support Australian director Janet Merewether and media commentator Professor Sylvia Lawson attended the festival where they gave a presentation and conducted a question and answer session. They were also featured in the Festival Daily and in film magazines.

50th Sydney Film Festival - Visit of Im Kwon-taek

Mr Im Kwon-taek, film director, shared the award for 'Best Director' for his film Chihwaseon at the Cannes film festival, 2002. Chihwaseon is the ninety-ninth film he has directed. In June 2003 Mr Im travelled to Australia to attend the 50 th Sydney Film Festival with AKF support. Along with local media interviews Mr Im participated in the Filmspeak Forum series and

question and answer sessions with the film-going audience and local filmmaking community.

Source: Australia-Korea Foundation Annual Reports 2002/03, 2003/04