

# AUSTRALIAN POLITICAL EXCHANGE COUNCIL

## SEVENTH AUSTRALIAN DELEGATION TO THE PHILIPPINES

3 - 9 May 2014



### DELEGATION

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Australian Political Exchange Council

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## **Executive Summary**

### **Overview**

This report details the programme and observations of the Seventh Australian Political Exchange Council Delegation to the Philippines. The group comprised a cross section of political parties with delegates representing the Australian Labor Party, the Liberal Party of Australia and the National Party. This was the first visit to the Philippines for all delegates.

The purpose of the Australian Political Exchange Council is to develop young political leaders through international political exchanges. These exchanges help delegates gain a deeper understanding of different political systems and cultures. At a more personal level, they help facilitate people-to-people links with young leaders of other countries, and create a strong network of alumni with an appreciation of challenges and successes that are found in different political systems.

The official exchange programme for the Philippines was co-ordinated by the Philippine Centre of Young Leaders in Governance (PCYL). This is a non-profit organisation which helps develop young political leaders and officials through trainings and exchange programmes with the goal of creating responsible and competent political leaders for the Philippines. Their programme aimed to demonstrate the different levels of Government and their interactions at both a local, municipal and national level.

Many of the hosts of the formal meetings were PCYL alumni including our parliamentary host Senator Paulo “Bam” Aquino IV (Senator Bam) and a number of his staff. The work of Executive Chairman Rollie. C. Fabi and his team ensured an intellectually stimulating and diverse range of meetings and experiences throughout the week.

This report is divided into three sections – an executive summary containing an overview and an economic and political background to the Philippines, daily chapters detailing the delegation’s meetings and observations throughout the trip, conclusion and acknowledgments. The report is the cumulative effort of all delegates based on personal notes and information gathered throughout the exchange.

### **Background: The Philippines - A Country in Transition**

During the visit, we were fortunate to meet a number of representatives who outlined the dynamic nature of Filipino economy and society, with a number of positive stories to tell. We also engaged in open discussions about the politics of the Philippines and some of the entrenched political cultures which can make reform particularly challenging.

### **Economy**

Like many other countries in the region, the Philippines is booming, with six to seven per cent growth in recent years. Unlike Australia, which can trace its economic growth to mining and associated industries, the economic growth of the Philippines is seventy per cent consumption based and thirty per cent investment based. The Aquino Administration is working hard to shift this balance, with the goal of continuing this period of sustained growth. The growth of business process outsourcing as a service industry is also notable – with the high level of English proficiency being a major draw card for international organisations.

In particular, the Administration’s commitment to “inclusive growth” has meant the introduction of a number of good governance reforms, such as better tax collection. Inclusive growth is still posing challenges, particularly given the lack of trickle down to rural and regional agricultural areas. In the week that the delegation visited, we learnt about the appointment of former Senator “Kiko” Pangilinan, a former PCYL host, to the newly created food security ministry. This ministry aims to overcome some of these barriers.

The Philippines is also a member of the Association of South East Asian Nations (ASEAN) and a number of the discussions throughout the week centred on the opportunities posed by the ASEAN Economic Community which will come into effect in 2015. Ideally, this will reduce trade barriers and open up markets in goods, services and investments between member states. Despite the challenges that are often posed by trade negotiations, the Philippines are confident that the process is still on track.

Despite this strong economic growth, more than forty-two million Filipinos - almost half the population, survive on less than \$2 dollars a day. Throughout our visit, the important contribution that Australia makes through our aid programme was emphasised by government officials at varying levels.

In 2013-14, Australia is expected to contribute \$175.2 million in aid to the Philippines. The immediate on the ground assistance Australia provided following Typhoon Haiyan, which devastated parts of the country, was of particular significance and remarked upon at a number of meetings. The other major project discussed was work undertaken between the Australian and Philippines Government to expand schooling from ten to thirteen years. By 2019, this will benefit over eight million students in the Philippines.

### **Politics**

The structure of the Philippines closely correlates to the United States system of government with an elected House of Representatives and Senate and the direct election of a President. The executive is appointed by the President. The political culture of the Philippines comprises a melange of factors including their Spanish colonial heritage, the culture of the political system set up under US rule, and the checks and balances instilled by the 'People Power' movements in response to the Marcos regime.

Unlike Australia's parliamentary democracy which is strongly based on the political party system, the politics of the Philippines operate largely on a populist basis. It is not uncommon for Senators and Members to switch political parties in response to the rising tide of popularity for a particular candidate. This can have the effect of weakening plans for long term reforms – particularly as different administrations are elected. One concern raised during the week was the need to see another period of stable leadership following the 2016 election in order to cement the reforms that have taken place under the Aquino administration.

Further, the existence of political dynasties also hampers the strength of political parties. A number of positions can be held by different members of the family at different levels of government at the one time. This has the effect of some districts being in the hands of a particular family for a number of generations. While this means that some families have made important contributions to the Philippines, it can also act as a barrier to other individuals entering politics. During our meetings with members of the House of Representatives, discussions centred around an 'anti-dynasty' bill which looks at opening up the political system to more participants.

The additional issue which was prominent in our political discussions was the challenge of corruption. The delegation followed with interest the current "pork barrelling" scandal which was unfolding in the Senate of the Philippines during our visit. These charges are currently being investigated by the Ombudsman. This scandal also marked a public shift in attitude towards corruption, with a "million people march" converging on the streets of Manila last year to protest against the pork barrelling. It remains to be seen what the outcome of the investigations will be. However, it provided an important case study for the delegation on how the issue of corruption is currently being tackled in the Philippines.

## Report

**Sunday, 4 May 2014 – Bohol**

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After an initial plane delay flying over from Manilla, we were greeted by a large banner welcoming the delegation and locals greeted us with colourful leis. The Tagbilaran Airport itself was a single runway airport with a small building acting as a security pass through.

We were driven to the Governor's Mansion where we met with Bohol Governor Edgar M. Chatto. Following a formal reception, Governor Chatto showed us the tourist video for Bohol, which provided our first glimpse of their beautiful beaches, the Tarsier monkeys, the Chocolate Hills and many other tourist destinations. As the Governor said at the end, "you can have it all in Bohol, because Bohol has it all."

A key topic of discussion was the 7.2 magnitude earthquake in Bohol last year. It caused considerable infrastructure damage to homes, roads and a number of heritage churches. The Governor discussed the positive attitude the community had following the earthquake by coming together to help rebuild. The delegation was particularly impressed by the mindset of the people of Bohol, including an innovative use of the destruction of the earthquake to create an additional tourist circuit.

The Governor was a strong advocate of increasing the levels of tourism to Bohol, likening the beaches and lifestyle to Bali. He discussed the challenges of infrastructure – noting the local Government is currently planning to build a bigger airport by 2016, with the aim of attracting more regional airlines around Asia to fly directly to Bohol.

We then travelled to Loboc River and were particularly struck by the devastation caused by the earthquake as we drove through the town (see photo right). Many old houses were flattened and even more heartbreaking was to see the old Spanish churches in ruins, with some dating back to the 1660s. Many had become popular tourist attractions.



We arrived at Loboc for the river cruise where we enjoyed a wide variety of traditional Boholano cuisine as we moved slowly up the river. We stopped by a small platform where a number of the local children danced the traditional "Kuradang" and acknowledged the delegation.

Following the river cruise we stopped to meet the Hon Norman D. Palacio of Bilar, the municipal Mayor and his Chief Executive who explained a number of the local tourism initiatives the Council had instigated including the Loboc-Bilar man-made forest, planted in the 1960s. A particular point of discussion with the Mayor was the difference between political parties. The Mayor explained to the delegation that his party had nine out of ten councillors elected, and one opposition party member elected, but after the election the opposition member became part of his party. Most of the delegates were quite surprised at this, given the strong entrenchment of our major party system in Australia.

Our final stop for the day was the Chocolate Hills. This is an impressive geological formation that is a key tourist destination for Bohol. The grass covered limestone hills number at least 1,268 and are so named for the chocolate colour they turn in summer. Despite the trek to the viewing point, which had also been partially destroyed by the earthquake – the panoramic view was a fitting end to our day tour.

We were fortunate to be hosted for dinner with the Governor, PCYL alumni and other city officials. Delegates had the opportunity to exchange stories and details with alumni, Councillors and the Governor – both about Bohol and our home towns in Australia. A particular highlight was the world renowned Loboc Children’s Choir which performed a number of songs for us.

## Monday, 5 May 2014 – Bohol

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The delegation set off as the Tagbilaran city streets really started to bustle with activity, on our journey to popular tourism and cultural areas as well as a suite of meetings with local government representatives. First stop was the Philippines Tarsier and Wildlife Sanctuary located in Corella – the home of the smallest primate in the world (see photo below).

The Tarsier is a tiny, furry creature, which could sit comfortably in the palm of your hand, as demonstrated in a large photo of Prince Charles during a visit to the country on the wall of the sanctuary's foyer. They have big bug eyes, long fingers, a long tail similar to a rat and ears that point up like a bat. The Tarsier is a very private animal, functioning nocturnally and feeding primarily on large insects. They can be quite hard to find during the day and shy away from public attention, with a head that can turn up to an incredible 180 degrees. Their ability to jump between three and five metres is impressive for such a small animal. They have a six month mating season between October and March and while they can live for up to twenty five years in the wild, the Tarsier is known to last little more than a day when captured and put in a cage away from its usual habitat – their bodies simply shut down due to stress.



The sanctuary itself opened in 1997 and provides an enclosed area for the Tarsier's to live away from the impacts of predators like house cats and snakes as well as other impacts on their habitat such as construction. Beginning with around ten Tarsiers, there are now around 100 living in the man-managed preservation area. To attract plenty of insects for the large population of Tarsiers there are bright lights within the preservation area, which closes early to allow plenty of time for feeding. While Tarsier fossils have been found across the globe, their presence is now mainly restricted to south-east Asian countries like the Philippines, Borneo and Indonesia.

As we left the sanctuary we were fortunate to meet Carlito Pizarra who is commonly referred to as the 'Tarsier Man'. Carlito was instrumental in setting up the sanctuary and has dedicated his whole life to researching the animal and ensuring that the species is protected in the future. In 2010, a genus of Tarsiers was named after Carlito.

After leaving the sanctuary, we travelled along gravel roads through fields of rice patties and livestock, before getting back onto bitumen and heading along the coast past crystal clear beaches and palm trees towards Valencia.

We hopped off the bus at the Municipal Hall of Valencia and were greeted by a brass band made up of local young people and Mayor Maria Katrina Lim who was a member of the PCYL Seventh Delegation to Australia in 2013. After receiving a tour around the building from Vice Mayor Jorge M. Bulson, we headed to the nearby Badiang Spring Resort and Hotel which is owned by the Local Government Unit of Valencia and was first opened in 2012 after an extensive construction period.

It was here that we were treated to a lunch feast which included barbecue beef, barbecue pork, fried fish, grilled fish, crabs, teriyaki chicken, prawns, spaghetti bolognese, fettuccine carbonara, fried rice and salad. Then to top it all off there was watermelon, mangoes, pineapple and rice delicacies for dessert. The group could not believe the spread of food that was provided throughout the trip, and this luncheon was a highlight.

Over lunch we discussed efforts to increase tourism in the Valencia Municipality and broader Bohol area with the entire Local Government Unit of Valencia. The Mayor and her team are working on a number of initiatives in this regard, especially through online measures to increase knowledge of what is available in the Philippines and more specifically Bohol. From our discussions it was clear that the message from Governor Edgar M. Chatto that 'you can find it all in Bohol, because Bohol has it all' has been well received by local governments.

After lunch, we were escorted down to the swimming area where hundreds of Filipinos were beating the heat under the Badiang Spring. These man-made pools have utilised the local spring to provide a fantastic swimming area for the local population and is also the venue of the 'Bohol Olympics' swimming competition. The Local Government Unit of Valencia advised that they do not have a swimming programme for local children, but it is an idea they are looking at.

The Badiang Spring also runs out into an area where local people hand wash their clothes as the water changes every day and is more reliable and clean than some other forms of running water in the area.

Following this experience, we were taken to South Palms Resort in Panglao. From the moment we arrived, we knew the place was amazing. An infinity-edge pool, beautiful white sand, clear blue water and tall green palm trees greeted us as we walked along the pathway from the parking area. Of all the places we visited during the trip, South Palms would remain a talking point, not only because of its sheer beauty, but because it was a place that few of us had heard about back in Australia. It was a resort that we would definitely recommend to family and friends travelling to the Philippines.

After returning to Bohol Tropics we had dinner with our hosts from the office of Senator Bam, Rachel G. Gillego and Julie L. Tancio.



The delegation departed for Manila to spend the day at the Senate of the Philippines.

We were fortunate to meet our PCYL host for the week, Senator Bam. Senator Bam inherited his involvement in the PCYL from his predecessor and mentor Senator Francis “Kiko” Pangilinan who was part of the founding delegation to Australia. Senator Bam was elected to his first term in the Senate on 30 March 2013. Consequently, our delegation was the first that he had hosted, although a large part of his staff, some of whom acted as our hosts, were also inherited from Senator Kiko. So it was exciting for the delegation to meet with the Senator who had provided our hosts and whose office had such strong ties to Australia.

Whilst Senator Bam covered a range of topics that fell under his responsibilities as the Chair of the Trade, Commerce and Entrepreneurship Committee, you could see that his real passion lay in entrepreneurial support and initiatives.

Prior to becoming a Senator he had been a successful social entrepreneur himself, establishing Micro Ventures Incorporated, a social enterprise that engages in poverty alleviation through business development for the poor.

He told us that his firsthand experience in micro financing has inspired his focus to implement these initiatives on a macro level as part of his responsibilities as Chair of the Entrepreneur Committee. Drawing from his experience, he has developed a platform that would see the development and support of business models that can be run on the ground and be sustainable with the end goal of getting people out of poverty.

The business development framework that he described to us had five main points:

1. Money - Financing for the initial down payment that people receive. He noted that the Philippines have a very robust micro finance sector that has been in operation since the 1980's.
2. Market Linkage - A large number of Filipinos are poor because they are locked out of the market as they are required to pass through so many intermediaries before they can engage. His focus is being able to provide more efficiencies so people can get more of their product directly to the market.
3. Mentorship - The right guidance and support systems also need to be put in place. Senator Bam has recently introduced a bill to remedy the lack of this support.
4. Macro Focus - Senator Bam's focus is on a macro level, to raise people's skill levels it is necessary to change the perspective to a macro point of view.
5. Insurance - The creation of safety nets for very poor communities in conjunction with local councils.

Whilst Senator Bam's passion for this initiative was inspiring and filled with hope, he also outlined that there were many hurdles into this initiative to pull the majority of Filipinos out of poverty. Two of the hurdles that he articulated were the fact that many people in poverty have been entrenched in this way for a very long time and this not only dictated their set of circumstances but also their mind set. For there to be success in this area, people need to realise that they are able to choose a different path and to also want to make that change. He also pointed out that the scale at which these programmes would have to be run to make a large difference is far greater than what is currently possible.

Regardless of the challenges facing Senator Bam, it was a great honour to meet someone with such passion and vision.

Following our meeting with Senator Bam we were given a brief tour through the Senate Museum. This provided an opportunity to view a number of the gifts presented by visiting parliamentarians, as well as the sometimes tumultuous political history of the Philippines, including in 2012 when the Senate convened as an impeachment court under its constitution to try Chief Justice Renato Corona.

The Senate Session that we viewed at the conclusion of our tour was at the beginning of their session and was therefore the reading of notices. We were fortunate to be acknowledged by the Senate President Franklin Drilon. Although we did not see much debate on issues, there were certainly some striking elements of the Senate Session.

Most obvious to the delegation upon entering was the structure of the chamber itself with the public galleries being level to the Senators. The seating arrangements created an element of inclusion and equality to those viewing the session, much different to its Australian counterpart. Also noticeable was the movement and sound levels within the chamber with Senators regularly walking around and talking freely amongst themselves and to others in the galleries as well as the use of audio visual technology. It seemed to be very free of pomp and ceremony, as Senator Bam had quite rightly described to us earlier.

That evening we were hosted by Councillor Priscilla Marie Abante of Manila City in the Greenbelt 2 area, a prosperous centre known for its shopping, residential area and dining. The Councillor was very generous with her time and was also a former PCYL alumni.

**Wednesday, 7 May 2014 – Manila**

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The delegation met with Cabinet Secretary Jose Rene Almendras and Mayor Andres "Andy" Lacson of Concepcion Tarlac (who joined the Sixth PCYL Delegation to Australia) over lunch at Casa Roces. Unlike many other public officials, Secretary Almendras comes from a private sector background, and was a previous president of Manila Water. Prior to his appointment as Cabinet Secretary, he was the Secretary for Energy under the Aquino administration.

The meeting provided an opportunity to explain the structure of the Government and the executive. In particular, he explained the use of 'cluster meetings'. Given the current Government has more than thirty ministers, this is the tool that assists in focussing on the key policy areas. The five clusters are:

1. Economic Development;
2. Human Development and Poverty Reduction;
3. Security, Justice and Peace;
4. Climate Change, Adaptation and Mitigation; and
5. Good Governance and Anti-Corruption.

The Secretary was very open with his time and his views, going into detail in regards to the changes in budgetary treatment that the Philippines had undertaken. In addition, he went through a number of examples that demonstrated an improved use of data collection and targeting of expenditure in key areas of need. The group also discussed the President's goal of "inclusive growth" and the current challenges that presented. This included the recent appointment of former Senator "Kiko" Pangilinan to the Food Security Ministry.

Following this meeting, we travelled to the House of Representatives. We were greeted and escorted to the office of Congressman Feliciano "Sonny" Belmonte, Speaker of the House, for a formal reception which the Speaker had arranged with a number of the younger congressmen and women (see photo right). The discussion covered a wide variety of topics including the demographics of the Parliament, the future of the Philippines, the West Philippines Sea and the Anti-Dynasty Bill.



The group was also interested in the structure of the Parliament. Members of the House are elected for a three year term and Members may not serve for more than three consecutive terms. They need to be at least twenty-five years of age. There are 289 members with around twenty-five per cent being women. In addition to the election of members from various districts, the 1987 Philippines Constitution also provides for a "party list" with traditionally under-represented groups provided the opportunity to represent a sector – such as labour, women and indigenous representatives.

Following this meeting, we travelled to Makati City to receive a briefing from the Australian Embassy. This further built on the pre-departure briefing we had received in Canberra. Of particular interest to us were the potential growth sectors for trade, particularly given the current trend within Australia for some Australian businesses to outsource some business operations to the Philippines. In addition, we discussed the recent geo-political developments within the region, and also touched on the general Australia-Philippines diplomatic relationship. We found this briefing particularly useful as it gave an Australian perspective on some of the contemporary issues currently facing the Philippines.

We finished the day with a dinner reception hosted by the Australian Embassy. In attendance were several alumni of the Australian Political Exchange Council-PCYL programme as well as a number of officials from the Embassy. We had the chance to exchange contact details and further expand on the networks we had already made.

**Thursday, 8 May 2014 – Manila**

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The delegation participated in a number of meetings with different sectors of Filipino society, including the business community, a municipal city and academia.

The delegation's first meeting was with the Philippine Chamber of Commerce and Industry's Board of Directors, which provided a valuable opportunity to discuss in detail the Philippine economy, Australia's economic and business relationship with the Philippines, and future opportunities and directions in the Philippine economy (see photo right). We were fortunate to be joined by a number of younger members of the Chamber.



As a whole, the Directors were upbeat with the performance of the Philippine economy and positive about future economic growth and opportunities, particularly in the service, tourism, agriculture and outgoing foreign worker sectors. The Directors were particularly positive about the steps the Aquino administration had already taken as part of their programme of 'inclusive growth', and were confident about future economic reform prospects. They expressed their happiness with the trade and economic relationship between Australia and the Philippines, but also saw opportunities for growth and greater engagement, particularly in regard to agriculture, the service sector, immigration and bi-lateral air services.

The delegation then proceeded to meet with Mayor Benjamin "Benhur" Abalos Jr of Mandalyong City, who provided us with a detailed briefing of some of his key initiatives in the city, particularly in the areas of disability support and the provision of local funeral and cemetery services.

Mayor Abalos detailed Mandalyong City's "Project Teach" which advocates early intervention with physical, occupational and speech therapy for children identified as having special needs. Project Teach works closely with children and their parents, with parents receiving training to then come back to assist specialists with other children participating in the project in the future, instead of having to pay for their child's service. The Mayor was clearly passionate about the project and his briefing sparked a conversation about disability services and reforms in Australia, with the Mayor interested to hear of Australia's recent introduction of a National Disability Insurance Scheme. The delegation was then able to visit Project Teach to see firsthand the valuable work being done.

The Mayor also spoke of the challenges his city faces in providing cemetery services to a large population in such a dense urban environment. Mandalyong City recently undertook a large rebuilding project of its city cemetery, drastically changing and improving the services offered to its residents, whilst ensuring those who have passed, and their families, are afforded dignity and respect.

The delegation then proceeded to a briefing with Dean Antonio Gabriel "Tony" La Vina, Dean of the Ateneo School of Government, who spoke with us about national politics, governance and the next Presidential election and its potential candidates. This discussion focussed on the future directions of politics in the Philippines and was an appropriate and valuable way to conclude the formal discussions the delegation had throughout the week.

The final night in the Philippines saw the delegation attend two farewell functions. The first was a dinner hosted by Congressman Jorge “Bolet” Banal, at Mesa (see photo right) which provided the delegation the opportunity to sample a number of Filipino delicacies, as well as the delegation’s favourite – suckling pig.



Following this we attended a farewell cocktail function, hosted by Senator Aquino and his staff. This provided the delegation an opportunity to pull together much of what we had experienced and discussed throughout the week, as well as providing the delegation the opportunity to express our gratitude to Senator Aquino and his staff who had accompanied us during the visit.

## **Conclusion and acknowledgements**

Overall, the delegation’s experience provided insights into the similarities and differences between the political systems of Australia and the Philippines. The structure of their government, including the increased emphasis on local government or “barangay” provided a key point of difference between the two nations. More generally, all delegates will be keenly watching the political and economic developments of the Philippines over the next few years, as the country grapples with the challenges and opportunities that are evolving at a rapid pace within the region.

The most rewarding part of the trip was the people to people links that we established, as well as the friendships that we made. The delegation would like to take the opportunity to thank Senator Bam and his office for their guidance and friendship throughout the trip. In particular, the hospitality and generosity of Rachel G. Gillego and Julie L. Tancio who travelled with us in Bohol and Manila. We would also like to thank Governor Chatto and his team in Bohol for their wonderful hospitality during our stay.

Most importantly, we would like to extend our thanks to Rollie C. Fabi, Executive Director of PCYL and his energetic team – who navigated airports, transport, accommodation and other challenges throughout the week. The detail and thought that was put into the political programme greatly assisted in providing a comprehensive snapshot of the Philippines for the delegation. Photographs in Manila were taken courtesy of Ayhie Peñaredondo.

Finally, we would like to thank Ms Lauren Barons from the Australian Political Exchange Council for accompanying the delegation for the week, and the work by Ms Hilda McGrillen and Ms Suzy Domitrovic in the Secretariat in the lead up to the exchange.