

**REPUBLIC OF NAURU**  
**NAURU EDUCATION ASSISTANCE TRUST BILL 2016**  
**SECOND READING SPEECH**

**Honorable Charmaine Scotty M.P**

**12<sup>th</sup> May 2016**

Mr. Speaker Sir,

I have the pleasure of introducing to the House today a Bill for the *Nauru Education Assistance Trust Act 2016*.

Mr. Speaker and Honorable Members, may I begin by reminding us all of the published mission of the Education Department who are very clear about what it is they are responsible for. They set out to ensure that:

- Every Nauruan is literate and numerate and recognizes the importance of, and the right to education.
- There is access to, and equity in education and training and that standards are comparable to the highest in the region, and
- To ensure that students leave the Nauruan education system enriched and equipped to be productive members of the workforce, to be qualified, to access further specialized training opportunities outside Nauru and to be independent individuals.

Their Mission is well laid out, it is accurate and is what all Nauruan's hope for. Training and educating the People of Nauru, especially our young people, is the Government of Nauru and the Department of Education's priority.

Successful delivery in education relies on many people and organisations across the Community working together for the benefit of children and young people. Secondary schooling marks an important time in the life of a young person. It is a formative time when students develop a greater awareness of the world and hopefully begin to see education, training and employment as critical opportunities that are linked to their future. The thrust of this Bill is to provide incentive for students in Nauru to complete secondary school.

Our problem in Nauru is that school attendance rates are abnormally low and to put it plainly, it is difficult to reach our objectives and ensure a sustainable future of our country if our children do not enrol and regularly attend school. Moreover that they do not go on to complete secondary schooling.

Last year the Government considered a number of ways to reduce truancy and increase school attendance in Nauru. We contemplated a cash payment to each student for each day they attended school. A great deal of work has since been completed, we examined the options and fairness of some alternatives that might achieve the desired objective as well as increasing the education experience of students through fuller participation in class and co-curricular activity.

A paper published by the Department of International Development of the UK Government in April of 2011 considered the concept of cash transfers and the effect they have on outcomes where they are applied to social objectives. We took heart in the conclusion of the paper where it said that there is robust evidence from numerous countries that cash transfers have leveraged sizeable gains in access to health and education services, as measured by increases in school enrolment (particularly for girls) and use of health services. This, together with other research convinced the Government that suitably constructed cash transfers are likely to contribute to long term growth of the human capital of the next generation.

And so the Nauru Education Assistance Trust was developed, we know it as the NEAT scheme. The Neat Scheme is a scheme that creates a fund to provide an end of schooling payment as an incentive for the young people of Nauru to attend and excel at school. .

The objectives of the NEAT Scheme are to;

- Provide an incentive for students to attend school
- Raise the national rate of school attendance
- Improve the education experience of students through fuller participation in classes and co-curricular activity
- Celebrate the value to the community of young people who successfully complete their school age years.
- Make public recognition of the achievement of students who complete their final year of schooling.

The features of the NEAT scheme are:

1. It will apply from the first day of school in 2016.
2. It applies to all students at School in Nauru (It does not discriminate)
3. The scheme is governed by the Act that is subject to the Bill before you, it is specific legislation which is, in turn, subject to the Education Act 2011.
4. The Nauru Education Assistance Trust Act 2016 creates a Trust which is governed by a Trust Deed and managed by a Trustee Company of which the Trustees are the Directors.
5. The attendance records taken at roll call will determine eligibility each term. The number of days a child attends school will be multiplied by \$5.00 and the amount credited to their account as an entitlement under the Trust.

6. Students do not become eligible to collect their entitlement until they have completed year 9. Each student becomes eligible for additional payments for each day they attend years 10, 11 and 12. In the case where a student completes year 9 but does not go on to complete any subsequent year, their entitlement is frozen until they reach the age they would normally complete year 12.
7. Students will receive an Annual Statement of Entitlements under the Trust,
8. The NEAT Scheme is fully funded, an amount of \$2.2 million is allocated for this budget year.
9. Year 12 students of 2016 will be the first graduating class to be paid under the NEAT Scheme.

The Trust that is created is subject to Queensland Law and the Trustee Company (of which the Trustees are Directors) will be a registered Australian company under ASIC law. This structure is necessary for two reasons, firstly the laws relating to creating trusts in Nauru are not currently aligned to appropriate and current best practice in relation to the administration and conduct of trusts. And secondly it provides for a sustainable operation of the trust monies away from political interference. Should, for any reason the Trust be wound up, the remaining monies must first be applied to student entitlements and the balance can only be applied to educational purposes in Nauru. The Trustees receive no additional remuneration for their role as Trustees.

The Trust that is created under the Scheme will receive annual grants from the Government to fully fund the Scheme. The three Trustees of the Trust will not be political appointments, they will be the Secretary of the Department of Education, Secretary of Department of Finance and the Chairperson of the Teacher Registration and Curriculum Board.

From day 1 at school, students will be credited an amount of \$5 for each day they attend school. Their entitlement will be built up over their school years and be payable once they complete year 9. If students drop out of the system before completing year 9 they will lose their full entitlement.

If they continue to attend school after year 9 their entitlement will increase by payment for any days attended in years 10, 11 and 12. Students who drop out of school in their final 3 years will not lose their entitlement, it will be frozen and paid at the time when they would normally have graduated from year 12.

The Trustees will have powers to make decisions on students who suffer any illness or misfortune and to consider any other circumstances that might merit special consideration.

By enshrining the NEAT Scheme in legislation it becomes Law and a commitment of future governments. The annual budget allocation is in the order of \$2.2 million. This amount is subject to review as the attendance behavior of students develops a pattern in the coming

years. The Government is conscious that it is creating an entitlement for students that will become a future liability of the Government of the day. To ensure that the future liability can be met it is critical that the annual budget allocation is paid to the Trust. In this way, should future Government elect to disband or wind up the Trust, it should have sufficient resources to meet the liabilities to students that have been created.

The graduating class of 2016 will be the first beneficiaries of the NEAT Scheme, assuming full attendance and 200 days they stand to have a sum of \$1000 paid to their accounts with Bendigo Bank. All students will receive an annual statement of their entitlements under the scheme.

This is an important initiative for Nauru. We are taking bold steps by committing current and future resources to develop Nauru's future leaders and entrepreneurs. It is pleasing to be able to say that teachers and school officials are telling us that even at this early stage the NEAT Scheme is having a profound and positive effect on truancy rates. Most importantly, the kids are excited about the scheme.

Mr. Speaker, I commend the Bill to the House.