

## INFORMATION NOTE

### Remuneration Package of the Heads of Statutory Bodies for the Arts in Selected Places

**Table – Remuneration package of the heads of statutory bodies for the arts in selected places**

	Arts Council England	National Endowment for the Arts, United States of America	Canada Council for the Arts	Australia Council for the Arts
Year of establishment	(a) Established by Royal Charter in 1994; and (b) Being granted a Supplemental Charter in 2002.	1965	1957	1975
Corporate status	A national development agency for the arts in England	A federal agency and the official arts organization of the federal government	A national arm's-length agency	A government arts funding and advisory body
Role and functions	(a) Distributing public funds; (b) Commissioning research; (c) Promoting innovation in the arts; and (d) Providing advice and information to artists and arts organizations.	(a) Providing national recognition of artistic excellence and merit; (b) Providing national leadership in arts learning; (c) Providing access to the arts for all; (d) Recognizing, preserving and sharing America's diverse cultural traditions and heritage; (e) Serving as a powerful financial catalyst; (f) Establishing national standards and incentives for the state and local government support for the arts; (g) Bringing together representatives of the arts and the public and private sectors at the national, regional and community levels; (h) Providing national leadership and encouragement for communication, dialogue, research and new thinking on issues important to the future of the arts; (i) Providing national stewardship and nurturing of distinct artistic fields; and (j) Serving as a national symbol and voice for American culture at home and abroad.	Fostering and promoting the study and enjoyment of and the production of works in the arts	(a) Formulating and carrying out policies designed to – (i) promote excellence in the arts; (ii) provide and encourage the provision of opportunities for persons to practise the arts; (iii) promote the appreciation, understanding and enjoyment of the arts; (iv) promote the general application of the arts in the community; (v) foster the expression of a national identity by means of the arts; (vi) uphold and promote the right of persons to freedom in the practice of the arts; (vii) promote the knowledge and appreciation of Australian arts by persons in other countries; (viii) promote incentives for and recognition of achievement in the practice of the arts; and (ix) encourage the support of the arts by the states, local governing bodies and other persons and organizations; (b) Advising the Commonwealth government on matters relating to the promotion of the arts as well as to the performance of its functions; and (c) Doing anything incidental or conducive to the performance of any of the foregoing functions.

Table – Remuneration package of the head of statutory bodies for the arts in selected places (cont'd)

	Arts Council England	National Endowment for the Arts, United States of America	Canada Council for the Arts	Australia Council for the Arts
Head of the statutory body	Chief Executive	Chairman	Director	General Manager
Relevant legislation / directives / guidelines relating to the appointment and remuneration of the head of the statutory body	(a) <i>Code of Practice for Council Members of Arts Council England</i> ; (b) <i>Guidance on Codes of Practice for Board Members of Public Bodies</i> issued by the Commissioner for Public Appointments; and (c) <i>Non Department Public Bodies – A Guide for Departments</i> issued by the Cabinet Office.	(a) National Foundation on the Arts and Humanities Act of 1965; (b) United States. (2005) 2 U.S.C.; and (c) United States. (2005) 5 U.S.C..	(a) Canada Council for the Arts Act; (b) Public Service Superannuation Act; and (c) Salary Administration Policy for the Executive Group (the EX Group).	(a) Australia Council Act 1975; and (b) Remuneration Tribunal Act 1973.
Approving authority for the appointment of the head of the statutory body	Appointed by the Council <sup>1</sup> and approved by the Secretary of State for Culture, Media and Sport	President	Governor in Council	Minister for the Arts and Sport
Period of appointment of the head of the statutory body	Information is not available as for the period of appointment. The current Chief Executive was appointed in 1998 and his contract will expire in 2008.	(a) Four years; and (b) Eligible for re-appointment.	Three to five years	(a) Not exceeding seven years; and (b) Eligible for re-appointment.
Authority for approving the remuneration package of the head of the statutory body	Approved by the Department for Culture, Media and Sport in consultation with the Treasury	The President recommends the remuneration package to Congress. To approve the recommendation, Congress will enact a law.	The remuneration package of the Canada Council for the Arts follows the EX Group salary scales as approved by the Treasury Board Secretariat <sup>2</sup> and the Board of Directors of the Canada Council for the Arts.	The remuneration package of the Australia Council for the Arts follows the <i>Determination of the Principal Executive Office Classification Structure and Terms and Conditions</i> as prescribed by the Remuneration Tribunal <sup>3</sup> .
Major components of the remuneration package	(a) Basic salary; (b) Geographical allowances; (c) Performance-related bonuses; (d) Any employer's contributions paid in respect of the Chief Executive under the pension scheme; (e) The estimated monetary value of any other benefits receivable by the Chief Executive other than in cash; and (f) Any agreed sum on taking up the appointment.	(a) Base salary; and (b) Other related pay entitlements.	(a) A base salary within a salary structure that has a salary range for each level; and (b) Performance awards (in-range salary movement and at-risk lump sum payments) awarded based on criteria established under the Performance Management Program for the EX Group.	(a) Total remuneration <sup>4</sup> ; (b) Superannuation salary <sup>5</sup> ; and (c) Performance pay <sup>6</sup> .

<sup>1</sup> The Council is the governing body of the Arts Council England. It comprises up to 15 people, including the Chairman and nine members who also chair the respective regional arts councils.

<sup>2</sup> The Treasury Board Secretariat makes recommendations and provides advice to the Treasury Board on policies, directives, regulations and programme expenditure proposals with respect to the management of the government's resources.

<sup>3</sup> The Remuneration Tribunal is an independent statutory authority that determines, reports on and provides advice about remuneration, including allowances and entitlements for the following:

- (a) Federal Parliamentarians, including Ministers and Parliamentary office holders;
- (b) Judicial and non-judicial offices of federal courts and tribunals;
- (c) Full-time and part-time holders of various public offices; and
- (d) Principal Executive Offices.

<sup>4</sup> Total remuneration means the salary, allowances, compulsory employer superannuation contributions and any other benefits provided mainly or solely for private use, calculated at their total cost to the government. It does not include performance pay, official travel allowances or other items as advised by the Remuneration Tribunal.

<sup>5</sup> Superannuation salary means an amount of salary which is determined for the purposes of superannuation laws and for calculating separation benefits, and which is no more than 70% of total remuneration.

<sup>6</sup> Performance pay means an amount of at-risk performance-based pay of no more than 15% of total remuneration.

Table – Remuneration package of the head of statutory bodies for the arts in selected places (cont'd)

	Arts Council England	National Endowment for the Arts, United States of America	Canada Council for the Arts	Australia Council for the Arts
Amount of remuneration	In 2004, the remuneration of the Chief Executive of the Arts Council England was £152,322 (HK\$2,173,635) <sup>7</sup> .	The pay of the Chairman of the National Endowment for the Arts falls in Level III of the Executive Schedule <sup>8</sup> , the basic pay schedule for senior federal positions, and amounts to US\$149,200 (HK\$1,157,195) <sup>9</sup> in 2005.	As at 1 April 2005, the salary ranges for the EX Group were as follows – (a) EX-01 from C\$91,800 to C\$108,000 (HK\$604,962 to HK\$711,720) <sup>10</sup> ; (b) EX-02 from C\$102,800 to C\$121,000 (HK\$677,452 to HK\$797,390); (c) EX-03 from C\$115,100 to C\$135,500 (HK\$758,509 to HK\$892,945); (d) EX-04 from C\$132,200 to C\$155,600 (HK\$871,198 to HK\$1,025,404); and (e) EX-05 from C\$148,100 to C\$174,300 (HK\$975,979 to HK\$1,148,637).	As at 1 July 2005, the range of the total remuneration for the General Manager of the Australia Council for the Arts was from A\$190,000 to A\$332,400 (HK\$1,111,500 to HK\$1,944,540) <sup>11</sup> .
Factors for determining the remuneration package	According to the <i>Non Departmental Public Bodies – A Guide for Departments</i> , the pay system should be judged against the following criteria: (a) Value for money; (b) Flexibility; (c) Financial control; and (d) Performance.	(a) Recommendations made by the Citizens' Commission on Public Service and Compensation <sup>12</sup> , on the basis of the following considerations – (i) recruitment and retention; and (ii) public policy issues involved in maintaining appropriate ethical standards; (b) The prevailing market value of the services rendered in the offices and positions involved; (c) The overall economic condition of the country; and (d) The fiscal condition of the federal government.	The EX classification system follows the structure and framework developed for the Treasury Board by the Hay Group. All senior management and senior staff job profiles under the EX group are evaluated externally by either the Hay Group <sup>13</sup> or an independent consultant.  The Hay Method identifies the relative value (or weight) of positions within an organizational unit. The relationships are based on the relative degree to which any position, competently performed, contributes to what its unit has been created to accomplish.	(a) The government's workplace relations policy; (b) The work value, role and responsibilities of the office or appointment; (c) The Australian public service remuneration policy that improvements in pay and conditions be linked to productivity gain; (d) The ability of an employing body to recruit and retain persons with the necessary qualities and skills; and (e) Other relevant factors such as movements in the reference salaries and marketplace identified by the Remuneration Tribunal.

<sup>7</sup> The average exchange rate of Pound Sterling to Hong Kong Dollar for 2004 was £1=HK\$14.27.

<sup>8</sup> The Executive Schedule is divided into five pay levels.

<sup>9</sup> The average exchange rate of US Dollar to Hong Kong Dollar for October 2005 was US1=HK\$7.756.

<sup>10</sup> The average exchange rate of Canadian Dollar to Hong Kong Dollar for October 2005 was CAD1=HK\$6.59.

<sup>11</sup> The average exchange rate of Australian Dollar to Hong Kong Dollar for October 2005 was AUD1=HK\$5.85.

<sup>12</sup> The Citizens' Commission on Public Service and Compensation is a statutory body which reviews the rates of pay of the following:

- (a) The Vice President of the United States, Senators, Members of the House of Representatives, the Resident Commissioner from Puerto Rico, the Speaker of the House of Representatives, the President pro tempore of the Senate, and the majority and minority leaders of the Senate and the House of Representatives;
- (b) Offices and positions in the legislative branch under the provisions of the Federal Legislative Salary Act of 1964;
- (c) Justices, judges, and other personnel in the judicial branch under the provisions of the Federal Judicial Salary Act of 1964 except bankruptcy judges, but including the judges of the United States Court of Federal Claims;
- (d) Offices and positions under the Executive Schedule in subchapter II of United States. (2005) 5 U.S.C. 53; and
- (e) The Governors of the Board of Governors of the United States Postal Service appointed under United States. (2005) 39 U.S.C. 202.

<sup>13</sup> The Hay Group conducts job evaluation and provides a systematic measurement of job size, relative to other positions, so as to enable salary comparisons to be made.

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