

National Gallery of Canada
and its affiliate
Canadian Museum of
Contemporary Photography



SUMMARY OF THE CORPORATE PLAN
AND OPERATING AND CAPITAL
BUDGET 2002-03 TO 2006-07

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THE HERITAGE OF CANADA AND ALL ITS PEOPLES
IS AN IMPORTANT PART OF THE WORLD HERITAGE
AND MUST BE PRESERVED FOR PRESENT AND
FUTURE GENERATIONS [...].

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Contemporary Photography**

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National Gallery of Canada
and its affiliate
**Canadian Museum of
Contemporary Photography**

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HISTORY

In 1880 the then Governor General of Canada, the Marquis of Lorne, and the artists and art lovers who made up the Royal Canadian Academy got together to found a National Gallery for the young nation. Some 30 years later, in 1913, the federal government assumed responsibility for the Gallery when it passed the National Gallery of Canada Act. It subsequently passed a number of other relevant acts, culminating in the Museums Act of 1 July 1990, which established the Gallery as a Crown corporation.

The Canadian Museum of Contemporary Photography was made an affiliate of the National Gallery of Canada in 1985.

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MANDATE

The *Museums Act* begins with the declaration:

The heritage of Canada and all its peoples is an important part of the world heritage and must be preserved for present and future generations [...].

It goes on in section 5 to describe the mandate of the National Gallery of Canada:

To develop, maintain and make known, throughout Canada and internationally, a collection of works of art, both historic and contemporary, with special but not exclusive reference to Canada, and to further knowledge, understanding and enjoyment of art in general among all Canadians.

The Act states that the National Gallery of Canada (NGC) includes the Canadian Museum of Contemporary Photography. The CMCP continues the dual mandate of the National Film Board from which it was originally formed: to collect, interpret and disseminate Canadian contemporary photography, not only as an art form but also as social documentation.

MISSION

The strength of the National Gallery of Canada lies in its collection of art, especially Canadian art, and its accessibility to the public across the country. The works of art reveal the past, celebrate the present, and probe the future. The collection must be expanded, preserved, interpreted, and used to the utmost by the public for pleasure and understanding, for research and the advancement of knowledge.

VISION

The National Gallery of Canada strives to provide Canadians with a sense of identity and pride in Canada's rich visual arts heritage, through its collections, on-site and travelling exhibitions, educational programs and publications, professional training programs and outreach initiatives. By collaborating with other Canadian and international institutions, the Gallery seeks to make art accessible, meaningful and vital to diverse audiences of all ages.

VALUES

Accessibility

Programs are developed with the public in mind – not just visitors to the Gallery but all Canadians.

Excellence and scholarship

The Gallery builds on the high standards it has attained over the years in all its endeavours – research, acquisitions, exhibitions, publications and public programs.

Corporate citizenship

All public policy and legal obligations are met.

Leadership

The Gallery acts as a recognized leader in the national and international art museum communities.

Collaboration

The Gallery collaborates with art museums in all regions of Canada and abroad, and with its partners in the Canadian Heritage portfolio.

CORPORATE STRUCTURE

Under the *Museums Act*, the Board of Trustees is the Gallery's governing body, reporting to Parliament through the Minister of Canadian Heritage. The 11 members of the Board are appointed by the Governor-in-Council and represent all regions of the country.

The Board of Trustees delegates authority to the Director for the day-to-day management of the Gallery. The Director of the National Gallery is supported by two Deputy Directors and six Directors.

The NGC and CMCP together employ 208 permanent staff (191 full-time, and 17 part-time) and 89 temporary staff (40 full-time, 13 part-time, and 36 on-call). The Gallery also benefits from 34,000 hours of work contributed each year by 300 dedicated volunteers who assist it in a wide range of activities.

FACILITIES

The Gallery's real property holdings consist of its flagship property at 380 Sussex Drive, the Canadian Museum of Contemporary Photography at 1 Rideau Canal (leased from the National Capital Commission), an off-site art storage facility, and the Canada Pavilion in Venice, Italy, Canada's site at the Biennale.

There are 111 exhibition spaces at the NGC. Public spaces include a 400-seat auditorium, a 90-seat lecture hall, a cafeteria and a café, a two-level indoor parking garage, a bookstore, seminar rooms, and studio/workshop spaces. Other features are conservation laboratories, multimedia and photography facilities, art and non-art storages, security control rooms, workshops and offices.

The facilities at the CMCP include public spaces on several levels, a flexible exhibition space, a 50-seat theatre and a boutique, as well as workshops and offices.

COLLECTIONS

The National Gallery of Canada's collection consists of over 35,853 works of art, acquired either by purchase or as gifts. About 1,200 of the most significant works are on view at any one time in the Permanent Collection galleries, while another 800 per year are on loan across the country, most to public art galleries.

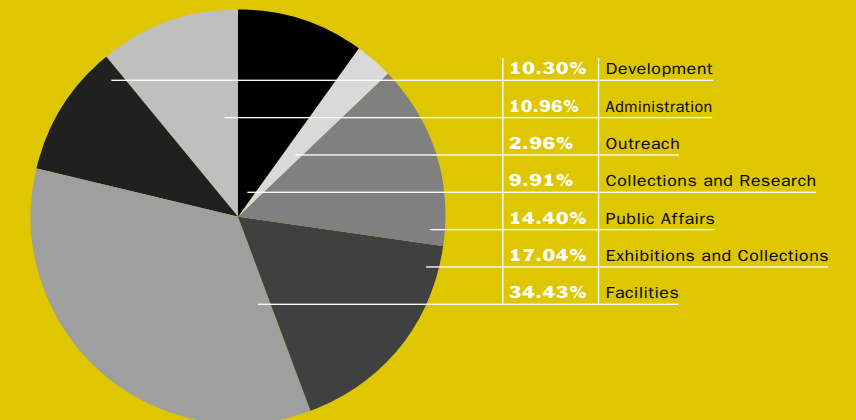
The Canadian Museum of Contemporary Photography holds approximately 160,000 photographs, negatives and transparencies in its collection. Works are featured within the exhibition program on a rotating basis.

FINANCIAL RESOURCES

The Gallery receives annual appropriations from the Government of Canada, supplemented through its own fund-raising activities. The appropriations include an acquisitions budget, which in 2001-02 was increased from \$3 million to \$6 million per annum. (It is dedicated solely to the acquisition of works of art for the collection.)

For the year 2002-03 the Gallery's resources will total \$44,190,000, of which \$36,455,000 will be funded by parliamentary appropriation. The balance of \$7,735,000 (approximately 15 percent of the total requirement) represents gross revenue the Gallery anticipates generating itself in the coming year.

2002-03 Expenditures by Activity



Note: 6.01 percent of the 10.30 percent allocated to the Development activity represents the cost of the NGC Bookstore and the CMCP Boutique.

MAIN ACTIVITIES

The Gallery achieves out its mandate through seven major activities: Collections and Research, Exhibitions and Collections Management, Outreach, Public Affairs, Development, Facilities, and Administration.

Collections and Research

The Collections and Research activity is at the core of the Gallery's mandate. The collection preserves the country's heritage for future generations, and serves as the source of its exhibitions in the National Capital, its travelling exhibitions, and its loans to other galleries across the country and abroad.

The Gallery's collection of Canadian art, built up since 1880, is the most comprehensive and important in existence. The Gallery also has a fine collection of Western European art from the later Middle Ages to the present. Although the collection focuses on Canadian art, the international works provide the context by which visitors understand the influences on and evolution of the visual arts in Canada.

The Gallery's holdings are not acquired piecemeal, or left to chance: there is an acquisitions policy governing the kinds of works the Gallery wishes to own, and the curatorial staff have to be alert at all times to possible opportunities for acquiring suitable pieces. Since each piece is unique, and the window of opportunity may be open only briefly, they rely on their intimate knowledge of the collection, the national and international art markets, and potential gifts.

All works in the collection, and those under consideration for acquisition, are thoroughly researched to assure their authenticity, origin, quality and historical importance. This scholarly research, an important part of the curators' work, is vital to the Gallery's reputation for excellence as an educational institution, in Canada and abroad.

Scrupulous storage and careful conservation of the collection enhance the longevity of the works, and ensure that they will endure for the appreciation of future audiences, public and scholars alike.

Exhibitions and Collections Management

The work of Exhibitions and Collections Management entails managing the collection's installation, documentation and movement, and developing and circulating the travelling exhibitions program.

Exhibitions and special installations of the permanent collection are the prime means by which the public can experience and enjoy the Gallery's holdings. They include the Gallery's Permanent Collection as well as loans of individual works of art and travelling exhibitions going to and coming from other art museums. The Gallery's travelling exhibition program is the largest of any art museum in Canada and reaches a broad range of institutions including those in smaller and remote communities.

The documentation, the digitization and the ongoing inventorying of the works of art in the collection are essential to the collection's management and care and to their accessibility to the public.

Outreach

Through its Outreach activity the Gallery provides broad access to its collections, exhibitions and expertise throughout Canada, and develops new partnerships and programs that foster dissemination and collaboration, both nationally and internationally.

The Gallery established *National Outreach and International Relations* as a new and specific activity, designed to connect Canadians in different regions with the Gallery's collections and expertise and to reach the broadest possible audience. The outreach function promotes the sharing of the national collection through travelling exhibitions and loans. In addition, it encourages the co-production and circulation of exhibitions organized by galleries in other regions of Canada, sponsors guest curators and apprentices at the Gallery from across the country, and arranges week-long orientation and technical programs.

Public Affairs

Public Affairs includes Education and Public Programs, as well as the CyberMuse on-line activities, Marketing and Communications, Publications that produce a scientific record of the Gallery's exhibition program and permanent exhibitions, and Visitor Services. It also develops and implements strategies to maintain the Gallery's existing audience, while expanding the Gallery's appeal to a younger, more diverse demographic.

Through the Education and Public Programs Division, the Gallery can offer an optimal experience that includes both learning and pleasure, in an environment emphasizing human presence, participation, accessibility, creativity, comfort and enjoyment. Over 58 programs are delivered to schools, families, young people, adults, seniors and people with disabilities. The CyberMuse Web site features the works and artists represented in the permanent collection. It gives access to information and insight about the world of artists and their work, providing over 9,000 images, panoramic views of the galleries, audio and video presentations, and a growing number of artist interviews and biographies.

Development

The aim of Development is to provide additional annual revenue from private sources to support the realization of the Gallery's mandate. It has three divisions:

Membership organizes and maintains a body of supporters with strong interest in the Gallery and its future, and raises funds for the Gallery from these supporters in the form of fees and donations. *Sponsorship* solicits and secures direct financial and in-kind support for Gallery activities, exhibitions and special events, and develops long-term relationships with the corporate community. *Special Events and Rentals* manages the use of the Gallery's unique public spaces in a manner that makes the Gallery attractive to potential users, engages new audiences and supporters or members, and raises additional revenue.

Facilities

The Facilities activity ensures that the Gallery's facilities are secure, readily accessible to the public, and suitable for the preservation and exhibition of the national collections of art, and the Gallery's Library and Archives.

In 1996, the Gallery assumed responsibility for managing its own facilities. It is now in charge of maintaining (and as necessary repairing) the Sussex Drive buildings, the CMCP, leased storage space in Ottawa, and the Canada Pavilion in Venice. In total, it manages 70,330 gross square metres of property. On-site security is maintained through a balance of physical presence and electronic surveillance, and the promotion of workplace health and safety.

Administration

The Gallery's Administration activity provides direction, control, and effective administration of resources. The Administration activity includes the management of the NGC's and CMCP's human, financial and information technology resources, its relationship with the Board and its interactions with government. It also oversees the Gallery's statutory and legal obligations.

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PRIORITIES

Reaching a Broader and More Diverse Canadian Audience

The Gallery reaches out to Canadians across the country through technology, collaboration with other galleries and museums and its travelling exhibitions.

To take greater advantage of the new technology, the Gallery improved its Web sites and its CyberMuse site and developed a four-year content plan to create more programming for children and young people. So far this year, over 21 million Canadians have accessed the Gallery's various Web sites, which are linked to the government of Canada site through the innovative Virtual Museum of Canada.

The Gallery also increased its efforts to collaborate with the art community across Canada and find new ways to respond to the community's needs. One of these ways is the circulation of exhibitions created by other institutions: in 2001-02, the Gallery circulated exhibitions produced by the Art Gallery of Nova Scotia and the Vancouver Art Gallery.

The Gallery also enriched its own travelling exhibition program, already the largest of any art museum in Canada. By the end of this year it will have added 10 new exhibitions to the program, bringing the total to 30. Travelling exhibitions were shown in 48 locations in 10 provinces and the Yukon Territory. Exhibitions from the CMCP collection were structured in a variety of formats so that smaller or more remote galleries could pick the type and size best suited for travel to their facilities.

At home the Gallery made significant changes to its Education and Public Programs with the aim of attracting a wider audience, particularly children, people with disabilities, disadvantaged youth, and young adults. The result was record attendance, a testament to the success of the Gallery's efforts. It also produced audioguides for children, a first in the North American museum community.

The Gallery offered workshops and tours for visitors with various kinds of disabilities; for example, visually impaired visitors were given the opportunity to handle sculptures. With the financial support of an anonymous donor, and the generosity of the supporting Friends of the NGC, the CMCP began free photography workshops on weekends and during March Break for underprivileged teens.

The Gallery updated its educational programs for young people generally. So far in 2001-02, activities such as practical workshops on printmaking and photography, courses on art history and interpretation and unguided visits have attracted over 27,684 students.

Promoting Canada's Diverse Artistic Heritage

In the summer of 2001, the Games of La Francophonie brought competitors in sports and the arts to Ottawa from around the world to celebrate the diverse cultural heritage of the global francophone community. The NGC played an active part in the Games by hosting the Photograph and Painting competitions.

Working with Canadian embassies, the Gallery coordinated key exhibitions including a tour of four major centres in China by a Group of Seven exhibition and a photographic exchange with Mexico.

Optimizing the Gallery's Financial Resources

As part of the Gallery's new, more client-based, commercial focus, revenue was generated through increased sponsorships, membership sales, space rentals and catered functions, restaurant service, parking, the Bookstore, publications, reproduction rights, introduction of an audioguide for special exhibitions, and education and public programs. The Gallery also tapped its members' gift-giving potential by shifting the emphasis of member support for the Gallery from purchasing a package of services to philanthropy. As a result, the Gallery has successfully increased its self-generated gross revenues from \$3 million in 1993-94 to more than \$7 million in 2001-02.

The Development activity began seeking sponsorships for a greater number of Gallery activities (e.g., travelling exhibitions, scholarly work, CyberMuse), and initiated preparatory work for a proactive marketing program.

The National Gallery of Canada Foundation raises and maintains funds in support of the Gallery's needs, mainly with a view to building a capital endowment. In 2001-02, the Foundation launched its Major Gift Program, aimed at securing capital as well as sustained revenue for special projects. The Circle program, introduced last year, is now successfully established with 101 members.

RESULTS ACHIEVED IN 2001-02

The National Gallery of Canada had four objectives for 2001-02, which it strove to achieve through a variety of strategies. The following provides an overview of the results each strategy had produced by 31 December 2001.

Objective 1

To acquire, preserve, research and record historic and contemporary works of art, both national and international, to represent Canada's visual arts heritage and to feature them in its programs.

Strategy 1

Build a collection that represents Canada's visual arts heritage by acquiring works of arts.

The Gallery spent \$1,231,616 on acquiring new works of art, and gratefully received a number of works in the form of gifts. All art acquired met the objectives established in the Gallery's acquisition plan: it was thoroughly researched and carefully selected, is of the highest quality, and builds on the strengths of, and fills gaps in, the Gallery's collection.

Because the Gallery is opposed to benefiting in any way from art whose provenance is dubious, it launched the Provenance Research Project, which details on line the ownership history of works in the Gallery's permanent collection that have gaps in their provenance between 1933 and 1945. It also returned to the government of the People's Republic of China a T'ang dynasty relief that had been stolen in China.

Strategy 2

Conserve the collection for present and future generations of Canadians.

Several major conservation projects were completed, and the Gallery acquired new imaging equipment, which will increase its ability to examine paintings.

Strategy 3

Continue the CMCP's vigorous program of acquiring works by Canadian photographers.

The CMCP acquired 170 new works (140 by gift and 30 by purchase).

Objective 2

To further knowledge, understanding and enjoyment of the visual arts among all Canadians and to make its collections known both in Canada and abroad.

Strategy 1

Maintain and further develop the capacity to enhance knowledge of the national collection of art among all Canadians, and broaden their access to it.

The Gallery exceeded its projected offering of new travelling exhibitions. Of the 30 exhibitions available for booking, 10 were introduced in 2001-02. By the end of the calendar year 48 bookings had been made, 41 in Canada and seven outside.

For the first time, the Gallery made major masterpieces from its collection available on loan. Between 1 April and 31 December 2001, 491 works from the National Gallery of Canada collection were loaned to 40 institutions in Canada and 35 institutions in other countries. In addition, 26 works from the CMCP collection were loaned to four institutions in Canada and one outside.

The Gallery hosted over 50 North American art museum staff for the 2001 Annual Art Museum Image Consortium (AMICO) Members Meeting held in Ottawa in June. Since the launch of the AMICO Library in 1998, the NGC has contributed a total of 2,141 records.

Strategy 2

Establish links with greater numbers of institutions and the public across Canada.

In 2001-02, the Gallery worked with a wide variety of institutions, including the Canadian Museums Association (CMA), the Art Galleries of Ontario and Nova Scotia, the Vancouver and Winnipeg Art Galleries, New Brunswick's Beaverbrook Art Gallery, the National Archives and the Canadian Museum of Civilization. It played an active role in organizing the popular *Museums Day*. Progress was made on its plans to install historical First Nations Art in its permanent collection.

Strategy 3

Increase awareness, understanding and enjoyment of the collection, of the National Capital and Travelling Exhibitions programs.

Over 30 exhibitions and installations, including three focus exhibitions and five exhibitions in the CMCP, were completed. A number of catalogues were prepared, and one of them – *Gustav Klimt: Modernism in the Making* – received rave reviews from academia and also sold out its 5,000 copies three days before the exhibition closed. Audioguides, videos and lectures supported other exhibitions at both components of the Gallery, and an innovative walking tour was developed featuring work by sculptor Louis-Philippe Hébert in Notre-Dame Cathedral and on Parliament Hill.

The school program was improved to give students an opportunity for an extended learning experience involving in-gallery explorations and hands-on activities.

The Gallery is on target with its four-year CyberMuse content plan, thanks in part to the *NGC Teen Council*. This group of youth organizers meets throughout the school year to help the Gallery plan, co-ordinate and implement Web activities that reflect young people's interests.

The Gallery Web site redesign was launched as planned.

Strategy 4

Increase the overall audience for the NGC and the CMCP.

Attendance at the Gallery as of 31 December 2001 was higher than last year for the same period: 537,040 Canadian and international visitors. With 49,669 visitors, attendance at the CMCP was over 19 percent higher to date than last year for the same period.

Virtual attendance – the number of hits on the CyberMuse and NGC/CMCP Web sites – is also up appreciably, at a total of 21,648,328.

CyberMuse and NGC/CMCP Web sites virtual attendance

For 1 April to 31 December

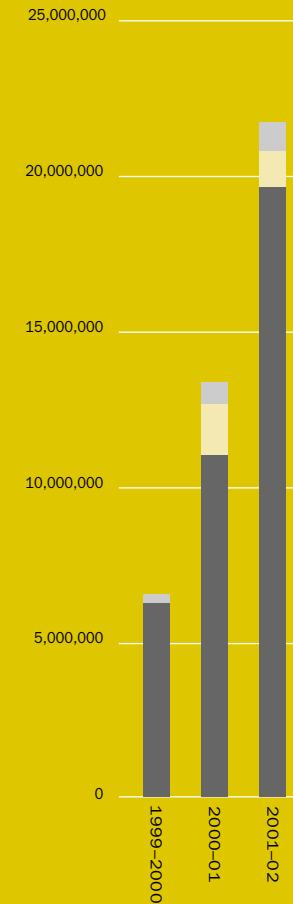
	1999-2000	2000-01	2001-02
NGC Web site	6,213,299	10,961,395	19,574,160
CMCP Web site	n/a	1,635,242	1,139,309
CyberMuse	288,736	713,838	934,859
Total Web	6,502,035	13,310,475	21,648,328

NGC and CMCP local and national attendance

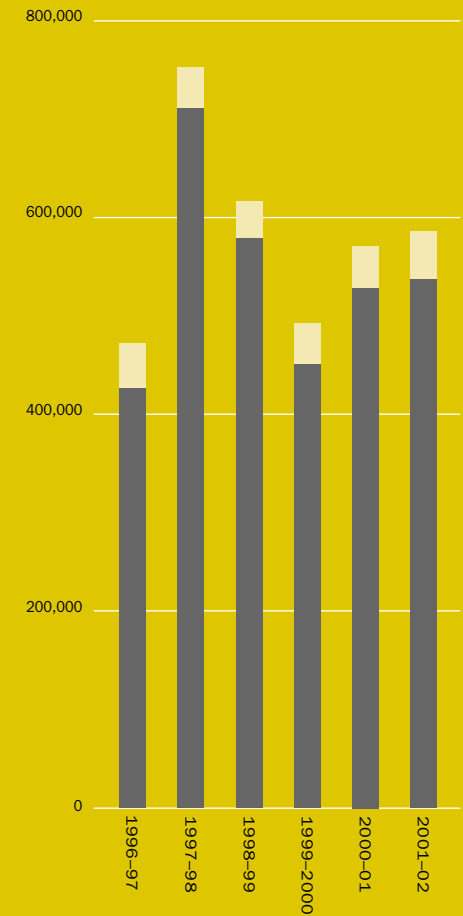
For 1 April to 31 December

	1996-97	1997-98	1998-99	1999-2000	2000-01	2001-02
NGC	431,568	710,679	578,720	450,628	530,658	537,040
CMCP	44,346	42,639	38,445	43,764	41,764	49,669
Total	475,914	753,318	617,165	494,392	572,422	586,709

Total Web sites virtual attendance
For 1 April to 31 December



Total local and national attendance
For 1 April to 31 December



■ National Gallery of Canada
■ Canadian Museum of Contemporary Photography
■ CyberMuse

Strategy 5

Display the Gallery's collection in a way that helps the public enjoy and understand art.

The European galleries maintenance project was completed on time and significant progress was made in work on the installation of First Nations historical art within the Canadian permanent collection galleries. However, due to labour problems, the Gallery had to delay the completion of three installation projects.

Strategy 6

Ensure that collections records and copyright issues are well managed.

The electronic distribution of images via such on-line channels as CyberMuse and AMICO requires careful attention to intellectual property rights, and a project is underway to acquire long-term licenses from copyright holders. In 2001–02, nearly 600 images were provided to scholars, on a cost-recovery basis.

Strategy 7

Create digital photographic files for 20,000 works in the collection over the next four years.

It had been anticipated that 3,200 images would be digitized in 2001–02. This proved to be an overly ambitious target given the required adaption to new technology, but nevertheless some 1,300 works were digitized in 2001–02, bringing the total so far to 3,600. Digitization of CMCP images has begun and a selection of over 200 images is now available on line.

Objective 3

To provide direction, control, and effective development and administration of resources.

Strategy 1

Provide additional annual revenue from private sources to the Gallery in support of the realization of the institution's mandate.

A number of rental events took place at the Sussex Drive building, including 27 concerts, the BBC's *Antiques Roadshow* taping, and the Branham Awards Gala.

The Gallery retained 76 percent of its membership, an unusually high level for a museum, with a total of 8,417 members. Of these, 750 were Supporting Friends (donors) whose combined contributions totalled approximately \$200,000. In the first three quarters of 2001–02, membership revenue was \$454,000; sponsorships brought in contributions of \$410,000, plus \$171,000 in-kind support; and rental revenues were \$276,000 (including catering revenue). The Gallery also received generous support from a broad spectrum of corporate sponsors.

Strategy 2

Balance the budget on an on-going basis.

The Gallery anticipates finishing the year with a balanced budget. Spending levels were controlled, and resources were reallocated so that the Gallery's information technology (IT) systems could be renewed. At 49.1 percent to date, Bookstore margins are expected to meet the 50 percent targeted in the Corporate Plan. However, net revenues are down from those projected in the last quarter.

Strategy 3

Seek internal and external funding for information technology initiatives.

All information technology targets were met. The Gallery undertook a corporate network, security and infrastructure architecture analysis, and developed a three-year IT plan by August 2001. Gallery-wide standards were established, network security issues corrected, infrastructure problems resolved, and software applications upgraded.

Strategy 4

Ensure good resource management.

The ratio of expenditures on operations to those on salaries/benefits was 61 percent to 39 percent in 2001–02, in line with targets in the Corporate Plan.

An employee newsletter was launched in November 2001.

Strategy 5

Be a good and fair employer.

The Gallery negotiated a five-year contract with the Professional Institute of the Public Service of Canada (PIPSC) and a three-year contract with the Public Service Alliance of Canada (PSAC). The Union-Management Consultative Committee was reinstated. A Canada-wide search for a Director of Employer/Employee Relations was successfully completed and the new Director appointed effective 7 January 2002.

Objective 4

To provide a secure and suitable facility for the preservation and exhibition of the national collection of art, the Library and the Archives, that is readily accessible to the public.

Strategy 1

Safeguard the collection and works of art entrusted to the Gallery.

In accordance with a plan developed by external consultants, the Gallery's security systems were updated as follows: the egress bars in the European Gallery were replaced, as were 35 of 168 security cameras; an assessment was completed and an upgrade of vault security initiated; and the hand-held radio communications receivers were replaced. Better-qualified and better-trained security staff are being sought through a Request for Proposals (RFP) from private-sector security services providers.

In response to the events of 11 September, staff received additional training on bomb and suspicious package threats, and the Gallery participated in regular briefing sessions with the Treasury Board Secretariat and the Privy Council Office.

Strategy 2

Provide a safe and comfortable environment for staff and public in a cost-effective manner.

All performance targets were met. The long-term capital plan was completed. The Gallery also developed a plan to identify critical maintenance and repair problems. As a result of the funds received in 2001-02, the Gallery was able to replace the roof over its Library, and is in the process of replacing its Halon equipment and of implementing energy conservation measures at the CMCP.

A private-sector provider is being sought via an RFP to operate the building facilities.

CHALLENGES AND STRENGTHS FOR THE NEXT FIVE YEARS

EXTERNAL ENVIRONMENT

The state of Canada's economy is the key external factor influencing the Gallery's capacity to carry out its mandate, respond to the government's priorities, and achieve the objectives, strategies and targets established in the Gallery's corporate plans. Economic conditions determine the level of the Gallery's appropriations, the amount of revenue it can generate, and the number of visitors it receives.

The external environment has changed since the last Corporate Plan. Although there were signs of an economic slowdown even prior to the terrorist attack on the United States on 11 September, the attack heightened anxiety levels both in North America and elsewhere, with negative effects on recreational activities and tourism.

The events of 11 September are not expected to have a significant impact on the international and domestic art markets for high quality works of art, where shortage of supply is increasingly driving up prices. In Canada, prices rose 50.93 percent in 1999-2000 over the previous year. Prices on the international market are soaring even faster.

While economic conditions determine the size of the Gallery's budget and therefore how much the Gallery can do to fulfill its mandate, other factors influence the strategies it pursues and the activities it undertakes. The most relevant to the Gallery are **government policy**, the **demographic make-up of the Canadian population**, and **technological change**.

Government Policy

As a Crown corporation, the Gallery is responsive to the broad policy objectives of the Government of Canada and the Minister of Canadian Heritage, through whom it reports to Parliament.

The January 2001 Speech from the Throne emphasized the importance of the arts and culture in the fabric of Canada, stating, "*The focus of our cultural policies must be on excellence in the creative process, diverse Canadian content, and access to the arts and heritage*

for all Canadians." The Minister has asked the members of the Canadian Heritage Portfolio to cooperate more closely and to take a leadership role in forging ties among Canadians through the arts.

Canadian Demographics

Over the past decade, Canada's ethnic, racial and religious diversity has expanded at an unprecedented rate, dramatically altering the public face of Canadian society. In another generation, there will be no single racial group representing a majority of Canada's population.

The changes in the make-up of the Canadian population reinforce the importance of the Gallery's efforts to promote Canada's diverse visual arts heritage, reach a younger, more disparate Canadian audience, and take into account demographic variations across the country.

Technological Change

By the end of 1999, 50 percent of Canadian households had a computer at home, and 33 percent of all households were connected from their homes to the Internet, up from 25 percent the year before. This rapid adoption of new technologies shows that the Gallery is right to accelerate its digitization program and step up the content on CyberMuse. But since lower-income Canadians are less likely to be connected to the Internet at home, the Gallery is also working on expanding its electronic reach through the school system to engage less advantaged younger people.

INTERNAL ENVIRONMENT

The Gallery has a number of obvious strengths, not the least of which is its staff. Their scholarly research, publications and exhibitions have contributed greatly to advancing knowledge of the fine arts in Canada and the world. Their reputation and high standards have established the credibility required to co-produce exhibits, and bring loans and exhibits of extraordinary quality to Canadians from major institutions around the world. The Gallery's permanent collection of Canadian and non-Canadian art, its magnificent facilities, and its creative exhibitions and educational programming rival that of any major visual arts museum. They also attract more visitors than any other art museum in Canada, and more than most comparable institutions in the United States.

Of equal value is the Gallery's outreach to the public and to Canadian art institutions in the provinces and territories, through its travelling exhibitions program, its loans, its training and fellowship programs, visiting lecturers, apprenticeships and guest curators. More recently, the electronic revolution has extended the Gallery's reach outside the National Capital Region to individuals in their homes and in their schools through its corporate Web site and CyberMuse, the strength of which was acknowledged in a recent *ICE Breaker* study where the Gallery was ranked second out of three.

At the same time, however, reduced budgets, a six-year wage freeze, layoffs and other organizational changes led to turbulent labour relations, culminating in a strike by its PSAC employees. Dealing with these immediate difficulties reduced the resources the Gallery could put into overhauling its human resources practices and improving its internal communications.

STRATEGIC ISSUES

Increasing Revenues during an Economic Downturn

The Gallery coped with reductions in its parliamentary appropriations over the past decade by increasing its self-generated revenues, introducing efficiencies, controlling activity levels, and reallocating funds to meet government and Gallery priorities. The Gallery successfully increased its revenues three to four-fold between 1993-94 and 2000-01, to 20 percent of its total budget. Its estimates for 2001-02 have however had to be revised downward, from \$9 million to \$7.6 million.

Competition for private sponsorships and donations is fierce at the best of times in a city dominated by government and one industrial sector. The anticipated general economic downturn, and the particularly acute decline in the high-technology sector, will increasingly make it a challenge for the Gallery to reach its targets between 2002-03 and 2006-07.

Reflecting a More Diverse Population

The fact that the make-up of Canada's population has changed substantially in the past decade raises a difficult collections policy issue for the Gallery. It would like to expand its holdings of non-Western art, but purchasing the historical collection that would be needed to place such art in perspective for Gallery visitors would require funds and expertise that the Gallery does not have at this time.

As an alternative, the Gallery has been pursuing gifts and long-term loans of non-Western art to augment its own collection. It is also making a point of organizing visiting exhibitions from less traditional sources (for example, Senegal and China).

Information Technology

The Canadian government is committed to putting its services on line by the year 2004, and the Gallery is committed to making the national collection more accessible outside the National Capital Region. In support of both these commitments, the Gallery has been digitizing its collection, its related research material, and its video and audio recordings. Additional funds are required to complete the upgrade of the Gallery's IT infrastructure, accelerate the digitization of its assets, develop and maintain its Web site, and re-engineer CyberMuse. So far the Gallery has been reallocating funds to meet its IT objectives. The challenge will be to continue to fund ongoing technology projects from within its budget.

PRIORITIES

During the planning period, the Gallery had three priorities in 2001–02: **reaching a broader and more diverse Canadian audience, promoting Canada’s diverse visual arts heritage, and optimizing the Gallery’s financial resources.** For the planning period, the Gallery has added two new priorities **strengthening the work environment and improving security.**

Strengthening the Work Environment

Because the hard work of its skilled and dedicated staff is crucial to the Gallery’s success, it wants to be a workplace where employees feel appreciated and their concerns are addressed. The two new collective agreements are part of this strengthened work environment, as is the new employee newsletter. The Gallery has hired a new Director of Employer/Employee Relations to oversee all aspects of Human Resources.

Improving Security

Security on all fronts is currently the government’s top priority. Because of the Gallery’s location and symbolic importance, the health, safety and security of the visiting public, staff and the country’s collection of works of art will be receiving even more than normal attention over the next few years.

OBJECTIVES, STRATEGIES AND PERFORMANCE INDICATORS FOR THE NEXT FIVE YEARS

For the years 2002–03 to 2006–07, the Gallery has refined its four objectives, developed more comprehensive strategies for achieving them, and defined very specifically what achievements will indicate that performance has been successful.

Objective 1

To acquire, preserve, research and record historic and contemporary works of art, both national and international, to represent Canada’s visual arts heritage.

The Gallery is striving to build a richly representative collection by acquiring new works of art and conserving existing pieces. But adding to the collection is not the Gallery’s only responsibility: Canada’s visual arts heritage must be conserved.

Key Performance Indicators

The Gallery will acquire, through purchase or donation, works that match the objectives of the acquisitions policy, ranging from more non-Western art to pictures by Canadian photographers of the 1960s. The value of gifts will go up to over \$50,000 during this period. The Gallery will also continue to devote 95 percent of its conservation activities to its own works, while the remainder will go to works from other collections, most often those of other Canadian galleries and museums.

Objective 2

To further knowledge, understanding and enjoyment of the visual arts among all Canadians and to make its collections known both in Canada and abroad.

The Gallery has defined seven strategies to help it achieve its second objective. It will increase the availability of its collection outside the National Capital Region; establish links with even more institutions across Canada; increase public awareness of both the permanent collection and visiting exhibitions; display the collection in a manner that helps the public enjoy and understand it; accelerate its digitization plan; manage records and copy-right effectively; and collaborate with its fellow Canadian Heritage portfolio members.

Key Performance Indicators

The Gallery will develop a new travelling exhibitions program adapted to the physical capacities and interests of museums and galleries everywhere in Canada. In 2002–03, a total of 30 exhibitions will be on display in over 40 venues, and in 2003–04, 10 new exhibitions will be developed to replace existing exhibitions. There will be at least 20 new exhibitions and installations at the NGC every year for the next four years, and at least eight new installations at the CMCP every year for the next four years. Two focus exhibitions will be produced every year. Eight projects are planned to refresh various collections and integrate CyberMuse into the gallery spaces.

Information about its collections, and access to its scholarship, will be available from the NGC Web site, CyberMuse and Gallery publications, as well as through such channels as guest curator programs and lectures by NGC and CMCP senior staff. There will be an increased Gallery presence on SchoolNet, and hits on the Web site will go up to 37 million by 2007. In addition to this greater virtual visibility, the traditional yearly visitorship will rise to 610,000 at the NGC and 55,000 at the CMCP. Visitors will be surveyed to determine their satisfaction levels.

The Gallery will continue to contribute to programming initiatives in the Heritage portfolio.

Objective 3

To provide direction, control, and effective development and administration of resources.

The Gallery has five strategies for achieving this objective: soliciting additional revenue from private sources; ensuring that the Gallery operates effectively, efficiently, economically and ethically; providing efficient services within a framework of appropriate management control; improving internal communications; and acting as a good and fair employer.

Key Performance Indicators

Self-generated revenues will be increased to 20 percent of total resources by 2006. By 2003, the membership base will be 10,000, with a further 2,000 members added by 2006–07, and this level will be maintained thereafter. New campaigns will target potential members, donors and sponsors, and rental and catering facilities will be aggressively promoted.

The Gallery intends to keep its budget balanced, maintain Bookstore margins at 50 percent and enhance its reporting, while keeping employees better informed of Gallery objectives and priorities

Objective 4

To provide secure and suitable facilities, which are readily accessible to the public, for the preservation and exhibition of the national collection of art.

The security of collections, visitors and staff will be a priority for the Gallery during this period.

Key Performance Indicators

An overall framework will be developed for security activities. Security planning and processes will be reassessed, and disaster response planning and training will be strengthened, with the disaster plan re-tested every year. The Gallery will also improve security at both the NGC and the CMCP by installing new equipment and upgrading existing equipment.

On the facilities side, the Gallery will undertake an assessment of the medium- and long-term space requirements for the Gallery and the CMCP, and deal with a number of urgent maintenance and repair issues.

FINANCIAL PLAN AND BUDGETS

Results to date

Parliamentary appropriations for 2001–02 are \$43,117,000. This includes an appropriation for operating and capital expenditures of \$33,188,000 and a separate appropriation of \$6,000,000 dedicated solely to the purchase of works of art for the collection. A supplementary appropriation of \$3,065,000 will be used to fund critical capital items identified under phase two of the Program Integrity exercise, and there will be an ongoing appropriation of \$854,000 to cover increases in salaries and benefits.

An additional \$2,559,000 for payments in lieu of taxes (PILT) has been incorporated in the base appropriations.

Gross revenues and contributions for 2001–02 are estimated to reach \$7,614,000. This is lower than the projection in last year's Corporate Plan, the result of a number of factors including the economic downturn and the strike by PSAC members.

Projected self-generated revenues for the future years have been scaled back somewhat from the previous Corporate Plan, to reflect the uncertainty and potential decline in tourism resulting from the events of 11 September. On the expenditure side, the Gallery anticipates a 20 percent increase in ongoing security costs, due to the increased demand in the National Capital Region for security personnel.

FINANCIAL STATEMENTS

NATIONAL GALLERY OF CANADA BALANCE SHEET

(in thousands of dollars)	00-01 Actual	01-02 Budget	01-02 Forecast	02-03 Budget	03-04 Budget	04-05 Budget	05-06 Budget	06-07 Budget
Assets								
Current:								
Cash and investments	5,858	4,479	8,516	8,671	8,821	8,971	9,121	9,271
Accounts receivable	3,874	1,125	500	525	550	575	600	625
Inventories	855	879	855	875	900	925	950	975
Prepaid expenses	1,258	978	1,283	1,308	1,333	1,358	1,383	1,408
	11,845	7,461	11,154	11,379	11,604	11,829	12,054	12,279
Restricted cash and investments	1,220	1,743	1,358	1,509	1,670	1,841	2,022	2,213
Collection	1	1	1	1	1	1	1	1
Capital assets	9,682	10,064	11,127	11,617	11,767	11,867	11,917	11,917
	22,748	19,269	23,640	24,506	25,042	25,538	25,994	26,410
Liabilities								
Current:								
Accounts payable and accrued liabilities	6,130	3,287	5,341	5,341	5,341	5,341	5,341	5,341
Special purpose account	252	513	322	397	477	562	652	747
	6,382	3,800	5,663	5,738	5,818	5,903	5,993	6,088
Accrued employee termination benefits	1,638	1,950	1,888	2,138	2,388	2,638	2,888	3,138
Deferred contributions	786	1,058	831	881	936	996	1,061	1,131
Deferred capital funding	11,375	10,064	12,690	13,180	13,330	13,430	13,480	13,480
Total liabilities	20,181	16,872	21,072	21,937	22,472	22,967	23,422	23,837
Endowments								
	129	148	130	131	132	133	134	135
Equity of Canada								
Balance at beginning of year	2,249	2,249	2,438	2,438	2,438	2,438	2,438	2,438
Excess of revenues over expenses	189	0	0	0	0	0	0	0
Balance at end of year	2,438	2,249	2,438	2,438	2,438	2,438	2,438	2,438
	22,748	19,269	23,640	24,506	25,042	25,538	25,994	26,410

NATIONAL GALLERY OF CANADA STATEMENT OF OPERATIONS

(in thousands of dollars)	00-01 Actual	01-02 Budget	01-02 Forecast	02-03 Budget	03-04 Budget	04-05 Budget	05-06 Budget	06-07 Budget
Expenses by activity								
Collections and Research								
Operations	4,201	3,749	4,463	4,409	4,328	4,373	4,414	4,457
Art acquisitions	2,969	2,700	5,700	5,700	5,700	5,700	5,700	5,700
Total Collections and Research	7,170	6,449	10,163	10,109	10,028	10,073	10,114	10,157
Outreach	1,253	1,499	1,331	1,315	1,291	1,304	1,317	1,329
Development	4,367	3,904	4,639	4,584	4,499	4,546	4,588	4,633
Public Affairs	6,104	6,307	6,485	6,407	6,288	6,354	6,413	6,476
Exhibitions and Collections								
Management	7,224	7,237	7,675	7,582	7,442	7,520	7,590	7,664
Facilities	14,093	15,884	15,503	15,317	15,033	15,192	15,333	15,482
Administration	5,145	3,928	4,935	4,876	4,785	4,837	4,881	4,927
Total expenses	45,356	45,208	50,731	50,190	49,366	49,826	50,236	50,668
Revenue and contributions	9,020	9,020	7,614	7,735	8,110	8,570	8,980	9,412
Net cost of operations before government funding	36,336	36,188	43,117	42,455	41,256	41,256	41,256	41,256
Parliamentary appropriations								
Operating and capital on a cash basis	33,459	33,188	37,117	36,455	35,256	35,256	35,256	35,256
Appropriations deferred for the purchase of depreciable capital assets	-753							
Appropriations deferred for payments in lieu of taxes	-789							
Amortization of deferred capital funding	1,373							
Total on an accrual basis	33,290	33,188	37,117	36,455	35,256	35,256	35,256	35,256
Purchase of objects for the collection								
Current year on a cash basis	3,000	3,000	6,000	6,000	6,000	6,000	6,000	6,000
Drawn from prior years	235							
Total on an accrual basis	3,235	3,000	6,000	6,000	6,000	6,000	6,000	6,000
Total – appropriations on an accrual basis	36,525	36,188	43,117	42,455	41,256	41,256	41,256	41,256
Excess of revenues over expenditures	189	0	0	0	0	0	0	0

NATIONAL GALLERY OF CANADA STATEMENT OF CASH FLOWS

(in thousands of dollars)	00-01 Actual	01-02 Budget	01-02 Forecast	02-03 Budget	03-04 Budget	04-05 Budget	05-06 Budget	06-07 Budget
Operating activities:								
Results of operations after government funding	189	0	0	0	0	0	0	0
Items not affecting cash and investments								
Amortization	1,373	1,703	1,750	1,800	1,850	1,900	1,950	2,000
Accrued employee termination benefits	101	200	250	250	250	250	250	250
Loss on disposal of capital assets	-3	0	0	0	0	0	0	0
Increase in non-cash working capital components	1,660	1,903	2,000	2,050	2,100	2,150	2,200	2,250
Total	3,294	-25	2,560	-70	-75	-75	-75	-75
Total	4,954	1,878	4,560	1,980	2,025	2,075	2,125	2,175
Financing activity								
Capital funding from the Government of Canada	753	1,000	3,065	2,290	2,000	2,000	2,000	2,000
Amortization of deferred capital funding	-1,373	-1,703	-1,750	-1,800	-1,850	-1,900	-1,950	-2,000
Appropriations for special purpose account	3,000	3,000	6,000	6,000	6,000	6,000	6,000	6,000
Interest on special purpose account	74		70	75	80	85	90	95
Gifts and bequests received	24		50	60	70	80	90	100
Interest on deferred contributions	47		45	50	55	60	65	70
Endowments received	1		1	1	1	1	1	1
Total	2,526	2,297	7,481	6,676	6,356	6,326	6,296	6,266
Investing activities:								
Purchase of capital assets	-2,296	-1,000	-3,195	-2,290	-2,000	-2,000	-2,000	-2,000
Proceeds from disposal of capital assets	4	0	0	0	0	0	0	0
Purchase of works of art -special purpose acct	-3,235	-3,000	-6,000	-6,000	-6,000	-6,000	-6,000	-6,000
Purchase of works of art -deferred contributions	-7							
Deferred contributions utilized	-86	0	-50	-60	-70	-80	-90	-100
Total	-5,620	-4,000	-9,245	-8,350	-8,070	-8,080	-8,090	-8,100
Increase in cash and investments during the year	1,860	175	2,796	306	311	321	331	341
Cash and investments at beginning of year	5,218	4,304	7,078	9,874	10,180	10,491	10,812	11,143
Cash and investments at end of year (current and restricted)	7,078	4,479	9,874	10,180	10,491	10,812	11,143	11,484

NATIONAL GALLERY OF CANADA SCHEDULE OF OPERATING REVENUE AND CONTRIBUTIONS

(in thousands of dollars)	00-01 Actual	01-02 Budget	01-02 Forecast	02-03 Budget	03-04 Budget	04-05 Budget	05-06 Budget	06-07 Budget
Bookstore and publishing	3,344	3,600	2,954	2,800	2,900	3,000	3,100	3,200
Admissions	1,640	1,650	1,345	1,200	1,300	1,400	1,500	1,600
Parking	678	630	516	650	650	675	675	675
Interest	478	350	340	300	300	300	300	300
Sponsorship	544	450	581	535	560	600	625	650
Travelling exhibitions	317	300	218	250	250	275	275	300
Rental of public spaces	458	450	308	450	475	500	525	550
Art loans – recovery of expenses	140	150	148	150	150	150	150	150
Memberships	511	525	565	600	660	720	795	862
Audio guides	232	235	182	170	175	200	225	255
Food services	35	35	33	30	35	40	45	55
Educational services	207	160	69	165	170	175	180	180
Other	58	35	39	35	35	35	35	35
	8,642	8,570	7,298	7,335	7,660	8,070	8,430	8,812
Contributions	378	450	316	400	450	500	550	600
Total revenue	9,020	9,020	7,614	7,735	8,110	8,570	8,980	9,412