



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

# SUMMARY OF THE CORPORATE PLAN AND OPERATING AND CAPITAL BUDGET

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Museum of Contemporary  
Photography

Marie Claire Morin, President and  
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Foundation, and Director,  
Development

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## HISTORY

THE NATIONAL GALLERY OF CANADA WILL SOON BE 125 YEARS OLD. IT WAS FOUNDED IN 1880 BY THE THEN GOVERNOR GENERAL, THE MARQUIS OF LORNE, IN CONJUNCTION WITH THE ROYAL CANADIAN ACADEMY OF ARTS. WITH THE ENACTMENT OF THE 1913 *NATIONAL GALLERY OF CANADA ACT*, RESPONSIBILITY FOR THE FLEDGLING INSTITUTION WAS ASSUMED BY THE FEDERAL GOVERNMENT, WHICH CONTINUED ITS STEWARDSHIP THROUGH SUCCESSIVE ACTS, CULMINATING IN THE *MUSEUMS ACT* OF JULY 1, 1990. THE MUSEUMS ACT ESTABLISHED THE GALLERY AS A CROWN CORPORATION. IN 1985, PARLIAMENT CREATED THE CANADIAN MUSEUM OF CONTEMPORARY PHOTOGRAPHY AS AN AFFILIATE OF THE NATIONAL GALLERY OF CANADA.

## MANDATE

The *Museums Act* begins with this 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 describes Canada's museums as

*...a source of inspiration, research, learning and entertainment that belongs to all Canadians and provides, in both official languages, a service that is essential to Canadian culture and available to all.*

And 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 includes the Canadian Museum of Contemporary Photography (CMCP). 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. (In this summary, unless otherwise specified, the term “the Gallery” includes the CMCP.)

Along with the Department of Canadian Heritage and 17 other national cultural institutions, the Gallery is a member of the Canadian Heritage Portfolio.

## MISSION

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

## VALUES

### **Accessibility**

Programs are developed with the public in mind – not only visitors to the Gallery’s premises in Ottawa, 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**

The Gallery meets all public policy and legal obligations.

### **Leadership**

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

### **Collaboration**

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

## CORPORATE STRUCTURE

Under the *Museums Act*, the Gallery’s Board of Trustees is its 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. They provide strategic direction and oversight to the Gallery, with the assistance of six committees: an executive committee; an acquisitions committee; an advisory committee for the CMCP; an audit and finance committee; a public programs committee; and a governance committee.

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

The NGC and CMCP together employ 301 permanent and term staff (238 full-time, 22 part-time, and 41 on-call employees). The Gallery also benefits from over 35,000 hours

## FACILITIES

The Gallery's real property holdings consist of its flagship property at 380 Sussex Drive, which opened its doors on May 21, 1988; the CMCP building at 1 Rideau Canal (leased from the National Capital Commission), which has been open to the public since May 6, 1992; an off-site art storage facility; and the Canada Pavilion in Venice, Canada's site at the Biennale.

There are 111 exhibition spaces at the NGC, including specialized galleries and the Rideau Chapel. Its public spaces include a library, a 400-seat auditorium, a 90-seat lecture hall, a cafeteria and a café, an outdoor amphitheatre, two-level indoor parking, a book and gift store, seminar rooms and studio/workshop spaces. Other facilities include conservation laboratories, multimedia and photography workshops, art and non-art storage, security control rooms, workshops and offices.

The CMCP's facilities 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 of Canadian art, assembled since 1880, is the most comprehensive and important in existence. The Gallery also has a fine collection of Western European works dating from the late Middle Ages to the present, which provide a context for illustrating influences on, and the evolution of the visual arts in Canada.

The NGC's collections consist of over 35,000 works of art, acquired either by purchase or as gifts. About 1,200 of the most significant of these works are on view at any one time in the Permanent Collection galleries, while another 500 to 900 a year are on loan, mostly to public art galleries across the country and abroad.

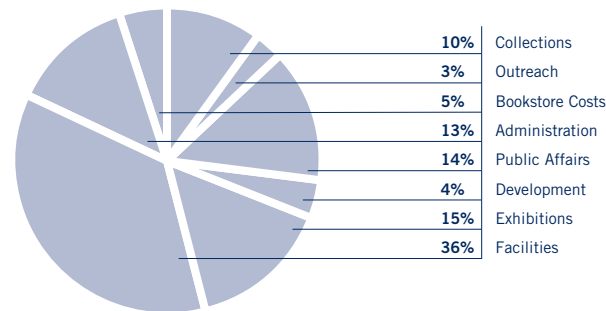
The CMCP holds approximately 160,000 photographs, negatives and transparencies in its collection. Works in the collection are featured in the exhibition program on a rotating basis. Another 300 works are on loan each year across Canada.

In addition to its art collections, the Gallery acquires research materials. Its Library is the custodian of the largest collection in Canada of research materials devoted to the history of the visual arts.



## MAIN ACTIVITIES

The Gallery carries 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. This activity comprises acquisitions, restoration and conservation, plus the Library and Fellowship programs. The research materials housed in the Library and available on-line serve as an important source of information for curatorial staff, individual researchers and scholars and – via educational institutions, libraries and art museums throughout Canada – the general public.

Acquisitions build on the strengths and fill in the gaps in the collections. An acquisitions policy governs 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 not all pieces are unique, and the window of opportunity to acquire a unique work may be open only briefly, they rely on their intimate knowledge of the collection, the national and

### **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. This activity includes the Gallery's multimedia 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 own collections 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.

Documentation, storage, digitization, copyright clearance and ongoing inventory of the works are essential to the proper management and care of the collections. Moreover, they enable the Gallery to make the collections accessible to the public through electronic vehicles such as CyberMuse, the Art Museum Image Consortium (AMICO), SchoolNet and the Canadian Heritage Information Network.

### **National Outreach and International Relations**

National Outreach and International Relations provides broad access nationally and internationally to the Gallery's collections, exhibitions and expertise. This activity reflects the high priority the Gallery gives to developing partnerships with art museums in Canada and abroad, to connecting Canadians in different regions of the country and to engaging a broader audience. It involves visits to museums and artistic communities across Canada, in order to gain a better understanding of their needs, promote the sharing of the national collections through travelling exhibitions and loans, encourage collaboration through the co-production and circulation of exhibitions organized by Canadian galleries, and to increase awareness of training opportunities at the Gallery. The Gallery sponsors fellows, interns, apprentices and guest curators, who come from across the country to work in its facilities, and it offers week-long orientation and technical training programs, as well as providing speakers who travel to other institutions on request.

### **Public Affairs**

The objective of Public Affairs is to further knowledge, understanding and enjoyment of the visual arts among all Canadians and to make the collections better known in Canada and abroad. It also develops and implements strategies to maintain the Gallery's existing audience while at the same expanding the Gallery's reach to a younger, more diverse public.

Through scholarly publications and catalogues, the Publications division documents the Gallery's exhibitions and holdings and its research into all aspects of art. The division, through its corporate publishing program – including the Gallery's magazine, *Vernissage* – also plays a vital role in helping the Gallery reach a broad and dispersed audience in Canada and abroad.

### **Development**

Development's three divisions work to generate additional annual revenues from private sources in support of the Gallery's goals. The Membership and Annual Giving division organizes and maintains a body of supporters with strong interest in the Gallery and commitment to its future, and raises funds for the Gallery in the form of fees and donations. The Sponsorship division 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. The Special Events and Rentals division manages the use of the National Gallery's unique public spaces in a manner that enhances the Gallery's beauty, engages new audiences, supporters and members, and raises additional funds.

### **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.

The Facilities Planning and Management division is responsible for everything to do with the buildings and associated property of the NGC and the CMCP, including management of service and maintenance contracts, telecommunications, energy use, environmental stewardship, emergency planning and response, building systems operations, space management, food services, parking, and implementation of facilities-related capital projects.

Protection at the Gallery is vital to ensure the safety and security of the art works, visitors and staff. It is accomplished through a balance of physical presence, electronic surveillance and equipment.

### **Administration**

The Gallery's Administration 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, the Gallery's relationship with the Board and its interactions with government. The Administration also over-

## RESULTS ACHIEVED IN 2002–03

The National Gallery of Canada had four objectives for 2002–03, which it endeavoured to achieve through a variety of strategies. The following provides an overview of the results each strategy had produced as of December 31, 2002.

### 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

Acquire high-quality works of art that build on the strengths of the collection, strengthen its weaknesses and fill its gaps.

In 2001–02, the Government increased the Gallery's acquisitions budget by \$3 million a year, bringing the total available for art purchases to \$6 million annually. So far this year, the NGC and the CMCP have spent \$4,903,409 to acquire new works of art. The NGC has added 123 works of art to its collection, 58 by purchase and 65 by gift, while the CMCP has acquired 212 works, 72 by purchase and 140 by gift. 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. Highlights range from a Parmigianino drawing, *Youth Leading a Donkey* (1553), to Karoo Ashevak's sculpture, *Fantasy*.

#### STRATEGY 2

Conserve the collection for present and future generations of Canadians.

Between April 1 and December 31, 2002, restoration and conservation staff treated 778 works of art, 91 per cent of which belonged to the Gallery's permanent collection. Among the most significant of the works was *St Jerome in Penitence*, an early sixteenth-century oil and tempera by Bartolomeo Montagna.

The Gallery purchased digital cameras and related imaging computers early in 2002. Digital imaging of the condition and treatment of works of art will eliminate the need for in-house film processing and will allow more flexibility in how the images are used, shared and communicated.

## **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**

Increase the availability of the national collection of art outside the National Capital Region.

Twenty new NGC and CMCP travelling exhibitions, in addition to the 14 already on offer, were launched this year. So far the exhibitions have been booked in 24 venues in eight provinces. The CMCP participated in an exchange of exhibitions with Mexico.

Loans in circulation are on target, with 860 in Canada and 69 abroad.

To meet its commitment to develop a stronger Web presence, the Gallery re-engineered CyberMuse, (with financial assistance from the American Express Foundation), and launched the revitalized site in September 2002, on schedule and within budget. The number of hits on the CyberMuse site increased from an average of 76,000 monthly before the launch to 525,000 after it.

As one of the 22 founding members of the international Art Museum Image Consortium (AMICO), the Gallery contributed 53 new images and texts for the annual July release of the digital library to subscribers (universities, colleges, libraries, schools, and museums). Since the launch of the AMICO Library in 1998, NGC has contributed a total of 2,717 records relating to its collections, including images, extended text and audio material.

### **STRATEGY 2**

Establish links with a greater number of institutions across Canada.

The Gallery partnered with a number of institutions to co-produce new exhibitions, and to display exhibitions created by other art museums. These include the Art Gallery of Ontario, the Musée du Québec, the Musée d'art contemporain de Montréal, the Mendel Art Gallery of Saskatchewan, and Museum London. The Gallery also presented exhibitions organized by the Canadian Foundation for the Preservation of Chinese Cultural and Historical Treasures, the British Museum (London) and Museum Folkwang (Essen), as well as collaborating with the National Gallery of Art (Washington) and the National Gallery (Berlin) on the catalogue for the exhibition *The Age of Watteau, Chardin and Fragonard: Masterpieces of French Genre Painting*.

The Gallery provided a number of opportunities for fellows, interns, and apprentices

### STRATEGY 3

Increase awareness, understanding and enjoyment of the collections as well as exhibitions and other programs.

This year, the NGC and the CMCP launched – or will shortly launch – over 30 exhibitions, including the Tom Thomson retrospective and the Suzor-Coté exhibition, opening in Ottawa in January 2003. In support of the exhibitions program, the Gallery produced catalogues and audioguides as well as completely redesigning its quarterly magazine, *Vernissage*.

The Gallery has attracted 508,719 visitors to date, with CMCP attendance 80 per cent over estimate. The Gallery is now estimating annual attendance at the two facilities will be just 2 per cent less than originally projected.

#### Attendance from April 1 to December 31, 2002

Facility	Actual 2001–02	Forecast 2002–03	Actual 2002–03
NGC	538,070	483,000	435,518
CMCP	49,769	40,600	73,201
<b>Total</b>	<b>587,839</b>	<b>523,600</b>	<b>508,719</b>

A total of 1,452 visitors were surveyed during the period from May 1 to December 31, 2002 (visitors in school groups and adult guided tours were excluded from the survey). Twenty-eight per cent came from the National Capital Region, 46 per cent from elsewhere in Canada and the remaining 26 per cent from outside the country. On a scale of 1 to 10, the average satisfaction level with general gallery services was 9.16, with special exhibitions 8.92, and with the permanent collections 8.51.

“Virtual visits” are being monitored by new software, which is making it possible for the Gallery to collect more meaningful statistics by counting user sessions. These were not previously tracked, but are forecast to reach 717,400 this year.

The Gallery continued its active education and public programs, all of which rated highly in exit surveys. Over 3,700 children and close to 3,000 adults participated in the summer Artissimo programming. The Family Fundays attracted approximately 2,800 people. The extended family workshops (with 69 visitors), birthday workshops (84 children), and Tiny Tots program (93 participants) continue to be popular. The Gallery organized for a week of summer day camps, which drew 136 children. As well, a

Teacher and school programs attracted 49,617 participants, surpassing initial projections by almost 10,000. (This does not include the off-site activities of the Gallery's volunteers, who take reproductions to schools in the National Capital Region and surrounding areas and introduce children to fine art, or the Looking at Pictures and Vive les Arts programs, in which volunteers teach over 1,000 classes each year and reach more than 20,000 students from grades one to six.)

Marketing efforts included advertising campaigns featuring print, transit, radio and television, as well as inserts of the education and exhibitions brochure in regional papers. A special CBC radio show, *Treasures on the Airwaves*, has featured the Gallery weekly, with Gallery curators discussing individual works in the collections.

#### **STRATEGY 4**

**Display the collection of the Gallery in a manner that helps the public to enjoy and understand art.**

In the fall of 2002, the Gallery began a major retooling of the Canadian galleries in consultation with an Aboriginal art advisory committee, in order to integrate First Nations art into the galleries. Between 100 and 115 Aboriginal art objects have been acquired through long-term loans from other institutions, and will be added to the Canadian galleries.

#### **STRATEGY 5**

**Accelerate the digitization plan.**

The Gallery's ultimate goal is to make most of its 52,000 works of art available on-line, at a rate of 3,000 digital files each year. A contribution of \$25,000 from the Corel Corporation is facilitating the work.

#### **STRATEGY 6**

**Ensure that collections records and copyright issues are well managed.**

The Gallery created master catalogue records for all works proposed for acquisition and for all incoming loans. In addition, new or revised research information on the Gallery's collections was integrated into the master catalogue records. Extended texts, created both for the permanent collections galleries and for special exhibitions, were incorporated into MultiMimsy for future use in exhibitions, CyberMuse, AMICO and CHIN.

The Gallery continued to secure broad licences from individual copyright holders, largely in preparation for the re-launch of CyberMuse in September 2002. It also adopted a policy of incorporating the right of public presentation into future licensing arrange-

### **STRATEGY 7**

#### **Collaborate with members of the Canadian Heritage Portfolio.**

The Gallery sat on Portfolio committees during the fiscal year and contributed to the development of the history and heritage policy framework, the Canada Preservation Network proposal, and policies on the arts, international relations, outreach and communications. It also participated in formulating possible amendments to the *Copyright Act*.

The Gallery collaborated with its Portfolio partners on a number of joint programming and communications initiatives this year. These initiatives included regular events (such as Heritage Day, Museums Day, and Canada Day celebrations) and special projects (including work with the Canadian Museum of Civilization and the Canada Council on the integration of First Nations art into the Canadian galleries, and the creation of joint communications products for the celebration of CBC television's 50th anniversary). Active partnerships included projects with the National Arts Centre, the National Library, the Canadian Museum of Civilization, the Canadian Centre for Architecture (Montreal), the Montreal Museum of Fine Arts, the National Film Board, the Vancouver Art Gallery and the McLeod Museum.

### **OBJECTIVE 3**

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

### **STRATEGY 1**

#### **Solicit additional annual revenue from private sources to support the Gallery's mandate.**

By December 31, 2002, the Gallery had generated revenues of \$6,319,000. Revenues for the full fiscal year are forecast to reach \$7,202,000. Despite a decrease in the number of visitors, Bookstore revenues to the end of December were slightly in advance of those forecast in last year's Corporate Plan, and are expected to reach the \$2,500,000 projected for the year.

The special events activity generated \$382,000 between April 1 and December 31, or some 85 per cent of projected revenues for the year. Multiple smaller events were the norm rather than major bookings. The Gallery placed greater emphasis on building alliances with partners in the Canadian Heritage Portfolio, and on creating events that reach wider audiences and attract new clients, than on generating immediate revenues.

In the first three quarters of 2002–03, the Gallery retained an average 70 per cent of its members, a high level for an art museum, for a total of 8,299 membership households



Sponsorship support was received from Export Development Canada, the Imperial Oil Charitable Foundation, the American Express Foundation, the Corel Corporation and a number of anonymous major donors. The *Ottawa Citizen*, *Le Droit*, CBC Television, La Télévision de Radio-Canada, Voir, Xpress, Les Ailes de la Mode and the Royal Canadian Mint contributed in-kind support for several exhibitions and special projects. The National Gallery of Canada Foundation developed a number of new donor recognition events in support of its fundraising campaign.

#### **STRATEGY 2**

**Ensure that the Gallery operates effectively, efficiently, and economically in accordance with legislative requirements, sound business practices and ethical management standards.**

The Gallery has revised and submitted its investment, contracting and acquisitions policies for the approval of the Board of Trustees. The audit of facilities planning and management has been completed, and the audit of the design function is underway. Work to improve information provided to the Board is ongoing.

#### **STRATEGY 3**

**Provide effective and efficient services within a framework of appropriate management control.**

The Gallery completed its information technology (IT) infrastructure, well in advance of the March 2004 target date and it has substantially improved overall systems administration, as well as Web site reliability, access time, availability and support for the new digitizing equipment. All staff members now have desktop computers and Internet and e-mail access.

The Gallery updated its computer equipment and Internet access policy with input from management and union representatives. The Internet communications lines have been replaced, resulting in cost reductions of \$14,000 annually. In addition, to ensure a secure network environment, an anti-spam system was installed to reduce unsolicited e-mails that could contain viruses harmful to the Gallery's computer systems. This year for the first time, the Gallery successfully advertised a limited range of Bookstore products on-line.

#### **STRATEGY 4**

**Improve internal communications.**

The Gallery completely redesigned its Intranet Web site (InfoMuse) and re-launched it in September 2002, to provide staff with timely and up-to-date information. *Untitled/Sans Titre*, the Gallery's internal newsletter, has been issued monthly since its launch in

## **STRATEGY 5**

### **Be a good and fair employer.**

In the past year, the Gallery focused on rebuilding good relations following the strike by its PSAC employees, and on resolving outstanding commitments related to contract negotiations in 2001. It reviewed and reclassified job classification levels of the Professional Institute of the Public Service of Canada (PIPSC) positions and incorporated the Educator/Guide positions into the PSAC collective agreement. It began to update job descriptions throughout the NGC and CMCP and devoted considerable effort to reducing the accumulation of grievances and to staffing vacancies in the Human Resources division.

## **OBJECTIVE 4**

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

## **STRATEGY 1**

### **Safeguard the collections and works of art entrusted to the Gallery, and ensure a safe environment for staff and visitors.**

The Gallery implemented new security clearance processes this year and completed a major review of the protection of works in the galleries. As a result of its findings, it added security staff to the galleries during the high attendance season and reassigned staff to increase monitoring from the control room of activities in the galleries. Major security upgrades are being implemented during the renovation of the Special Exhibitions spaces.

## **STRATEGY 2**

### **Ensure that the Gallery's staff, collections, programming and administrative functions are housed in suitable facilities that are readily accessible to the public.**

In July 2002, the Gallery completed – ahead of schedule – the analysis of its immediate, medium-term and longer-term space requirements and initiated discussions with the Treasury Board Secretariat and the Department on its findings.

Phases IV and V of the roof replacement and the conversion from Halon were completed in November 2002. The CMCP energy conservation retrofit was also completed.

In addition, the Gallery has taken steps to improve the accessibility of its facilities to people with disabilities, by automating the Tour Group entrance doors and the north-facing front entrance doors.

## THE NEXT FIVE YEARS

### EXTERNAL ENVIRONMENT

Four external factors will significantly affect the Gallery's capacity to fulfill its mandate, respond to government priorities and achieve the objectives, strategies and targets established in this Corporate Plan. These factors are: the state of the economy; the priorities established by the government of Canada; the demographic makeup of the Canadian population; and the nature and rapidity of technological change.

### Economic Conditions

After the shock of September 11, 2001, the Canadian economy demonstrated surprising resilience, expanding at a pace that outstripped growth in other G7 countries, including the United States. Predictions for the coming years are generally positive, with annual average economic growth of 3 per cent expected. However because of continuing geopolitical uncertainty this Corporate Plan has been developed on the cautious assumption that appropriations and revenues will remain relatively flat in the coming years. It also assumes substantial increases in art prices. Investors seek safe havens on the art market, pushing up the price of high-quality art.

Although tourism forecasts parallel those for the economy in general, with average growth in the range of 3 per cent projected over the next three years, increases in international tourism will largely depend on Canada's ability to appeal to the U.S. leisure market and maintain its competitive position in major overseas markets.

### Government Priorities

The Speech from the Throne of December 31, 2002, reiterated the government's commitment to the arts and heritage sector:

The Government will [...] strengthen key arts and heritage institutions and protect significant historic sites and buildings.

The Speech also emphasized the Government's commitment to maintaining a balanced budget. The Finance Minister subsequently stated that the Government would seek to fund its priorities by reallocating money from existing programs.

The Minister of Canadian Heritage has asked the members of the Canadian Heritage Portfolio to play a leadership role in this endeavour, and to work together to advance the government's cultural objectives.

### **Technological Change**

Computers and the Internet are increasingly part of Canadian life, and Canada is one of the most “connected” countries in the world. By the end of 2000, 39 per cent of Canadian households had an Internet connection in the home, up from 25 per cent two years earlier. In 2000, 53 per cent of Canadians were using the Internet at work, from home or elsewhere, compared to 18 per cent in 1994. Internet use is highest among teenagers, at 90 per cent.

### **INTERNAL ENVIRONMENT**

Four internal factors will affect the Gallery’s ability to achieve the objectives in this year’s Corporate Plan. These factors are: labour relations at the NGC and the CMCP; the Gallery’s capacity to recruit and retain staff; the level of available resources; and the need for expansion of its facilities.

### **Labour Relations**

In 2001, the Gallery negotiated new collective agreements with PIPSC and PSAC. The collective bargaining process will be starting again shortly, since the contract between the Gallery and PSAC terminates in June 2003 and the PIPSC agreement in 2005.

### **Staff Retention and Recruitment**

Like Canadians in general, the Gallery’s workforce is getting older and its baby boomers will soon begin their exodus from the paid labour force. After no retirements in the past two years, 10 employees have chosen to retire so far in 2002. An additional 83 full- and part-time employees (28 per cent) will be in a position to leave in the next five years, 30 of these (10 per cent) with no pension penalty. Comparable numbers for managers only are 16 (50 per cent) who will be over the age of 55, and five (16 per cent) who will be able to retire without penalty during the next five years. Competitive salaries and openness to diversity will be key to the Gallery’s ability to retain staff and attract high-quality people to replace those who are retiring.

### **Gallery Resources**

In an era of rising costs and decreasing government funding, the Gallery has coped so far by raising more revenue itself and by honing its operating efficiency. It has also reallocated budgets internally to cover pay increases, implement technological changes, improve security and meet government and Gallery priorities of increasing and broadening its reach to Canadians across the country. It will continue to seek additional revenues from private

**Facilities**

The magnificent building on Sussex Drive, a cultural icon in itself, is now 14 years old. In 2002–03, the Gallery worked with a consultant on an in-depth study of its immediate, mid-term and longer-term space needs. The study confirmed that the Gallery is fast running out of space to store and protect its collection, has insufficient room to display its permanent collection, and needs dedicated space for its educational programs.

**OPPORTUNITIES AND CHALLENGES**

The Gallery has a number of demonstrable strengths, not the least of which are its staff, its fine collection of Canadian and non-Canadian art, its architecturally magnificent facilities, and a record of creative exhibitions, publications and educational programming. These strengths have served the Canadian public well in past years. They have allowed the Gallery to advance knowledge of the fine arts in Canada and the world, to bring exhibitions of extraordinary quality to Canadians in every region of the country, to share expertise with other Canadian art museums and educational institutions, to make the collections and talent of other Canadian art museums available across the country, and to reach out on-line to Canadians in their homes and schools.

The government's commitment to the arts and heritage, and the policy work underway in the Canadian Heritage Portfolio, present the Gallery with opportunities to expand its collaboration with art museums, educational institutions and arts communities across Canada. Continued growth in the use of new technologies will enable the Gallery to reach even greater numbers of people outside the National Capital Region.

However, the external environment within which the Gallery will be operating also presents some formidable challenges. Retrenchment usually accompanies economic uncertainty, which means stiffer competition for philanthropic donations and visitors. And while the changing composition of the Canadian population represents an opportunity, it will be a challenge for the Gallery to attract a more diverse audience to enjoy Canada's visual arts heritage. The internal environment also presents significant challenges. Progress in addressing the human and financial resource issues described above is key to fulfilling the Corporate Plan.

## STRATEGIC ISSUES

### **Reflecting and Engaging a More Diverse Population**

The fact that the make-up of Canada's population has changed so substantially over the past decade raises a number of issues for the Gallery. The Gallery's collection reflects the influences on and the evolution of the visual arts history in the country. As a result, the collection is based solidly in Canadian western European works of art. For example, 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, expertise and storage space 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, such as this year's *Jade, The Ultimate Treasure of Ancient China*. It will also have to develop strategies to shape its marketing and communications, and its educational programming, for an ethnically and racially mixed audience. Additionally, it would like to attract a more diverse workforce as it seeks to fill positions vacated by retirement.

### **Sustaining Financial and Operational Viability**

A large proportion of the Gallery's costs are fixed, or relatively fixed. In 2002–03, approximately 79 per cent of the Gallery's resources will be devoted to facilities and associated capital investments, payments in lieu of taxes, acquisitions, security and salaries. All on-site and travelling exhibitions, electronic outreach, educational programming, publications, Library acquisitions, collections management and administrative activities must be covered from the remaining 21 per cent.

In future, the proportion of the Government's budget devoted to fixed costs will increase and funds will have to be diverted from operations to maintain the Gallery's buildings adding to the resources pressures facing the Gallery.

Chief amongst the resource pressures is the funding required to develop a human resources framework, ensure continuity in the Gallery's operations, meet staffing needs and retain corporate experience and memory.

The Gallery will have to identify additional private-sector revenues and go after them vigorously, but clearly it will not be possible for the Gallery by itself to generate sufficient funding to deal with all the pressures it faces.

### **Accommodating Growth**

The Gallery's mandate includes a strong educational component. Education is a key means of attracting a younger audience and engaging Canada's youth in a life-long interest in art. However, at the time the Sussex Drive facility was constructed, almost no space was planned specifically for educational activities.

The Gallery has been working with the Canadian Heritage Portfolio on a strategy to resolve accommodation issues across the Portfolio. Such a strategy could include construction of an annex beside the Sussex Drive facility, as well as the renovation of the Canadian War Museum premises when this neighbouring institution moves to its new home, in order to meet the Gallery's needs for new storage near its curatorial and exhibition facilities and for exhibition and education space.

## **OBJECTIVES, STRATEGIES AND PERFORMANCE INDICATORS FOR THE COMING YEARS**

The Corporate Plan for 2003–04 to 2007–08 focuses on activities that address both the strategic issues described above and the Gallery's priorities, which are: to collect and promote Canada's diverse visual arts heritage; to reach a broader and more diverse audience; to optimize the Gallery's financial resources; to ensure the safety and security of the Gallery's visitors and staff and the country's works of art; and to strengthen the working environment at the NGC and the CMCP. The following provides an overview of the Gallery's four objectives and the key strategies it will pursue to achieve those objectives.

### **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 will focus on diversifying the art it acquires to fill gaps in the collections and increase representation of Inuit and First Nations art. It will develop a strategy to optimize its existing storage capacity and assess options for the use of off-site storage space. The Gallery will also address the erosion of budgets for the acquisition of art and research materials.

### **Key performance indicators**

## OBJECTIVE 2

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

The Gallery will develop and implement a strategy to increase its existing audience base and to attract an audience that is more diverse both in age and in background. As part of that effort, the Gallery will assess the feasibility and cost of developing travelling exhibits targeted to locations and audiences not yet reached. It will continue to use new technologies to enhance access to its works of art and to the Gallery's library and archival resources. To increase its effectiveness and efficiency and to help strengthen the capacity of arts and heritage institutions in Canada, the Gallery will collaborate increasingly with other art museums and with its partners in the Canadian Heritage Portfolio and will play a leadership role in sharing its expertise.

### Key performance indicators

The Gallery will complete the integration of First Nations and Inuit art into the Canadian galleries in 2003–04, as well as the integration of CyberMuse into the gallery spaces. A rich calendar of educational programs will strengthen the Gallery's ability to interpret art from a non-Western perspective.

### Forecast Of Attendance

Facility	2002–03	2003–04	2004–05	2005–06	2006–07	2007–08
NGC	550,000	560,000	600,000	610,000	610,000	600,000
CMCP	50,000	60,000	65,000	70,000	70,000	70,000
<b>Total</b>	<b>600,000</b>	<b>620,000</b>	<b>665,000</b>	<b>680,000</b>	<b>680,000</b>	<b>670,000</b>

Visitors, including teachers leading school groups, will be surveyed to monitor diversity and satisfaction levels. Virtual attendance – total user sessions via the Internet – will increase by about 80,000 a year, reaching 1,151,800 in 2007–08. The circulation of *Vernissage* will be expanded. At least 20 institutions outside the National Capital Region will participate in each Gallery program. Travelling exhibitions will be maintained at 30, reaching at least 50 venues including five outside of Canada. At least 800-1,200 loans will be in circulation.



**Key performance indicators**

All policies approved by the Board of Trustees will be updated by the end of March 2004. All job descriptions will be updated, and staff will be involved in and informed of Gallery initiatives. The remainder of the three-year Information Technology plan will be implemented by March 2004. Gross self-generated revenues will rise to \$9,295,000 by 2007–08, and the Bookstore will be redesigned and its products promoted.

**OBJECTIVE 4**

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

To ensure the safety and security of the Gallery's assets, the Gallery will develop a protection activities policy and will step up protection of works on display and stored in vaults. In collaboration with its Portfolio partners the Gallery will seek Government support and funding to meet its needs for space for educational programming and to expand exhibitions and storage.

**Key performance indicators**

The relocation and installation of additional cameras and video recording equipment in galleries and vaults will be complete by 2007–08. The crisis response plan will be updated. Repairs to the parking lot will be completed, as will phases VI-VII of the roof replacement. The Gallery will be fully accessible to visitors with disabilities. A contract will be let with a private-sector food services provider.

## FINANCIAL PLAN AND BUDGET

### FORECAST RESULTS FOR 2002–03

#### Resources available

Total resources available to the Gallery in 2002–03 amounted to \$49,754,000. Appropriations for 2002–03 remained as planned and comprised \$36,455,000 for operating/capital items and \$6,000,000 for the acquisition of works of art for the collection. Bookstore revenues increased slightly despite a decrease in visitors.

#### Resource allocation

The original plan for 2002–03 called for a balanced budget. Although revenues are lower than planned, savings in expenses will be sufficient to maintain a balanced budget in this fiscal year. The savings include \$300,000 in salaries as a result of delays in replacing staff, and \$100,000 in payments in lieu of taxes, which were lower than estimated.

#### Capital funding

As of March 31, 2002, the Gallery had accumulated \$4,325,000 in reserve for capital items, thanks to special funding provided under the government's Program Integrity initiatives. For sound business reasons, this funding was not spent in the 2001–02 fiscal year. The balance, plus an additional \$2,290,000 received in 2002–03, brought the total available for capital expenditures to \$6,615,000 in 2002–03. To date, \$4,701,000 of the total has been committed to capital projects. The largest project was the replacement of the Halon gas fire-suppressant system which, for environmental reasons, is no longer legal in Canada. This project alone cost \$1,500,000. Other projects included the renovation of the special exhibitions space (\$575,000), the first phase of roof replacement (\$350,000) and window replacements (\$300,000).

#### Future Years

Self-generated revenues in future years have been estimated in relation to the anticipated popular appeal of the planned summer exhibitions. The 2003 summer exhibition *The Age of Watteau, Chardin and Fragonard: Masterpieces of French Genre Painting* is expected to draw an audience similar in size to that which attended the Tom Thomson exhibition. Revenues are therefore budgeted at \$7,215,000, a value comparable to revenues earned in 2002–03. Exhibitions in subsequent years will likely attract larger audiences and the expected revenues are consequently forecast at higher levels.

## FINANCIAL STATEMENTS

### National Gallery of Canada Balance Sheet

(in thousands of dollars)	01-02 Actual	02-03 Budget	02-03 Forecast	03-04 Budget	04-05 Budget	05-06 Budget	06-07 Budget	07-08 Budget
<b>Assets</b>								
Current:								
Cash and investments	11,915	8,671	9,150	8,375	8,350	8,325	8,297	8,522
Accounts receivable	2,279	525	550	575	600	625	650	675
Inventories	817	875	875	900	925	950	975	1,000
Prepaid expenses	1,354	1,308	1,325	1,350	1,375	1,400	1,425	1,450
	16,365	11,379	11,900	11,200	11,250	11,300	11,347	11,647
Restricted cash and investments	4,034	1,509	1,445	1,536	1,627	1,718	1,809	1,900
Collection	1	1	1	1	1	1	1	1
Capital assets	11,631	11,617	14,293	14,093	13,993	13,893	13,893	13,893
	32,031	24,506	27,639	26,830	26,871	26,912	27,050	27,441
<b>Liabilities</b>								
Current:								
Accounts payable and accrued liabilities	7,543	5,341	5,400	5,450	5,500	5,550	5,600	5,650
Special purpose account	2,942	397	300	300	300	300	300	300
	10,485	5,738	5,700	5,750	5,800	5,850	5,900	5,950
Accrued employee termination benefits	1,749	2,138	1,999	2,249	2,499	2,749	2,999	3,249
Deferred contributions	887	881	937	987	1,037	1,087	1,137	1,187
Deferred capital funding	15,956	13,180	16,046	14,846	14,496	14,146	13,893	13,893
Total liabilities	29,077	21,937	24,682	23,832	23,832	23,832	23,929	24,279
<b>Endowments</b>	129	131	132	173	214	255	296	337
<b>Equity of Canada</b>	4,325	1,563	1,753	753	503	253	0	0



## FINANCIAL STATEMENTS

### National Gallery of Canada Statement of Cash Flows

(in thousands of dollars)	01-02 Actual	02-03 Budget	02-03 Forecast	03-04 Budget	04-05 Budget	05-06 Budget	06-07 Budget	07-08 Budget
Operating activities:								
Results of operations after government funding	387	0	0	0	0	0	0	0
Items not affecting cash and investments								
Amortization	1,796	1,800	2,200	2,200	2,100	2,100	2,000	2,000
Accrued employee termination benefits	111	250	250	250	250	250	250	250
Loss on disposal of capital assets	4	0	0	0	0	0	0	0
Net internally restricted transactions	(23)	126	0	0	0	0	0	0
	2,275	2,176	2,450	2,450	2,350	2,350	2,250	2,250
Increase in non-cash working capital components	2,950	(70)	(443)	(25)	(25)	(25)	(25)	(25)
	5,225	2,106	2,007	2,425	2,325	2,325	2,225	2,225
Financing activity:								
Capital funding from the Government of Canada	6,377	2,290	2,290	1,000	1,750	1,750	1,747	2,000
Amortization of deferred capital funding	(1,796)	(1,800)	(2,200)	(2,200)	(2,100)	(2,100)	(2,000)	(2,000)
	4,581	490	90	(1,200)	(350)	(350)	(253)	0
Investing activities:								
Purchase of capital assets	(3,757)	(2,290)	(4,862)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)
Proceeds from disposal of capital assets	8	0	0	0	0	0	0	0
	(3,749)	(2,290)	(4,862)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)
Increase in cash and investments during the year	6,057	306	(2,765)	(775)	(25)	(25)	(28)	225
Cash and investments at beginning of year	5,858	8,365	11,915	9,150	8,375	8,350	8,325	8,297

## FINANCIAL STATEMENTS

### National Gallery of Canada Schedule of Operating Revenue and Contributions

(in thousands of dollars)	01-02 Actual	02-03 Budget	02-03 Forecast	03-04 Budget	04-05 Budget	05-06 Budget	06-07 Budget	07-08 Budget
Bookstore and publishing	3,105	2,800	2,886	2,900	3,000	3,100	3,200	3,200
Admissions	1,379	1,200	856	850	1,400	1,500	1,600	1,600
Parking	535	650	556	550	675	675	675	675
Interest	325	300	280	300	300	300	300	300
Sponsorship	513	535	490	300	550	400	425	450
Travelling exhibitions	222	250	241	250	275	275	300	300
Rental of public spaces	397	450	448	450	475	500	550	550
Art loans-recovery of expenses	259	150	146	150	150	150	150	150
Memberships	474	600	501	660	680	700	720	740
Audio guides	184	170	103	100	200	225	255	255
Food services	32	30	35	35	40	40	50	50
Educational services	118	165	166	170	175	180	180	180
Other	87	35	22	35	35	35	35	35
	7,630	7,335	6,730	6,750	7,955	8,080	8,440	8,485
Contributions	271	400	569	590	670	725	755	810
Total revenue	7,901	7,735	7,299	7,340	8,625	8,805	9,195	9,295