

SUMMARY OF THE CORPORATE PLAN AND OPERATING AND CAPITAL BUDGETS

For 2005–06 to 2009–10

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

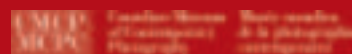


SUMMARY OF THE CORPORATE PLAN AND OPERATING AND CAPITAL BUDGETS For 2005-06 to 2009-10

The National Gallery of Canada
and
**The Canadian Museum of
Contemporary Photography**

National Gallery of Canada
380 Sussex Drive
P.O. Box 427, Station A
Ottawa, Ontario
K1N 9N4
(613) 990-1985
www.national.gallery.ca
cybermuse.gallery.ca

**Canadian Museum of
Contemporary Photography**
1 Rideau Canal
P.O. Box 465, Station A
Ottawa, Ontario
K1N 9N6
(613) 990-8257
www.cmcp.gallery.ca
cybermuse.gallery.ca



BOARD OF TRUSTEES

Chairperson

Donald R. Sobey, Stellarton, Nova Scotia

Vice-Chairperson

Merla Beckerman, West Vancouver,
British Columbia

Trustees

Ardyth Webster Brott, Hamilton, Ontario

Helen Graham, Toronto, Ontario

Mina Grossman-Ianni, Amherstburg,
Ontario

Rhoda Kokiapik, Inukjuak, Nunavik,
Quebec

Robert Perry, Regina, Saskatchewan

Réjane Sanschagrin, Shawinigan, Quebec

Joseph-Richard Veilleux, Saint-Georges,
Quebec

Meeka Walsh, Winnipeg, Manitoba

SENIOR MANAGEMENT

Pierre Théberge, O.C., C.Q., Director

Frances Cameron, Deputy Director,
Administration and Finance

David Franklin, Deputy Director,
Chief Curator

Daniel Amadei, Director, Exhibitions and
Installations

Joanne Charette, Director, Public Affairs

Mayo Graham, Director, National
Outreach and International Relations

Martha Hanna, Director, Canadian
Museum of Contemporary
Photography

Lise Labine, Director, Human Resources

Marie Claire Morin, President, National
Gallery of Canada Foundation and
Director, Development

Table of Contents

3	History
4	Mandate
4	Mission
4	Vision
4	Values
5	Governance Structure
5	The Collection
6	Facilities
6	Financial Resources
7	Main Program and Activities
11	Environmental Scan
14	Implications of the External Environment for the NGC
14	The Internal Environment
16	Implications of the Internal Environment for the Gallery
16	Performance
17	Strategic Issues for the Planning Period
18	Objectives, Strategies and Performance Measures
26	Financial Plan; Operating and Capital Budgets
27	Operating Plan
29	Report on Objectives
36	Financial Statements

HISTORY

THIS YEAR THE NATIONAL GALLERY OF CANADA (NGC) CELEBRATES THE 125TH ANNIVERSARY OF ITS FOUNDING IN 1880 BY THE THEN GOVERNOR GENERAL, THE MARQUESS OF LORNE, AND THE ROYAL CANADIAN ACADEMY OF ARTS. WITH THE ENACTMENT OF THE 1913 *NATIONAL GALLERY OF CANADA ACT*, THE FEDERAL GOVERNMENT ASSUMED RESPONSIBILITY FOR THE FLEDGLING INSTITUTION. THE GOVERNMENT CONTINUED ITS STEWARDSHIP THROUGH SUCCESSIVE ACTS OF PARLIAMENT, CULMINATING IN THE *MUSEUMS ACT* OF JULY 1, 1990, WHICH ESTABLISHED THE GALLERY AS A CROWN CORPORATION AND CONFIRMED THE CANADIAN MUSEUM OF CONTEMPORARY PHOTOGRAPHY (CMCP) AS AN AFFILIATE OF THE NATIONAL GALLERY OF CANADA.

(In this summary, unless otherwise specified, the terms “the National Gallery of Canada” and “the Gallery” include the CMCP.)

MANDATE

The Gallery's mandate is: 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. (Museums Act, 1990, c.3)

The CMCP also continues to address the mandate of the National Film Board's Still Photography Division from which it was originally formed: to collect, interpret, and disseminate Canadian contemporary photography, both as an art form and as a form of 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 collection opens the way for appreciation of the finest in artistic expression, with works of art that 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 and to make art accessible, meaningful and vital to diverse audiences of all ages.

VALUES

Accessibility

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

Excellence and Scholarship

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

Corporate Citizenship

The Gallery meets its 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 the network of art museums in all regions of Canada and abroad, and with its partners in the Government of Canada.

The Gallery's Workforce

The Gallery values its workforce and creates a work environment in which people can maximize their potential and contribute fully to the success of the organization.

GOVERNANCE STRUCTURE

Under the *Museums Act*, the Gallery's Board of Trustees serves as its governing body, reporting to Parliament through the Minister of Canadian Heritage. The 11 members of the Board, representing all regions of the country, are appointed by the Governor-in-Council on the advice of the Minister of Canadian Heritage. They provide strategic direction and oversight to the Gallery with the assistance of seven committees: the Executive Committee; the Acquisitions Committee; the Public Programs Committee; the Audit and Finance Committee; the Governance and Nominating Committee; the newly-formed Human Resources Committee; and the Advisory Committee for the CMCP.

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 316 permanent and term staff (247 full-time, 18 part-time, and 51 on-call employees). The Gallery also benefits from over 40,000 hours of work contributed each year by 300 dedicated volunteers, who assist it in a wide range of activities.

THE COLLECTION

The National Gallery of Canada's collection of Canadian art including Inuit Art, assembled since 1880, is the most comprehensive and important in existence. The Gallery also has a fine collection of Western European art dating from the late Middle Ages to the present, including prestigious collections of important prints, drawings and photographs. The international works help place Canadian art in its broader context by demonstrating the influences on and evolution of the visual arts in Canada.

The Gallery's collection consists of over 37,000 works of art, acquired either by purchase or as gifts. About 1,200 to 1,500 of the most significant of these works – over 20% of its paintings and sculptures – are on view over the course of the year in the Permanent Collection galleries. Works in the Gallery's Prints, Drawings and Photographs collections are featured in a program of rotating exhibitions, and about 3,000 square feet of Gallery space is dedicated to the display of contemporary Canadian art.

The CMCP collection holds over 161,000 images by contemporary Canadian photographers, of which 144,000 are negatives or transparencies and 17,000 are prints. Works in the CMCP collection are also featured in a program of rotating exhibitions.

As part of the Gallery's extensive efforts to share Canada's visual arts heritage with Canadians across the country and with international audiences, between 800 and 1,200 of the NGC and CMCP's works of art are on loan each year to other institutions as part of travelling exhibitions and as long-term loans.

The Gallery also 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.

FACILITIES

The National Gallery's real property holdings consist of the Gallery's flagship building at 380 Sussex Drive, which opened its doors to the public on May 21, 1988; the Canadian Museum of Contemporary Photography at 1 Rideau Canal (leased from the National Capital Commission), which was opened to the public on May 6, 1992; an off-site art storage facility, located on St. Laurent Boulevard; and the Canada Pavilion in Venice, Italy, Canada's site at the Biennale.

The Gallery's public spaces include 110 exhibition galleries, one of which houses the Rideau Chapel, a Library, a 400-seat auditorium, a 90-seat lecture hall, a cafeteria, a café, an outdoor amphitheatre, a Bookstore, seminar rooms, studio/workshop spaces and two levels of indoor parking. 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.

FINANCIAL RESOURCES

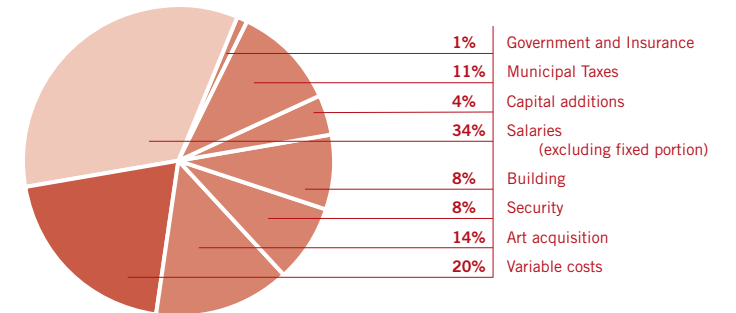
The Gallery receives an annual appropriation from the Government of Canada, including a portion that has been dedicated by Parliament to art acquisition, and it supplements these funds through its own revenue-generating activities. The National Gallery of Canada Foundation also raises money in support of the Gallery, mainly to build a capital endowment but also to secure private funding for special projects.

The timing of the development of the Plan precluded the Gallery from reflecting any potential impact of the Government's Budget, the Plan is based on the Gallery's known appropriations of \$44.469 million for 2005/06, or 86% of the overall budget. The balance of \$7.3 million, or 14% of the total budget, represents the Gallery's projected gross revenues and contributions for the year.

The Gallery has a high level of fixed costs that must be met every year, as can be seen from Figure 1 below. The Gallery's fixed and salary and benefit costs represent 80% of its expenditures. All other Gallery activities, including on-site and travelling exhibitions, electronic outreach, educational programming, publications, library acquisitions, loans, support to other arts institutions, collections management and administrative activities, must be met out of the remaining 20% of the Gallery's overall budget.

The yearly \$8 million acquisitions budget represents 14% of the Gallery's overall budget. These funds are managed through a special account, and any balance in the account at year-end is kept for purchases in subsequent years.

**Fixed vs Variable Costs
2004–05**



MAIN PROGRAMS AND ACTIVITIES

The Government has recently introduced a new format by which all organizations articulate how their programs and activities contribute to achieving an overall strategic outcome. Under its "Program Activity Architecture (PAA)," the Gallery has defined four "program activities" which, combined, address its strategic outcome, consistent with its legislated mandate.

STRATEGIC OUTCOME FOR THE NATIONAL GALLERY OF CANADA PROGRAM

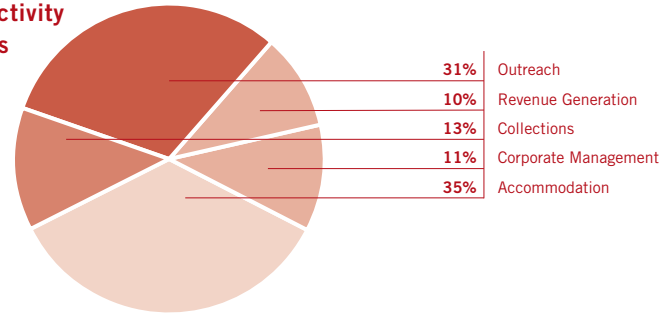
Interest in, knowledge of and appreciation and respect for visual art through a collection of historic and contemporary works of art, programs and research that reflect a special but not exclusive perspective on Canada.

The four program activities are as follows:

- **Collection, comprised of curatorial research, acquisitions, preservation and collections management;**
- **Outreach, including exhibitions, loans, education and communications;**
- **Accommodation, including building operations and capital; and**
- **Corporate Management, made up of governance, administration, and the Gallery's revenue generation activities.**

Figure 2 illustrates the planned expenditures in each area, according to the Gallery's PAA. Overall, 44% of the Gallery's budget is available for mission-critical activities: strengthening and maintaining the collection, and outreach which includes exhibitions and public affairs. The remainder is spent on facilities maintenance and repair, and corporate management. Close to half of the corporate management costs are related to revenue generation, including the Bookstore and the Gallery's development activities.

Expenses by Program Activity Excluding Art Purchases 2004–05



COLLECTION PROGRAM ACTIVITY

The Collection Program Activity is at the core of the Gallery's mandate. The collection preserves the country's heritage for future generations, and is the source of its research, its exhibitions in the National Capital Region, its travelling exhibitions and its loans to other galleries across the country and abroad.

The objective of the Collection Program Activity is *to acquire, preserve, research and document historic and contemporary works of art in order to represent and present Canada's visual arts heritage.*

Curatorial Research (including the Library and Collections Management)

Curators in both the Gallery and the CMCP carry out research to advance scholarship in art history and assure the authenticity, provenance, quality and historical importance of works in the collection. The Gallery also creates opportunities for advanced scholarship through its fellowship program.

The Gallery's research materials, housed in the Library and available on-line, are an important resource for curatorial staff, researchers and scholars. These materials are made available to the general public on site and through educational institutions, libraries and art museums throughout Canada.

Collections Management is responsible for the documentation, storage and ongoing inventory of the works, management of the Gallery's loans program, and insurance and indemnification of art in transit.

Acquisitions

Acquisitions build on the strengths and address gaps in the Gallery's collection. The Gallery's curatorial staff is constantly on the look-out for opportunities for acquisitions in all collecting areas.

The Gallery's collection is also enriched through the donation of outstanding works of art from private donors.

Preservation

The Gallery's scrupulous conservation practices enhance the longevity of the works and ensure that they will endure for the appreciation of future audiences, the public and scholars alike.

OUTREACH PROGRAM ACTIVITY

The objective of the Gallery's Outreach Program Activity is *to foster broad access nationally and internationally to the Gallery's collection, research, exhibitions and expertise. It includes exhibitions, both in the National Capital Region and other venues in Canada and abroad, educational programming and publications and communications and marketing activities designed to reach as wide an audience as possible.*

The Gallery engages as wide and diverse an audience as possible through partnerships with other museums and heritage institutions, travelling exhibitions and loans, and staff visits to museums and artistic communities across Canada.

Exhibitions and Installations

The Gallery's objective is to offer visitors to its facilities and other venues in Canada and abroad a stimulating and balanced exhibition program that presents works of art in different media and from different periods and cultures.

Exhibitions and installations are the main ways for the public to have direct access to the Gallery's collection. The Exhibitions and Installations activity manages the development of the exhibition program at the Gallery and the CMCP as well as the design, organization and installation of all exhibition projects. The Gallery's Travelling Exhibitions Program is the largest of any art museum in North America, and reaches a broad range of institutions, including those in small and remote communities, as well as audiences abroad.

The Gallery produces catalogues, explanatory documents, and other educational materials to support the exhibitions. Also included in this activity are the Gallery's Multimedia and Copyright Management programs.

Education

Education is a critical aspect of the Gallery's mandate, and a key priority for the Gallery and the CMCP. The Gallery offers a wide range of educational and public programs to schools, families, youth, adults and seniors, and to people with disabilities.

CyberMuse, the Gallery's on-line educational tool, features the works and artists represented in the permanent collection and is targeted to children, youth and teachers. It offers information on and insight into the world of artists and their work, through images, audio and video presentations, and a growing number of artist interviews and biographies.

The Gallery sponsors fellows, interns, apprentices and guest curators from across the country, and provides speakers who travel to other cultural institutions on request.

Communications

The goals of the Gallery's Communications activity are to make the collection better known in Canada and abroad, to disseminate the large body of research materials the Gallery produces each year, and to raise public awareness of the Gallery's exhibitions, installations and related programming.

The Marketing and Communications activities promote special exhibitions, the permanent collection, travelling exhibitions, educational activities and a variety of special events through media and community advertising, special promotions, tourism and the Internet.

The Gallery's corporate publishing program plays a vital role in helping the Gallery reach a broad and dispersed audience in Canada and abroad. The Gallery produces a range of scholarly publications and exhibition catalogues, and electronic access to the collection is also made possible through the Gallery's and the CMCP's websites.

ACCOMMODATIONS PROGRAM ACTIVITY

The objective of the Accommodations Program Activity is *to provide secure and suitable facilities, which are readily accessible to the public, for the preservation and exhibition of the National Collection.*

Building Operations

Building Operations is responsible for everything to do with the Gallery and CMCP's buildings and associated property, from telecommunications to food services and parking. It also includes managing the maintenance contract and repairs at the Canada Pavilion in Venice.

Security at the Gallery must ensure the safety of the collection, visitors and staff without interfering with the public's access and enjoyment. This is made possible through a balance of physical presence (security guards), electronic surveillance (cameras, digital video recording) and equipment (such as delayed egress bars). The Gallery's protection services also ensure the security of exhibitions and individual works of art in transit.

Capital Expenditures

The building that houses the National Gallery's collection is a treasured Canadian landmark. Through external contractors, the Gallery undertakes facilities-related capital projects for the purpose of maintaining this asset. The Gallery is also responsible for capital investments in the CMCP's facility and the Canada Pavilion in Venice.

CORPORATE MANAGEMENT PROGRAM ACTIVITY

The objective of the Corporate Management Program Activity is *to ensure resources are effectively developed, directed, administered and controlled.*

Corporate Governance

Corporate Governance includes all activities related to the responsible and transparent management of the Gallery, the efficiency and effectiveness of the delivery of its programs and services and its accountability for the expenditure of public funds. It encompasses the relationship between management and the Board, and the Gallery's interactions with Government, Parliament and the Office of the Auditor General.

Revenue Generation

The objective of the Revenue Generation activity is to support the realization of the Gallery's goals by supplementing appropriated funding with private sector revenue.

The Gallery undertakes a range of fundraising initiatives, including memberships, annual giving, sponsorships, special events and rentals. Revenues are also generated through admission charges and other fees, through educational and special programming and through sales in the Bookstore.

Administration

The Administration activity provides direction, control and effective management of resources. The Administration function includes the planning, implementation, and management of human, financial, technological and information resources. It also oversees the statutory and legal obligations of the Gallery.

ENVIRONMENTAL SCAN

The Corporate Plan for the period 2005/06 to 2009/10 is based on an analysis of the extent to which the Gallery and CMCP have met the objectives established in the 2004/05 to 2008/09 Plan and an assessment of the external and internal environment in which they will be operating during the next planning period. Important strategic issues have been identified, which must be addressed in the coming years.

THE EXTERNAL ENVIRONMENT

The Gallery serves a wide range of stakeholders, on whom it depends to meet its objectives. It is because of the breadth of the Gallery's reach that the environment within which it operates is such an important factor in the Gallery's planning.

External factors – economic conditions, changing demographics and Canadians' perceptions of the value of the arts in society – affect the Gallery's ability to generate revenue from the private sector and to attract federal funding and to support its programs. These factors also affect the Gallery's ability to attract visitors, and they influence the strategies it employs to reach as broad an audience as possible. The external environment also has a major impact on costs and on the portion of its budget that can be dedicated to public programming.

GOVERNMENT POLICY

The federal government remains committed to maintaining a balanced budget, paying down the national debt, and reallocating from within the fiscal framework to fund new priorities. While arts and culture are not among the Government's top priorities, the Speech from the Throne recognized the role of culture in the vibrancy and creativity of community life and pledged to “foster cultural institutions and policies that aspire to excellence, reflect a diverse and multicultural society, respond to the new challenges of globalization and the digital economy, and promote diversity of views and cultural expression at home and abroad.”

The Minister has reaffirmed her commitment to develop a new Museums Policy to raise the profile of Canadian artists, build the capacity of arts and cultural organizations and create new and upgraded cultural spaces.

However, budget cuts at the provincial and municipal levels have reduced support for education in the arts and culture in the past decade, leading to increased demands on public art museums.

THE ECONOMY

Growth and Inflation

The Minister of Finance announced higher than expected revenues in his annual financial report for fiscal year 2003/04. Growth is expected to increase to 3.2% in 2005, and the Bank of Canada projects that inflation will gradually move up to 2% in 2005.

Consumer Spending on the Arts and Culture

Between 1987 and 2001 (the most recent year for which data are available), cultural spending in Canada grew more quickly than overall consumer spending. However, competition among leisure activities is high. Home-based activities, including home entertainment and reading, dominate cultural spending, and expenditures on movies are increasing significantly. A challenge for the Gallery will be to find innovative ways to compete for the leisure time and disposable income of the community.

Tourism

Although tourism has improved slightly in the Nation's Capital in 2004, it has not returned to its 2002 levels. Current tourism predictions are cautiously optimistic, but the experience of recent years demonstrates how vulnerable the industry is to the impact of geo-political events. In the face of stiff competition for the attention of tourists to the NCR and continuing uncertainty in the tourism industry, the Gallery's attendance projections need to remain conservative for the next several years.

Donors to the Arts and Culture

A recent Scotiabank survey forecasts that "Canada might be on the verge of a wave of charitable giving to causes well-heeled Baby Boomers feel are important but have been neglected – including healthcare, education and arts and culture." The Bank's hypothesis is that billions of dollars could start flowing into non-profit foundations. The survey results, combined with a recent report from Statistics Canada indicating that corporate profits, wages and salaries were all up significantly in the first two quarters of 2004, could bode well for the Gallery's future fundraising efforts. However, the Gallery will face stiffer competition for private sector support from the burgeoning number of not-for-profit foundations.

The Price of Art

Between 1996 and 2004, the Artprice Global Index recorded an average increase in the price of fine art of almost 35%, well over the increase in the Consumer Price Index. Contemporary art and old masters experienced the highest price increases in 2004, followed by modern and 19th-century art. The price of high quality Canadian and international photographs continues to be strong.

SOCIO-ECONOMIC TRENDS

The Gallery's recent Corporate Plans have highlighted the extent to which Canadian demographics are changing, and these trends are expected to accelerate during the planning period.

Demographics

People over 50 are healthier, wealthier, better educated and have more time on their hands than the previous generation. At the same time, "generation Y" – those born between 1977 and 1995 – is both technologically savvy and ethnically diverse. Both groups offer an opportunity to tap into a large potential market seeking varied, exploratory experiences in their travel and leisure activities.

Cultural Diversity

In Canada's largest urban centres, visible minorities now represent over 50% of the population. In a recent report, Hill Strategies noted that there is a general understanding that the increasing diversity of Canadian society will have a profound impact on Canada's cultural landscape, in both the consumption and production of cultural products. The study indicated that a strong majority – 86% of Canadians – express interest in seeing art from the different cultures of Canada.

Technological Change

Canada continues to be a leader of the "new economy," with a highly developed infrastructure and a very "wired" population. Canadian sales over the Internet are expected to reach \$162 billion U.S. by 2006, ten times higher than in 2002.

The Gallery has experienced an enormous increase in virtual attendance. Technology provides a range of opportunities, such as e-business and cyber-learning, which the Gallery is increasingly leveraging. It also presents a number of challenges, because of its cost and complexity and the dramatic increase of the incidence of viruses, spam and other technological intrusions.

Public Perceptions of the Arts

Over 90% of Canadians believe it is important for children to be exposed to museums and that museums exercise a valuable role in explaining other regions and cultures. Over 95% believe museums contribute to quality of life and fulfil a valuable role in showcasing and explaining Canada's artistic achievements.

The challenge faced by visual arts museums worldwide is to find innovative ways to reach new audiences, and to enhance participants' experience in a way that encourages them to become repeat visitors and advocates for the institution with their community. Once someone makes a decision to attend, the experience must live up to expectations. A recent American study found, "The deeper, richer and more positive the experience, the higher the inclination to increase participation in the future and to encourage others to attend."

IMPLICATIONS OF THE EXTERNAL ENVIRONMENT FOR THE NGC

The Gallery has the opportunity to play a role in fostering greater dialogue between people of a wide range of cultural backgrounds, while at the same time embodying a sense of what it means to be Canadian – consistent with the objectives outlined in the Speech from the Throne and by the Minister of Canadian Heritage. Engaging a more diverse and multicultural society is high among the Gallery's priorities, and making the works of Canadian artists accessible to all Canadians and to markets abroad is its mandate.

In developing its future plans, the Gallery anticipates that it will have to make further reductions in its budgets to address its increasingly difficult financial situation. The Gallery's challenge will be to identify not only cost savings but also innovative ways to deliver on its mandate and contribute to the Government's agenda in the face of a declining budget.

While there are some reasons for optimism, the economic environment within which the Gallery expects to operate brings numerous uncertainties. Government funding is likely to decline while operating, capital and art costs climb. Inflation also has a significant impact on the Gallery's operating costs and expected revenues.

The dramatic change in the age, diversity, and technological savvy of the Canadian population and in the structure of the Canadian family raises challenges and opportunities for the Gallery. The Gallery knows it needs to attract a new, more youthful and diverse audience; to strengthen its existing base of visitors; and to create opportunities for people of all ages to experience, learn about and appreciate art.

THE INTERNAL ENVIRONMENT

Three key challenges will affect the Gallery's ability to achieve its objectives: the Gallery's financial situation, its human resources, and its space requirements.

FINANCIAL RESOURCES

The greatest challenge to the Gallery's ability to achieve its mandate is its financial situation. In recent Corporate Plans, the Gallery has stated that it will require assistance from the Government in order to meet its cost, in spite of its efforts to reallocate funds internally and to raise private funds to deal with its increasing costs.

The Gallery's annual capital appropriations are fixed at \$1 million, while its capital requirements are between \$3 and \$4 million annually. The cost of operating and maintaining the Gallery and CMCP facilities is also increasing relentlessly year after year. In order to deal with price inflation on those costs and its salary and benefit costs each year, the Gallery has had to reduce the budgets for its exhibitions, electronic outreach, educational programming, publications, collections management, acquisition of research materials and its administration.

In 2003, a Treasury Board Task Force recognized that the Gallery needed an increase in its appropriations in order to cope with its facilities costs. To date, no additional funding has been made available; indeed, the Gallery has faced further reductions in its appropriations in the interim. The Gallery remains hopeful that the Government will implement the Task Force's recommendations.

In the absence of Government assistance, the Gallery will have to reduce its activities. As it becomes a smaller organization, with less public programming, the Gallery is committed to protecting its core mandate, offering the broadest possible access to art and education of the highest quality, and treating its employees fairly.

SPACE REQUIREMENTS

The Gallery faces serious space shortages, particularly for its educational programming, exhibitions of its permanent collection, and for storage of art and research materials. The shortage means the Gallery is lacking a critical means of attracting a new audience and engaging Canada's youth in the fine arts, is reaching the limits of its collection storage spaces and is increasingly unable to display its collection of post-1950s Canadian works, particularly as it attempts to dedicate space to reflecting the diversity of Canada's visual arts heritage.

The facility that formerly housed the Canadian War Museum, on Sussex Drive, is now empty. Transfer of this facility to the National Gallery would go a long way towards addressing the Gallery's space issues. While the facility requires extensive and costly renovation, its historical importance and its location make federal expenditures on it inevitable in future. Immediate transfer of custodianship to the Gallery would hold the facility for the Gallery's use.

HUMAN RESOURCES

In 2004, the Gallery negotiated a new three-year collective agreement with PSAC, retroactive to June 2003. Discussions have begun with PIPSC, now in the final year of its current collective agreement.

Both management and Gallery staff have expressed their willingness to strengthen communications and to find collaborative means of resolving labour-management issues.

The Gallery has recently created and staffed a new position of Director, Human Resources, to assist the Gallery to strengthen its management of human resources.

Classification and Compensation

The Gallery and PSAC representatives are working closely on a new classification system to ensure that job descriptions and classification levels reflect the evolution of responsibilities at the Gallery. Similar efforts will be made with PIPSC and unrepresented employees, to ensure comparable treatment of staff throughout the Gallery.

Recruitment and Retention

The Gallery anticipates having to reduce the size of its workforce in order to deal with its financial situation. The Gallery will attempt to manage as much of the decrease as possible through retirement and other voluntary separations.

During the planning period, 28% of the Gallery's employees will be in a position to retire. The Gallery will need to ensure that it is able to maintain staff levels to deliver the key activities required to meet its mandate. It will also need to address the potential loss of corporate memory, the transfer of knowledge from departing employees, and the potential costs associated with reducing its workforce.

Although the Gallery will become a smaller organization, it must create a more diverse workforce to appeal to a wider range of groups in society. This will pose a further challenge.

Volunteers

The Gallery has traditionally relied heavily on volunteers in a wide range of areas. However, a recent study indicates that this may be about to change because of the relatively high time commitment and the ageing of arts and culture volunteers.

IMPLICATIONS OF THE INTERNAL ENVIRONMENT FOR THE GALLERY

The Gallery remains hopeful that the Treasury Board Task Force work will result in financial assistance to address the shortfall in the Gallery's capital budget and to offset the rising costs of operating its facilities. The Gallery may also have to seek Government assistance to fund the implementation of a new classification system.

The Gallery will continue to make every effort to attract additional funding from the private sector. To this end, it has hired a consultant to help determine whether there are sources yet untapped.

The Gallery is working closely with the Department of Canadian Heritage to secure the transfer of the former Canadian War Museum facility, and will seek broader support for this initiative early in the planning period.

The Gallery's ability to achieve results is directly related to the quality of its staff and to the ways in which it attracts, retains, develops and supports its employees. To maintain the level of support from volunteers and to reflect a more diverse society, the Gallery will also need to find new ways of attracting a more diverse cadre of volunteers.

PERFORMANCE

The Corporate Plan for the period beginning in 2004/05 included four objectives. Overall, as of the third quarter, the Gallery and CMCP are on track to meet most of their key goals for the fiscal year. Budget pressures and the Gallery's contribution to the Government's 2004/05 reallocation exercise resulted in some reduction of key Gallery activities, delay of one exhibit and cancellation of others, introduction of new admission fees and services, and a cut in administrative and staff training costs. The Gallery expects to finish the year with a balanced budget. Highlights of the results to December 31, 2004 are listed on pages 29–35.

STRATEGIC ISSUES FOR THE PLANNING PERIOD

The Gallery has a number of strengths, most notably its staff, its fine collection of Canadian and international art, its architecturally magnificent facilities, and its reputation for excellence, professional expertise, and creative exhibitions, publications and educational programming.

These strengths have served the Canadian public well in the past years. They have allowed the Gallery to advance knowledge of the fine arts in Canada and the world, to make art and its history relevant and accessible to Canadians, to interpret and promote the works of Canadian artists within Canada and internationally, and to educate Canadians both within the Gallery's walls and on-line.

Despite great financial pressures, the Gallery remains committed to excellence, leadership, and to delivering its mandate in a way that reaches and educates Canadians across the country.

During the planning period, the Gallery needs to find ways to enhance the relevance to Canadians of Canada's fine arts within the context of reduced and declining resources. As a result, the current Plan is designed to focus on the following key strategic issues:

FINDING INNOVATIVE WAYS TO REACH NEW AUDIENCES

The Gallery will involve staff and external stakeholders in defining innovative ways to reach and retain its existing audience while reaching a new, broader and more diverse audience.

SUSTAINING FINANCIAL VIABILITY

The Gallery will explore avenues to increase its revenues from commercial and fundraising activities, and to develop strategies to reduce its levels of activity while protecting its mandate and core values. At the same time, the Gallery will continue to seek government support to relieve the financial burden associated with its real property responsibilities.

ADDRESSING MANDATE-CRITICAL SPACE ISSUES

The Gallery will continue to implement measures to optimize its existing storage space for art and research materials, while working with the Department of Canadian Heritage to secure the transfer of the former Canadian War Museum facility to address its space pressures.

STRENGTHENING THE WORK ENVIRONMENT

The Gallery will work with employees to develop a more strategic approach to human resources management, to complete the new job classification system and to improve internal communications and the relationship with its unions. The Gallery will also remain mindful of the consequences on its staff as it tries to do more with less in response to budget reductions.

OBJECTIVES, STRATEGIES AND PERFORMANCE MEASURES

The previous sections have established the context in which the Gallery will be operating over the foreseeable future.

The following section outlines:

- The key objectives the Gallery has established to guide its strategies, activities and operational plans;
- A set of strategies the Gallery intends to pursue to meet each objective;
- Performance measures for each.

Given the nature of the Gallery's function, it is not always possible to quantify performance measures. But to the greatest extent possible, the Gallery has tried to identify quantifiable measure that, in combination with other more qualitative assessments, will allow it to assess its progress and account to the Board of Trustees, the Government and the people of Canada for the extent to which it has met its objectives.

At the heart of the Gallery's work is its mandate to develop a historical and contemporary record of Canada's national and international visual arts heritage, preserve the collection for future generations, and provide a resource both for scholars of art history and for the public.

In the past few years, the Government has increased the Gallery's acquisitions budget to \$8 million. This has positioned the Gallery to be able to acquire works of art of a value for which the Gallery was previously unable to compete.

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

STRATEGY 1

Acquire works of outstanding quality

Gallery Curators will look for works of art of the highest quality and in the best possible condition, that build on the strengths and fill gaps in the Gallery's collection. The Acquisitions Policy, which establishes the Gallery's collecting priorities, will be revised and updated in 2005. Private funding will continue to be sought for acquisitions.

Performance measures:

100% of acquisitions reflect the Gallery's Acquisitions Policy. Private contributions and donations will be increased.

STRATEGY 2

Maintain and protect the national collection and works of art loaned to the Gallery

Works will be audited annually for condition and integrity. A strategy will be implemented to strengthen the documentation and management of the Media Arts Collection. Vault access will be monitored.

Performance measures:

The Gallery's systems will ensure complete physical control of all works of art at all times. The annual audit of the collections management system will be addressed. 100% of all works on display or on loan (approx. 4,000 annually) will be examined and, if necessary, treated. Others will be treated subject to time and funding (target: 42 a year by the end of the planning period).

STRATEGY 3

Research and document the Gallery and CMCP collections and works on loan to the Gallery

The Curators will undertake research, publish their findings, and continue to investigate works whose provenance during the war years is uncertain. Research on the permanent collection will be published through catalogues and the series of publications on the Gallery's prints and drawings collection, and the accuracy and completeness of documentation on the collections will be enhanced. Scholarship opportunities will be expanded. The length of tenure and maximum remuneration in the Fellowship Program will be increased, to enable the Gallery to attract more senior candidates. Private sector fundraising will be increased.

Performance measures:

At least one scholarly publication on the permanent collection will be produced every two years. The number of articles, papers and lectures will be maintained. Between 2,000 and 2,500 current imprints will be added to the Library every year. Endowed fellowships will be increased from two to five over the planning period.

Through exhibitions, publications and educational and electronic programs, the NGC and the CMCP strive to reach as wide an audience as possible. The Gallery's financial situation means it will have to reduce the number of exhibitions it presents. Despite the reduction, the Gallery is committed to maintaining the quality of its installations and exhibitions and its ability to reach as wide and diverse an audience as possible, both across Canada and abroad.

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

STRATEGY 1

Develop innovative ways to reach new, more diverse audiences and provide enhanced experiences

The Gallery will involve staff, volunteers and external stakeholders in developing innovative methods to enhance audience growth and attract new audiences. It will expand its relevance to Canadians of diverse ages, cultural backgrounds and physical needs across the country through specifically targeted acquisitions, exhibitions and educational programs.

Performance measures:

The Gallery will track visitor interviews, attendance numbers, repeat visits and the use of multilingual audioguides. It will continue to develop its strategy according to the results of these indicators.

STRATEGY 2**Offer an outstanding exhibition and installation program**

The Gallery will update its Exhibitions Plan to preserve its commitment to a high quality exhibition program in the face of the changing economic and demographic environment.

Performance measures:

Exhibitions will reflect the Gallery's Exhibitions Policy, which requires that the exhibitions program be balanced, reflect the breadth of the collections, and advance knowledge and appreciation of art history. The Gallery will monitor the extent to which attendance numbers meet annual forecasts and the extent to which exhibitions contribute to its success at attracting new visitors.

STRATEGY 3**Present the national collection across Canada and enhance the visibility of Canadian art abroad**

The Gallery will promote Canadian art abroad, and particularly contemporary art, by presenting exhibitions outside of Canada and partnering in the management of the Visual Art Biennale Exhibition at the Canada Pavilion in Venice. The Gallery will assess the findings of the 2004 client survey on the travelling exhibitions program and determine their implications for changes that may be required. On-line access will be enhanced; digitization of the collection will continue. Awareness of and access to the Gallery's Library and archival resources will be increased.

Performance measures:

Five exhibitions will be mounted outside Canada. Loans will be maintained at between 800 and 1200 items annually. 3,000 digital files will be created every year. The extent of popular and scholarly use of the Library and Archives' holdings will be tracked. Attendance by geographic distribution, virtual attendance, and attendance in special programs will meet the forecasts on pages 22 and 23.

STRATEGY 4**Offer an outstanding publishing program in support of the exhibitions program**

The program includes research, exhibition catalogues, electronic material and brochures. The Publications Review Committee will continue to ensure all proposals for publication are consistent with the Publication Policy.

Performance measures:

A publication's quality will be measured against peer reviews, the ability to attract co-publishers and sales, depending on the type of publication.

STRATEGY 5**Offer a rich calendar of educational programs**

Continue to optimize the impact of the Gallery's school, public and other programs, including CyberMuse.

Performance measures:

Participation in educational programming will be measured by numbers of students involved on-site and in schools, and by the number of audioguides used. Feedback will be sought from teachers on their level of satisfaction with the Gallery's educational programming.

STRATEGY 6**Maintain partnerships and collaboration with other institutions and Canadian art museums**

The Gallery will work with other institutions on exhibitions both at the Gallery and outside the National Capital Region (NCR), exchange curators and other senior staff, and participate in joint initiatives marking portfolio-wide activities (Heritage Day, Museums Day, etc.).

Performance measures:

The number of partner institutions and their geographic coverage, the number of staff and curator visits, and the extent of participation with Canadian Heritage Portfolio partners will be assessed. At least one exhibition produced by another Canadian gallery will be shown in Gallery facilities.

STRATEGY 7**Play a leadership role in strengthening the capacity of art institutions across Canada**

Sponsors and donors will be sought to expand the Gallery's internship, apprenticeship and guest curator programs. Participation in the Gallery's orientation week and technical programs will be maintained, and speakers will be offered to other arts institutions across Canada. The Gallery will play a leadership role in defining the relationship between artists and the national institutions that collect and hold art.

Performance measures:

Internship, apprenticeship and guest curator programs will be maintained through increased donations, sponsorships and other private sector support. A target of 20 will be achieved for institutional participants in the technical programs. Speakers will be made available according to demand.

KEY ATTENDANCE FORECASTS

Gallery Attendance

	Initial 2004-05	Revised 2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
NGC	460,000	425,000	400,000	425,000	600,000	500,000	500,000
CMCP	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Total	520,000	485,000	460,000	485,000	660,000	560,000	560,000

Travelling Exhibitions Program

	Initial 2004-05	Revised 2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Attendance outside NCR	343,000	262,000	368,000	365,000	365,000	365,000	330,000
Number of travelling exhibitions available	31	30	20	20	20	20	20
Number of venues in Canada and abroad	31	30	30	30	30	30	30
Number of provinces and territories	8	10	10	10	10	10	10

Virtual Attendance

	Initial 2004-05	Revised 2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
User Sessions							
NGC	495,000	555,000	565,000	575,000	585,000	595,000	605,000
CMCP	74,000	76,000	79,000	82,000	85,000	88,000	91,000
CyberMuse	310,000	900,000	900,000	900,000	900,000	950,000	950,000
Total User Sessions	879,000	1,531,000	1,544,000	1,557,000	1,570,000	1,633,000	1,696,000
Web Hits							
NGC website	2,050,000	3,000,000	3,500,000	3,600,000	3,700,000	3,800,000	3,900,000
CMCP website	285,000	650,000	670,000	690,000	710,000	730,000	750,000
CyberMuse	4,700,000	20,250,000	20,250,000	20,250,000	20,250,000	21,375,000	22,250,000
Total Web Hits	7,035,000	23,900,000	24,420,000	24,540,000	24,660,000	25,905,000	27,150,000

School and Teachers' Programs

	Initial 2004-05	Revised 2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
School Group Visits	1,500	1,500	1,500	1,550	1,550	1,550	1,550
Participants in Guided School Tours	35,000	35,000	35,000	35,000	35,000	35,000	35,000
Participants in Unguided School Tours	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Total Participants	40,000	40,000	40,000	40,000	40,000	40,000	40,000

Attendance in Adult Programs

	Initial 2004-05	Revised 2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Number of Activities	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Participants in guided activities	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Participants in unguided activities	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Participants in Gallery-organized activities	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Total Participants	16,000	16,000	16,000	16,000	16,000	16,000	16,000

Attendance in Family and Youth Programs

	Initial 2004-05	Revised 2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Number of Programs	250	250	250	275	275	275	275
Participants in Artissimo and Family Fundays	12,000	12,000	12,000	12,500	12,500	12,500	12,500
Participants in Gallery-organized activities	800	800	1,000	1,000	1,000	1,000	1,000
Total Participants	12,800	12,800	13,000	13,500	13,500	13,500	13,500

Attendance in Special Needs Programs

	Initial 2004-05	Revised 2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Number of Activities	100	100	100	100	100	100	100
Participants in guided tours	1,300	1,300	1,300	1,300	1,300	1,300	1,300

The Gallery will continue its work to improve financial and administration management and governance and human resources practices. At the same time, the Gallery will make every effort to increase its net revenues from commercial and fundraising activities.

OBJECTIVE 3

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

STRATEGY 1

Strengthen governance

The Gallery will develop an integrated planning process to ensure that corporate planning cascades through the organization and is reflected in individuals' performance goals and appraisals. Corporate and budget planning and monitoring procedures will continue to be strengthened and improved. The five-year internal audit plan will be implemented and monitored, and a new cycle of reviews of Corporate Policies will begin in 2006/07.

Performance measures:

The Gallery's corporate policies will be clearly understood and reflected at all levels of the organization. Information provided to the Board will be meaningful and relevant. Risks and problems will be identified and acted on.

STRATEGY 2**Strengthen the work environment at the Gallery and CMCP**

The Human Resources Framework will be finalized and key policies will be implemented, governing such areas as classification, training, performance appraisal and staff recognition. Periodic employee surveys will be implemented, and the Gallery will seek Government funds to implement the revised classification system.

Performance measures:

Implementation of the HR Framework will be completed early in the planning period. Results of Employee Surveys will be addressed, and the action plan responding to the 2004 audit of HR management will be implemented.

STRATEGY 3**Increase and broaden the Gallery's revenue base**

Optimize the Gallery's revenue-generating capacity and approach, using the results of the current external study that is examining potential new sources of revenue and ways to improve returns from existing revenue-generating activities.

Performance measures:

Forecasts for earned revenue and fundraising will be met; net returns will be optimized.

STRATEGY 4**Ensure the Gallery operates effectively and efficiently**

Operating policies and procedures will be available on InfoMuse. All corporate information documents will be assessed and a strategy implemented for their retention or disposal. Information on the collections will be available to internal and external users on a timely basis; new MultiMimsy modules will be opened and the conversion of MultiMimsy to Mimsy XG carried out. A technology growth and maintenance strategy will be completed. A contract with a private-sector food services provider will be signed in 2005.

Performance measures:

Internal policies will be clearly communicated. The Collections Management System will meet operating requirements and support the Gallery's operations, with new modules opened as required and records updated. Information will be managed as a corporate resource. The new food services arrangement will increase Gallery revenues.

To meet the needs of people with disabilities, the Gallery will complete the final phases of its work to ensure its facilities are fully accessible. It will also act to safeguard the works of art entrusted to its stewardship, whether on display or in storage.

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 collection and intellectual property, and ensure a safe environment for visitors and staff**

The Gallery will improve the protection of works on display and in storage through the increased use of cameras and video recorders. Electronic information systems will be backed up and reviewed regularly. Premises will continue to be inspected for security and safety problems. Staff will be trained to respond effectively to health and safety emergencies.

Performance measures:

Incidents of vandalism, theft or injuries to visitors or staff will be recorded. The surveillance systems will be fully installed by 2007/08. Crises such as power blackouts will be followed by "post-mortems," to ensure that contingency plans are effective. An external IT network security assessment will be carried out twice a year, and responses to virus attacks and other intrusions will be reported.

STRATEGY 2**Provide safe, suitable and accessible facilities for visitors and staff and for properly housing the collection**

A five-year strategy will be implemented to optimize the use of existing storage space. Government funding will be sought to expand both storage and programming space. Critical maintenance issues will be addressed. The Gallery will be fully accessible to persons with disabilities.

Performance measures:

Resolution of funding issues related to building operations, capital infrastructure renewal and space pressures. Maintenance will be completed on time and within budget. All doors to interior galleries will be automated by the end of 2006/07.

FINANCIAL PLAN; OPERATING AND CAPITAL BUDGETS

The Gallery's Financial Plan for 2005/06 to 2009/10 is based on its appropriations as approved in the 2004/05 Main Estimates.

CHANGES IN PRESENTATION OF FINANCIAL INFORMATION

This Financial Plan incorporates two significant changes to the presentation of financial information: one reflects the Gallery's new activity structure, and the other reflects the Gallery's use of full accrual accounting. The Plan also includes details on capital expenditures to be undertaken during the planning period.

NEW ACTIVITY STRUCTURE

The Gallery's move to a new Program Activity Architecture (PAA) was made in consultation with the other national museums, all of which will be using a similar planning and reporting structure. Under the PAA, the Gallery's activities are grouped into four program activities: Collection, Outreach, Accommodation and Corporate Management, as described in this Corporate Plan. The Financial results for 2003/04 and the budget for 2004/05 have been restated to reflect this new structure.

ACCRUAL ACCOUNTING

Although the Gallery has been using full accrual accounting principles since 1990, the Government of Canada has until recently used a cash basis of accounting. This has meant that the Gallery's Corporate Plans reported previous years' financial information on a full accrual basis, while reporting current and future years' information on a cash basis. Two changes this year require the Gallery to present both current and future financial information on an accrual basis: capitalization of the Gallery's building, and limited funding for its Capital Plan.

Capitalization of the Building

When it opened in 1988, the original cost of the Gallery's Sussex Drive facility was \$150.99 million. This amount has not previously been reflected on the Gallery's books. While upgrades to the building have been included in the capital assets, the value of the building has not. The Gallery's audited financial statements have noted that the building itself belongs to the Government of Canada.

As part of the Government's move to full accrual accounting, the Government recorded the net book value of the building in its books for the first time in 2003/04. During the past year, Treasury Board Secretariat decided that all national museums, including the Gallery, should record their buildings in their respective books retroactive to 2003/04.

While inclusion of the book value of the building will have no real effect on net financial results, it will increase by \$3.759 million both the Gallery's reported appropriations and its accommodation costs for the next 27 years until the building is fully depreciated. The increase has been included retroactively in the financial presentation in order to show the net book value of the building at the beginning of 2003/04.

Funding for the Capital Plan

The Government provided one-time capital funding of \$8.76 million in 2001/02 through 2003/04, and \$1 million annually was approved to meet future capital requirements. The \$8.76 million one-time funding has now been depleted, leaving the Gallery with \$1 million to undertake the \$3 to \$4 million of work needed each year to recapitalize its facilities. The Treasury Board Task Force has recommended in their draft report the Gallery receive additional funding; in the absence of a response to the Task Force draft report, the Gallery will not be able to replace major components of its facility in a timely and cost-effective manner.

OPERATING PLAN

PROJECTED RESULTS FOR 2004/05

Appropriations will be slightly lower than projected for 2004/05 because of the Government-wide reallocation exercise. To make the contribution, the Gallery has had to implement difficult cost-cutting and revenue-generating measures such as cancelling and delaying exhibitions and introducing admission charges. The Gallery's entire contingency budget was used to address a shortfall in planned revenues caused by the continued downturn in tourism. Nevertheless, the Gallery is projecting a balanced budget at year-end.

FUTURE YEARS

As a result of the downturn in tourism, the Gallery projects only modest growth in revenues. Apart from funding for salaries, which is provided each year and covers only 60% of the actual increase in employee wages and benefits, the Gallery receives no assistance from the Government to cover the cost of rising prices. Since a large portion of the Gallery's budget is fixed, the Gallery must reallocate funding each year to address increased building and security costs. To continue to balance its budget, the Gallery must reduce levels of activity and personnel. While implementing these necessary reductions, the Gallery will endeavour to continue to fulfil its mandate and maintain the excellence of its programming.

CAPITAL PLAN

The Gallery's Capital Plan for 2005/06–2009/10 contains five investment strategies:

- To maintain safe and secure facilities and to ensure the Gallery's assets are secure;
- To provide suitable facilities for the preservation and exhibition of the collection as well as the delivery of other mandated programs;
- To ensure NGC facilities are readily accessible to public and staff;
- To improve operational efficiencies of the Gallery's capital assets;
- To manage the efficient and effective use of available space within the NGC's real property facilities.

In the development of the Capital Plan, projects were categorized according to their priority within seven operational areas: the envelope of the Sussex Drive building; art display and storage; public areas; interior support space; mechanical and electrical systems; the Canadian Museum of Contemporary Photography; and maintenance of the Venice Pavilion in Italy. These categories were used to assess the relative risk of project approval, delay, or rejection.

All projects were assigned a priority ranking. A high priority was assigned to mission-critical projects and to those addressing immediate health and safety risks both to the public and to NGC staff. Medium priority was assigned to projects addressing health and safety concerns that do not pose an immediate risk, and to projects that are essential to fulfilling the NCG's mandate but can be delayed without compromising its mandate. Low-priority projects are those that are not of an immediate nature and/or have an alternate solution available.

CAPITAL PLAN FOR 2005/06

The Gallery's Capital Plan identifies \$1.5 million high-priority facilities-related projects, which exceed the available funding. Difficult choices will have to be made, but will certainly include continuing to defer the \$2 million required annually to replace the windows on the Sussex Drive building along with an additional \$1 million in facilities-related projects into 2006/07, including the replacement of obsolete elevator controls and maintenance and cleaning of the Gallery's air ducts. Projects that will proceed in 2005/06 include the final phase of the roof replacement, accessibility upgrades to the CMCP, and installation of additional art storage racks.

FUTURE YEARS

With the ageing of the facilities, the requirement for significant maintenance, repairs and upgrades will accelerate, significantly compounding the Gallery's financial situation. Projects critical not only for maintaining environmental controls but also for ensuring the health and safety of visitors and staff include the life-cycle replacement of air handling units and the replacement of the Gallery's many windows. This project has already been delayed; deferring it beyond 2007/08 would have serious implications for the Gallery.

The Gallery projects a shortfall of \$2 million between its capital requirements and approved reference levels for 2006/07. The shortfall will grow to \$5.5 million in 2007/08 and to \$12 million in 2009/10 as projects are postponed.

REPORT ON OBJECTIVES

Highlights of results achieved to December 31, 2004 are presented below.

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

STRATEGY 1

Acquire works of art of outstanding quality

As at December 31, 368 acquisitions (239 acquisitions by the NGC, 129 acquisitions by the CMCP) were either pending or approved. They include outstanding examples of historical Canadian art, First Nations and Inuit art, and contemporary Canadian art, as well as significant European Old Master paintings, drawings, prints and historical photographs. All acquisitions were made in accordance with the Gallery's Acquisitions Policy. Private contributions added \$75,000 to the Gallery's budget for acquisitions in 2004/05.

STRATEGY 2

Maintain and protect the national collection and works of art loaned to the Gallery

At the NGC, all works in the loans program, placed in exhibitions, or being considered for acquisition were examined and, if required, were treated. As at 31 December, 907 works (767 from the permanent collection) were treated. In response to a recommendation from the 2003/04 Collection Inventory Verification, a full inventory of the 7,000 pieces in the Silver Collection is being undertaken. In preparation for the 2004/05 Inventory Verification, the CMCP has completed documentation on the precise storage locations of all 17,000 works in the Print Collection.

STRATEGY 3

Research and document the Gallery and CMCP collections

Gallery curators published research in support of the permanent collection, exhibitions and the advancement of art history during the period. These included *French Drawings from the National Gallery of Canada*, the third in the series on the Gallery's prestigious prints and drawings collection; catalogues in association with all major exhibitions; Volume IV of the *National Gallery of Canada Review*; and numerous articles in scholarly journals.

The Library acquired a comprehensive collection of books illustrated by Canadian artist Charles W. Jefferys; received donations of important book collections from art historians including Clifford Brown and Bruce Russell; and received important archival collections from Canadian artists Alex Colville and Lynne Cohen. In its endeavour to create opportunities for advanced scholarship, the Gallery awarded seven research fellowships for the 2004/05 academic year, two of which are endowed (this number is to be increased to five over the planning period). With initial funding from the National Gallery Foundation, the Gallery launched a special multi-year project to implement a subject access tool for the NGC and CMCP collections.

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

STRATEGY 1

Offer an outstanding exhibition and installation program

The 2004/05 exhibitions calendar was designed to showcase Canadian and international artists from diverse backgrounds, working in different media and at different periods of time. By the end of calendar year 2004, the NGC had opened six exhibitions in the National Capital Region, including *The Great Parade: Portrait of the Artist as Clown*, which explored the circus through paintings, sculptures, photographs, and videos by artists from the 18th century to the present; *French Drawings from Canadian Collections*, comprised of nearly 100 historical French drawings; *Homage to Jean Paul Lemieux*, in honour of the centennial of Lemieux's birth; *Material Differences: Art and Identity in Africa*, organized by New York's Museum for African Art; and *Teeth and Tusk*, an Inuit art exhibition.

During the same period, the CMCP presented three exhibitions from the work of contemporary Canadian photographers: *John Massey: The House that Jack Built*; *Susan McEachern: Structures of Meaning*; and *Phil Bergerson: Shards of America*.

To enhance visitors' understanding and appreciation of the art, the Gallery produced catalogues, explanatory documents and a wide range of educational and public programming in association with these exhibitions. Attendance over the summer months was lower than projected due to a combination of factors, but visitors demonstrated a high degree of satisfaction with the Gallery's services and programming.

STRATEGY 2

Offer an outstanding publishing program

The Gallery produced catalogues in association with all major exhibitions. The catalogue for the highly praised exhibition *A Beautiful and Gracious Manner: The Art of Parmigianino*, on loan to the Frick Collection in New York, was recognized internationally for its quality and contribution to art history. The Gallery produced the summer, fall and winter issues of *Vernissage* and the Education and Public Program's *Student and Teacher Programs 2004–05*. During this period the Gallery also began preparing the *Leonardo da Vinci, Michelangelo, and the Renaissance in Florence* catalogue, to be co-published with Yale University Press in London, and completed the *ItuKiagâtta! Inuit Sculpture from the Collection of the TD Bank Financial Group* and *The Sixties in Canada* catalogues.

STRATEGY 3

Offer a rich calendar of educational programs

On-site participation in the teacher and school programs, at 63,568, has surpassed by almost 9,000 the attendance for the same period last year. Evaluations from teachers indicate a high level of satisfaction with the programs delivered at both the NGC and the CMCP. In the *Looking at Pictures* and *Vive les Arts* programs, volunteers take fine art to over 25,000 students from grades 1 to 6, from the end of October until mid-June each year. The summer education program included sold-out summer camps at both the Gallery and the CMCP, a Lecture Series, a Film Series, Tiny Tots Workshops, Family and Teen Workshops, and live entertainment on the Plaza, in the Amphitheatre and in the Great Hall.

The CMCP hosted a live webcast, accessed on CyberMuse and the Virtual Museum of Canada, investigating the technical history of photography and featuring works from the CMCP and interviews with artists.

The Gallery and CMCP also offered numerous mini-talks, lectures, and other sessions designed for adults to learn about art, meet the Gallery's curators, meet contemporary artists and produce their own works. As well, the Gallery produced both a child's and an adult's version of the audioguide for the *Great Parade* exhibition, and the CMCP introduced an audioguide for the *John Massey* exhibition of contemporary works.

STRATEGY 4

Engage a more diverse audience

The Gallery has launched numerous initiatives to engage audiences of different ages and cultural backgrounds. Highlights include: *Material Differences: Art and Identity in Africa*, with special programming about African culture, art, dress and theatre to support the exhibition; five workshops held in partnership with Amnesty International that explored works of art on the themes of human rights and activism; and a family workshop, *Dissenting Voices*, delving into issues of identity, race, colonialism and injustice. In addition, the Gallery conducted a thorough review of its programming for people with disabilities, and piloted audio and tactile tours of the Canadian galleries for blind and other visually impaired participants.

The diversity of the Gallery's current audience is indicated by in-gallery interviews, which demonstrate that new visitors are mostly from areas outside of Quebec and Ontario, are younger than the traditional Gallery visitor, and that fully 24% speak a language other than English or French.

STRATEGY 5**Increase the availability of the national collection across Canada and enhance the visibility of Canadian art abroad**

The Gallery has shown its exhibitions in 19 venues across Canada and abroad, including provinces and territories. It expects to reach 31 venues by the end of the fiscal year. NGC and CMCP travelling exhibitions have been shown in nine major cities and have reached nine smaller communities, including Kleinberg, Prince George, Oakville, Owen Sound, Thunder Bay, Shawinigan and Sackville. The Gallery has conducted a survey to seek feedback on its Travelling Exhibitions program, and while the results are still being analyzed, the overall reaction to the program was extremely positive.

The exhibition *Tom Thomson*, co-organized by the NGC and the Art Gallery of Ontario, was presented at the State Hermitage Museum in Russia from September to November 2004. The Gallery's *A Beautiful and Gracious Manner: The Art of Parmigianino* broke all previous attendance records when it was presented at The Frick Collection in New York. And, on behalf of the federal organizing partnership of the Canada Council for the Arts, Department of Foreign Affairs and International Trade (DFAIT), and the National Gallery of Canada, the Gallery will manage the Canadian representation at the Venice Biennale in 2005.

The Gallery expects to meet its yearly targets of 800–1200 works on loan; in the first nine months of the year, a total of 839 works were on loan to exhibitions organized by other museums. The Gallery has also increased the availability of information on its collection on-line through electronic vehicles such as CyberMuse, the Art Museum Image Consortium (AMICO), SchoolNet and the Canadian Heritage Information Network (Artefacts Canada), and all virtual attendance forecasts will be achieved or have already surpassed projections to date.

STRATEGY 6**Increase partnerships and collaboration with other institutions and Canadian art museums**

The Gallery continues to collaborate extensively with numerous arts and heritage institutions, primarily across the country but also internationally. This year the Gallery collaborated in exhibitions in Vancouver, Quebec City, Toronto, Edmonton and Shawinigan. Gallery and CMCP staff visited Canadian institutions in 38 cities across the country – in all provinces and the Yukon Territory – to provide tours and lectures, participate in conferences and advisory panels, oversee exhibitions and meet with local artists and gallery staff.

STRATEGY 7**Play a leadership role in strengthening the capacity of art institutions across Canada**

In 2004, the Gallery had a total of 12 unpaid interns, four TD Bank interns, three Royal Bank of Canada interns, and two employees hired for special projects paid for by the NGC Foundation. The internship program at the Gallery has been enhanced by funding from the Royal Bank and from the TD Bank, which made four paid internships available annually for a period of five years. A training program organized by the Gallery, to train participants in the safe planning and execution of the moving of heavy and/or fragile museum artefacts, included participants from the National Archives, the Canadian Conservation Institute, the Canadian Museum of Civilization and the Glenbow Museum. The Speakers' Bureau program currently forecasts eight engagements in the planning period.

OBJECTIVE 3

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

STRATEGY 1**Strengthen governance**

In the current Plan, performance indicators and environmental scanning have been strengthened. The Gallery has instituted information and orientation sessions with all employees to ensure better communication and understanding of all aspects of the Corporate Planning exercise. The Corporate Steering Committee is also developing a new format for reporting to the Board on corporate performance, which should be introduced in 2005/06, to improve the organization and clarity of communication.

The Gallery undertook a comprehensive assessment of all risks that could affect its ability to achieve its objectives, and a five-year audit plan was developed which includes mechanisms to report to the Board on all audit recommendations every 6 months. In preparation for the 2004/05 Special Examination by the Auditor General, management provided the Board with a comprehensive status report on the 1999 Special Examination and on all audits performed in 2002/03 and 2004/05. All Corporate Policies are to have been reviewed and updated by the end of the 2005/06 planning period.

STRATEGY 2**Strengthen the work environment at the Gallery and CMCP**

The Gallery has created and staffed a new position of Director, Human Resources, and has created a permanent committee of the Board to Trustees to ensure that the human resources strategy and practices fully support the achievement of the Gallery's overall objectives. An audit of human resources management practices was conducted by Deloitte Inc., after which management prepared a response and action plan and drafted an overall Human Resources Framework, expected to be complete for input and approval by the Board by March 2005. A draft survey will be launched in 2005 to capture employee opinions related to performance measures and targets, and subsequent surveys will occur yearly to assess employee satisfaction in these areas. Finally, the Gallery will have a review of all PSAC positions completed by December 21, 2005, and expects to complete job classifications for all NGC positions within similar timelines.

STRATEGY 3**Increase and broaden the Gallery's revenue base**

For several reasons, the Gallery has had to revise its targets for earned revenues and fundraising downwards. The Gallery has therefore engaged external consultants to conduct a survey and make recommendations to help identify new potential sources of revenue and ways to increase the net benefit of existing revenue sources. Several initiatives are currently underway to increase revenues, including promotions through an expanded e-mail list and over the NGC's website. The Gallery has obtained sponsorship for its exhibitions *The Great Parade; ItuKiagâta! Inuit Sculpture from the Collection of the TD Bank Financial Group*; and for its 2004/05 exhibitions. Numerous grants and donations were received, including a grant from the Gladys Kriple Delmas Foundation for the *Index to the National Gallery of Canada Exhibition Catalogues 1880–1930* and over \$600,000 from the National Gallery Foundation, which supported internships, conservation, audioguides, CineMuse and a new education program for the disabled.

STRATEGY 4**Ensure the Gallery operates effectively and efficiently**

During the first three quarters of the year, the Gallery updated its collection management system on an ongoing basis and launched "Multilabel," a new application to generate labels for permanent collection installations and special exhibitions. An Information/Knowledge Management Committee was created in 2004, and the Gallery is on schedule to develop and begin implementing a new technological growth and maintenance strategy by the end of 2004/05. This will help the Gallery ensure its technology continues to meet the evolving needs of users.

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 collection and intellectual property; ensure a safe environment for staff and visitors**

The Gallery is completing the last phase of the vault security upgrade project and has purchased a new vehicle for art security escorts. All areas of the building have received their annual inspection. The Gallery has established an OSH Policy Committee, which held its first meeting in October 2004. All OSH Committee members have received Legislated Canada Labour Code training and fire extinguisher training. A new Disaster Recovery plan for IM/IT has been developed, tested and implemented; technical procedures to restore systems have been upgraded; and the Gallery's e-mail anti-spam and anti-virus systems have successfully blocked or eliminated more than 1,000,000 undesirable messages.

STRATEGY 2**Provide safe, suitable and accessible facilities for visitors and staff and for property housing the collection**

The Gallery implemented Phase I of its five-year strategy to optimize the use of art storage spaces; converted one vault from crate storage to rack storage for paintings, creating close to 7,000 additional square feet of rack space; completed Phase II of the Garage Membrane Replacement project; and completed Phase VII of the Roof Replacement Program. A dedicated cooling unit was installed for the IT server room, and the large personnel lift was overhauled. The work required to make the Gallery's facilities fully accessible to disabled persons will be completed by early in 2005.

FINANCIAL STATEMENTS

National Gallery of Canada Balance Sheet

(in thousands of dollars)	03-04 Actual	04-05 Budget	04-05 Forecast	05-06 Budget	06-07 Budget	07-08 Budget	08-09 Budget	09-10 Budget
Assets								
Current:								
Cash and investments	8,259	8,840	8,295	8,545	8,645	8,770	8,995	9,195
Restricted cash and investments	4,699	1,160	1,113	1,101	1,126	1,151	1,176	1,201
Accounts receivable	4,411	575	575	575	625	675	700	725
Inventories	685	805	750	750	825	875	850	850
Prepaid expenses	1,476	1,400	1,400	1,400	1,425	1,450	1,475	1,500
	19,530	12,780	12,133	12,371	12,646	12,921	13,196	13,471
Collection	1	1	1	1	1	1	1	1
Capital assets	117,364	113,403	113,694	108,872	104,113	99,454	94,895	90,436
	136,895	126,184	125,828	121,244	116,760	112,376	108,092	103,908
Liabilities								
Current:								
Accounts payable and accrued liabilities	10,061	6,250	6,000	6,000	6,000	6,000	6,000	6,000
Unused appropriations for the purchase of objects for the Collection	2,247	0	0	0	0	0	0	0
Unused appropriations for the purchase of capital assets	1,426	0	37	0	0	0	0	0
	13,734	6,250	6,037	6,000	6,000	6,000	6,000	6,000
Accrued employee termination benefits	1,804	2,492	2,054	2,304	2,554	2,804	3,054	3,304
Deferred contributions	793	922	843	868	893	918	943	968
Deferred capital funding	116,742	112,781	113,072	108,250	103,491	98,832	94,273	89,814
	133,073	122,445	122,006	117,422	112,938	108,554	104,270	100,086
Endowments	116	141	116	116	116	116	116	116
Equity of Canada								
Balance at beginning of year	3,598	3,598	3,706	3,706	3,706	3,706	3,706	3,706
Excess of revenues over expenses	108	0	0	0	0	0	0	0
	3,706	3,598	3,706	3,706	3,706	3,706	3,706	3,706
	136,895	126,184	125,828	121,244	116,760	112,376	108,092	103,908

FINANCIAL STATEMENTS

National Gallery of Canada Statement of Operations

(in thousands of dollars)	03-04 Actual	04-05 Budget	04-05 Forecast	05-06 Budget	06-07 Budget	07-08 Budget	08-09 Budget	09-10 Budget
Expenses by activity								
Collections and Research								
Operations	6,124	6,213	6,120	6,120	6,134	6,192	6,131	6,117
Art acquisitions	8,268	7,700	9,647	7,400	7,400	7,400	7,400	7,400
Total Collections and Research	14,392	13,913	15,767	13,520	13,534	13,592	13,531	13,517
Outreach	14,087	14,291	14,079	14,077	14,109	14,244	14,103	14,072
Accommodation	19,224	19,449	19,215	19,213	19,248	19,396	19,241	19,207
Corporate management	9,824	9,966	9,818	9,818	9,839	9,934	9,835	9,814
Total expenses	57,527	57,619	58,879	56,628	56,730	57,166	56,710	56,610
Revenue and contributions	7,609	7,775	7,104	7,300	7,502	8,038	7,682	7,682
Net cost of operations before government funding	49,918	49,844	51,775	49,328	49,228	49,128	49,028	48,928
Parliamentary appropriations								
For operating and capital on a cash basis	36,982	36,585	36,469	36,469	36,469	36,469	36,469	36,469
Appropriations deferred for the purchase of depreciable capital assets	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
Amortization of deferred capital funding	5,675	6,259	6,059	5,859	5,759	5,659	5,559	5,459
Total on an accrual basis	41,657	41,844	41,528	41,328	41,228	41,228	41,028	40,928
For the purchase of objects for the collection on a cash basis	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Drawn from prior years	2,616		2,247					
Deferred to future years	(2,247)		0					
Total on an accrual basis	8,369	8,000	10,247	8,000	8,000	8,000	8,000	8,000
Total appropriations on an accrual basis	50,026	49,844	51,775	49,328	49,228	49,128	49,028	48,928
Excess of revenues over expenditures	108	0	0	0	0	0	0	0

FINANCIAL STATEMENTS

National Gallery of Canada Statement of Cash Flows

(in thousands of dollars)	03-04 Actual	04-05 Budget	04-05 Forecast	05-06 Budget	06-07 Budget	07-08 Budget	08-09 Budget	09-10 Budget
Operating activities								
Excess of revenues over expenses	108	0	0	0	0	0	0	0
Items not affecting cash and investments								
Amortization	5,675	6,259	6,059	5,859	5,759	5,659	5,559	5,459
Accrued employee termination benefits	(188)	250	250	250	250	250	250	250
Loss on disposal of capital assets	0	0	0	0	0	0	0	0
Net internally restricted transactions	(20)	0	0	0	0	0	0	0
	5,575	6,509	6,309	6,109	6,009	5,909	5,809	5,709
Increase in non-cash working capital components	622	(75)	(214)	0	(150)	(125)	(25)	(50)
	6,197	6,434	6,095	6,109	5,859	5,784	5,784	5,659
Financing activity								
Capital funding – Program Integrity	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Capital funding – Other	732	837	1,389	37	0	0	0	0
Amortization of deferred capital funding	(5,675)	(6,259)	(6,059)	(5,859)	(5,759)	(5,659)	(5,559)	(5,459)
	(3,943)	(4,422)	(3,670)	(4,822)	(4,759)	(4,659)	(4,559)	(4,459)
Investing activities								
Purchase of capital assets	(1,734)	(1,837)	(2,389)	(1,037)	(1,000)	(1,000)	(1,000)	(1,000)
Proceeds from disposal of capital assets	2	0	0	0	0	0	0	0
	(1,732)	(1,837)	(2,389)	(1,037)	(1,000)	(1,000)	(1,000)	(1,000)
Increase in cash and investments during the year	522	175	36	250	100	125	225	200
Cash and investments at beginning of year	7,737	8,665	8,259	8,295	8,545	8,645	8,770	8,995
Cash and investments at end of year	8,259	8,840	8,295	8,545	8,645	8,770	8,995	9,195

FINANCIAL STATEMENTS

National Gallery of Canada Schedule of Operating and Contribution Revenue

(in thousands of dollars)	03-04 Actual	04-05 Budget	04-05 Forecast	05-06 Budget	06-07 Budget	07-08 Budget	08-09 Budget	09-10 Budget
Operating Revenue								
Bookstores and publishing	2,298	2,555	2,231	2,300	2,400	2,550	2,425	2,425
Admissions	1,023	960	785	950	1,002	1,363	1,157	1,157
Parking	596	600	600	600	650	675	650	650
Interest	233	275	300	300	300	300	300	300
Sponsorship in cash	571	400	424	425	425	425	425	425
Travelling exhibitions	249	250	207	200	200	200	200	200
Rental of public spaces	756	575	600	600	600	600	600	600
Art loans-recovery of expenses	150	175	125	125	125	125	125	125
Memberships	430	500	430	450	450	450	450	450
Audio guides	178	150	79	100	100	100	100	100
Food services	26	35	27	30	30	30	30	30
Educational services	231	200	200	200	200	200	200	200
Other	26	35	22	20	20	20	20	20
	6,767	6,710	6,030	6,300	6,502	7,038	6,682	6,682
Contributions								
From National Gallery Foundation	490	545	577	550	550	550	550	550
From annual giving (membership)	240	420	245	250	250	250	250	250
From others	112	100	252	200	200	200	200	200
	842	1,065	1,074	1,000	1,000	1,000	1,000	1,000
Total revenue	7,609	7,775	7,104	7,300	7,502	8,038	7,682	7,682

FINANCIAL STATEMENTS

National Gallery of Canada Capital Budget

(in thousands of dollars)	03-04 Actual	04-05 Budget	04-05 Forecast	05-06 Budget	06-07 Budget	07-08 Budget	08-09 Budget	09-10 Budget
Unused appropriations for the purchase of capital assets at beginning of year	2,158	837	1,426	37	0	0	0	0
Capital appropriations	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Capital funding available	3,158	1,837	2,426	1,037	1,000	1,000	1,000	1,000
Purchase of capital assets	1,732	1,837	2,389	1,037	1,000	1,000	1,000	1,000
Unused appropriations for the purchase of capital assets at end of year	1,426	0	37	0	0	0	0	0
Capital assets								
Net book value at beginning of year	121,307	117,825	117,364	113,694	108,872	104,113	99,454	94,895
Capital additions	1,732	1,837	2,389	1,037	1,000	1,000	1,000	1,000
	123,039	119,662	119,753	114,731	109,872	105,113	100,454	95,895
Less amortization:								
Amortization of building	3,759	3,759	3,759	3,759	3,759	3,759	3,759	3,759
Amortization other	1,916	2,500	2,300	2,100	2,000	1,900	1,800	1,700
	5,675	6,259	6,059	5,859	5,759	5,659	5,559	5,459
Net book value at end of year	117,364	113,403	113,694	108,872	104,113	99,454	94,895	90,436