

National Gallery of Canada

SUMMARY OF THE CORPORATE PLAN
FOR 2010-11 TO 2014-15
AND OPERATING AND CAPITAL BUDGETS
FOR 2010-11

National Gallery of Canada*

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*Throughout this document, all references to the National Gallery of Canada include the Gallery's affiliate museum, the Canadian Museum of Contemporary Photography.



National Gallery of Canada Musée des beaux-arts du Canada



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OVERVIEW OF MANDATE AND EXPECTED OUTCOMES FOR 2010-11 TO 2014-15

LEGISLATED MANDATE

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.

STRATEGIC OUTCOME

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.

PROGRAM ACTIVITIES	SUB-PROGRAM ACTIVITIES	EXPECTED OUTCOMES
Collection	Acquisitions Curatorial Research Preservation	To acquire, preserve, research and document historic and contemporary works of art in order to represent and present arts heritage.
Outreach	Exhibitions Education Communications	To foster broad access nationally and internationally to the Gallery's offerings, including exhibitions, educational programming and publications, communications and marketing activities.
Accommodation	Building Operations Capital Expenditures	To provide secure and suitable facilities, readily accessible to the public, for the preservation and exhibition of the national collections.
Corporate Management	Governance Administration Revenue Generation	To provide direction, control and effective development and administration of resources.

MISSION, VISION AND VALUES

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, research and the advancement of knowledge.

VISION

The National Gallery of Canada will be a truly national institution that provides Canadians with a sense of identity and pride in Canada's rich visual arts heritage by making 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 Canadians across the country and abroad.
- **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, public programs and overall service standards.
- **Corporate Citizenship:** The Gallery meets its public policy and legal obligations.
- **Leadership:** The Gallery is 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.

CORPORATE PROFILE

HISTORY

The National Gallery of Canada was founded in 1880 by the then Governor General, the Marquis of Lorne, in concert with the Royal Canadian Academy of Arts. The federal government assumed responsibility for the Gallery in 1913 and has continued its stewardship through successive Acts of Parliament. In 1985, the Canadian Museum of Contemporary Photography (CMCP) was created from the former Still Photography Division of the National Film Board and became an affiliate of the National Gallery of Canada. On July 1, 1990, the Gallery became a Crown corporation with the proclamation of the *Museums Act*, which also confirmed the affiliate status of the CMCP.

GOVERNING LEGISLATION

Under the *Museums Act*, the Gallery is a distinct legal entity, wholly owned by the Crown. It operates at arm's length from the Government but contributes to the achievement of policy objectives as a member of the Canadian Heritage Portfolio. The Gallery is subject to Crown corporation accountability under the *Financial Administration Act* and complies with the *Federal Accountability Act*, the *Access to Information Act*, the *Privacy Act*, the *Official Languages Act and Regulations*, and the *Canada Labour Code*.

GOVERNANCE STRUCTURE

The Board of Trustees serves as the Gallery's governing body and is accountable to Parliament through the Minister of Canadian Heritage and Official Languages. The eleven members of the Board, representing all regions of the country, are appointed by the Governor-in-Council on the advice of the Minister.

The Board provides the Gallery with strategic direction and oversight. It delegates authority for the day-to-day management of the Gallery to the Director, who is supported by three Deputy Directors and four Directors. The Board holds Management accountable for the Gallery's performance, long-term viability and the achievement of its objectives.

THE COLLECTION

The Gallery's collection consists of some 37,350 works of art, acquired by purchase or gift since the 1880s. Its collection of Canadian art reflects the diversity of Canadian creativity; it also has important collections of Western European, American and Asian art, including prestigious collections of prints and drawings. The international works help place Canadian art in context by demonstrating influences on the evolution of the visual arts in Canada.

The CMCP collection comprises over 17,525 photographs and 144,000 negatives and transparencies, while the Library and Archives, widely used by scholars and the public, houses the country's most extensive collection of research materials on the visual arts.

The collections have immeasurable historical, cultural and monetary value. They preserve our heritage and are the source for research, exhibitions and loans in Canada and abroad.

THE FACILITIES

The property holdings of the National Gallery of Canada include the main building on Sussex Drive in Ottawa, a leased storage warehouse facility in Ottawa and the Canadian Pavilion in Venice, Italy, used for the Venice Biennale. The main building includes exhibition galleries, art storage vaults, laboratories, library, offices, a 400-seat auditorium, lecture hall, gift shop, cafeteria, underground parking garage, workshops and special events areas.

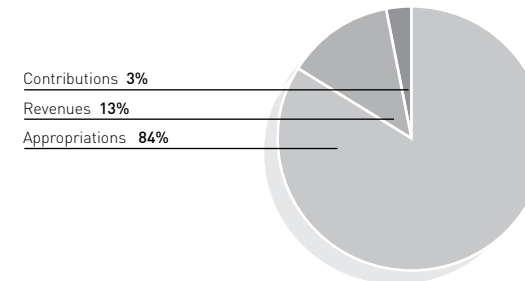
FINANCIAL RESOURCES

The Gallery receives annual appropriations from the Canadian Government. In 2010-11, the Gallery benefited from an additional allocation of \$2 million to offset financial challenges. Federal funds are supplemented by revenue-generating activities and the National Gallery of Canada Foundation. Increasing this support is an ongoing priority for the Gallery and the Foundation.

Self-generated revenues range from 15% to 20% of the total annual budget, comparing favourably with other national museums and consistent with the conclusions of a 2007 study conducted for the Department of Canadian Heritage. Due to the economic climate, the Gallery's estimate for 2010-11 is conservative, at 16% of resources (including contributions) for operating and art purchases.

Figure 1 shows the Gallery's operating resources. For 2010-11, these will total \$52.1 million: \$43.9 million (84%) from parliamentary appropriations and \$8.2 million (16%) from gross revenues and donations. This does not include \$5.4 million (\$4.4 million from Budget 2008 and \$1 million in annual capital funding) for urgent capital projects.

Figure 1
Resource Base for Operations and Art Acquisitions
2010-11



MAIN PROGRAMS AND ACTIVITIES

The Gallery's programs and activities are designed to achieve the following strategic outcome, derived from its legislated mandate (see page 3):

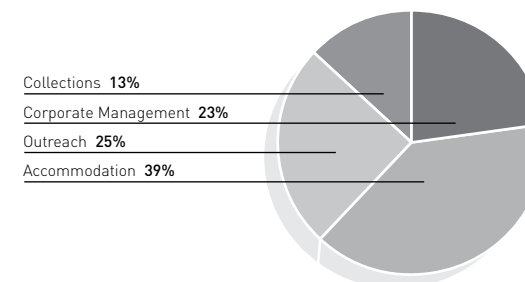
Interest in, knowledge of and appreciation and respect for visual art through a collection of historic and contemporary works of art, programs and research that reflect a special but not exclusive perspective on Canada.

The Gallery's Program Activity Architecture (PAA) is comprised of four key activities and associated sub-activities:

- **Collection:** acquisitions, curatorial research and preservation;
- **Outreach:** exhibitions, education and communications;
- **Accommodation:** building operations and capital expenditures; and
- **Corporate Management:** administration, corporate governance, and revenue generation activities.

The Gallery's fixed costs, amortization, payments in lieu of taxes and security consume 39% of its operating budget. These non-discretionary costs are not indexed against inflation and will continue to increase. After removing accommodation and corporate management costs, only 38% of the operating budget remains for the core activities of collections (13%) and outreach (25%) (see Figure 2).

Figure 2
Expenses by Activity Excluding Art Purchases
2010-11



MAIN PROGRAMS AND ACTIVITIES

Collection

The Collection Activity is essential to the Gallery's mandate to strengthen, care for and share the collection, and is at the core of its exhibitions and outreach programs. It consists of three sub-activities: Acquisitions, Curatorial Research and Preservation.

Acquisitions

The Gallery has always used its extensive curatorial expertise to invest in Canada's national and international visual arts heritage. The works in its collection would be impossible to replace in today's market and their contribution to the country's patrimony is priceless.

Acquisitions build on strengths and address gaps in the Gallery's collections. They are made in accordance with the Gallery's Acquisition Policy, which requires that all purchases be justified through in-depth research to establish authenticity, provenance, quality, historical importance and relevance to the Gallery's mission. Acquisition resources are augmented through the generous donation of exceptional works of art by private donors and funds from the activities of the NGC Foundation.

The Gallery is regularly approached for loans from its collections by Canadian and international fine arts museums, which testifies to the quality of its acquisitions. Without strong and developing collections of Canadian and international art, the Gallery would lose its hard-won reputation and much of its ability to leverage borrowed works for Canadian audiences.

Curatorial Research

To fulfill the Gallery's mandate, research is conducted not only on the individual objects, but also on the contexts in which they were created and the best presentations to promote audience understanding. Documentation and cataloguing allow works to be made available locally, nationally and internationally.

Curators at the Gallery, across Canada and abroad rely heavily on the Library and Archives as the pre-eminent centre for the study of the history of visual arts in Canada. The Gallery maintains an important fellowship program for advanced study by Canadian and foreign scholars, which is supported by the Foundation's patrons.

Preservation

Conservation encompasses prevention of deterioration and damage, scientific examination and research, documentation, conservation treatment, management of risk within the exhibitions and loans programs, and education. Restoration and conservation are integral to the collection and outreach activities, as Gallery policies require the examination of proposed acquisitions before any final decision is made.

Outreach

The Outreach Program Activity comprises Exhibitions, Education and Communication. It follows from the Gallery's mandate to further knowledge, understanding and enjoyment of the visual arts among Canadians. The National Gallery achieves its commitment to being a national institution through Ottawa-based exhibitions, through an extensive travelling exhibitions program in partnership with other galleries, and through its educational programming, publications and websites.

Exhibitions

The national collections are showcased through exhibitions and installations by putting artworks into context, publishing original research, hosting lectures and symposia and developing related educational activities. The annual exhibition program includes 8 to 12 featured exhibitions, including CMCP exhibitions, in the National Capital Region and 20 to 25 exhibitions at museums across Canada and abroad.

One of the largest programs of its kind in the world, the *On Tour* Travelling Exhibitions Program is vital to the success of the Gallery's national mandate. The Distinguished Patrons of the National Gallery of Canada Foundation *On Tour* Endowment was established in 2008 to support this program, which enables Canadian museums to benefit from travelling exhibitions at subsidized rates. Some 90% of *On Tour* bookings are in Canadian museums; the rest are in venues where the Gallery seeks international exposure for Canadian artists, has an interest in developing partnerships in the art museum community, or is participating in federal initiatives to promote Canadian culture.

Education

Education is a vital aspect of the Gallery's mandate and its success lies both in building a reputation for scholarship and expertise and in making its collections known nationally and internationally.

The Gallery's educational programming meets the needs of diverse audiences through activities that reflect many learning styles and interests, including: school-visits; programs and activities for families, youth, children, adults, seniors and the disabled; instructional tools for teachers; guided tours; virtual programs and activities; internships; studio programs; and audio guides. Audio guides are available in numerous languages; those for special exhibitions also feature descriptive stops for the visually impaired. The Gallery's lesson plans assist teachers to integrate art into the classroom curriculum, prepare for a visit to the Gallery and provide a better understanding of Canadian art and heritage. Several of these programs are supported by the Foundation's patrons.

Communication

The publications activity is fundamental to the Gallery's mandate to develop and document the collections and its exhibitions, increase national access to the collections and exhibitions and attract audiences. In 2010–11, the Gallery will explore a new business model for its publications' business line.

Accommodation

The Gallery is committed to the long-term sustainability of its facilities and the provision of a safe and secure environment for the people, assets and information in its care and for works of art in transit. The Accommodation Program Activity encompasses Building Operations including Security and Capital Expenditures.

Building Operations

The Building Operations sub-program activity covers all activities related to operating and securing the main property and the associated facilities leased by the Gallery. The Gallery places a high priority on protecting its collections and the secure, efficient and cost-effective operation of its facilities. It strives to operate its facilities in an environmentally sustainable manner within the operating ranges required to preserve the collection and fulfill contractual obligations for works on loan. The Gallery also ensures that museums borrowing works can guarantee their protection and physical safety.

Capital Expenditures

The recapitalization of the Gallery's main facility at 380 Sussex Drive is crucial to the Gallery's long-term sustainability, reputation for excellence and ability to maximize earned revenues and attract donors and sponsors.

The Gallery's Long-term Capital Plan, which ensures that facilities remain suitable for the preservation and exhibition of the national collection, is updated annually. In keeping with recommendations in the 2009 Special Examination Report by the Office of the Auditor General, cost estimates for projects identified in the Plan will also be updated on an annual basis.

Corporate Management

The principles of sound management and governance are articulated in the *Financial Administration Act* and the *Federal Accountability Act*, both of which govern the Gallery.

The Gallery is committed to rigorous, accountable and transparent management of the funds invested in it, in accordance with federal priorities. The Corporate Management Activity has three sub-activities: Administration, Corporate Governance and Revenue Generation.

Administration

The Gallery is committed to strengthening its work environment and is moving to a "human capital" model of human resources development. Currently, it has approximately 260 full-time equivalents, 81% of whom are unionized. Effective staff recruitment and retention strategies and a positive labour-relations climate are priorities. The Gallery's first Human Resources Plan was approved in September 2009, to provide strategic leadership and management practices that will further the Gallery's corporate objectives.

Corporate Governance

Corporate Governance describes the mechanisms for ensuring that the Gallery fulfills its mandate and achieves its public policy and commercial objectives.

Revenue Generation

As a strategic priority, the Gallery's strives to support the realization of its goals by supplementing appropriated funding with revenue from commercial activities, donations and fundraising. The Gallery has strengthened its capacity to generate revenue and continuously reviews its services to optimize these opportunities.

National Gallery of Canada Foundation (NGC Foundation)

The National Gallery of Canada Foundation is a not-for-profit registered charity dedicated to achieving sustained private financial support for the Gallery. The Foundation aims to establish strategic funded endowments in all of the Gallery's key priority areas. The funds raised by the NGC Foundation facilitate art acquisition and restoration, research, and educational and internship programs.

ASSESSMENT OF RESULTS SINCE THE PREVIOUSLY APPROVED CORPORATE PLAN

The previous Plan identified six strategic priorities, with strategies and performance measures. Though 2009–10 presented particular challenges to several of these, the Gallery met its performance expectations for the planning period as follows:

Strategic Priority 1: Funding

Budgetary and financial pressures confronted the Gallery throughout 2009–10. While revenue generation and attendance were down due to external factors, the Gallery was able to maintain its revenue generation at 16% of its annual budget. Significant efforts were made to alleviate financial pressures throughout the year including staffing restrictions, layoffs, mandatory furloughs and voluntary leave, as well as reducing exhibition funding and the number of exhibitions offered.

Strategic Priority 2: Diversity

The Gallery focused on strengthening the relevance of its collection and exhibitions to an increasingly diverse Canadian population and general audience. Programs and services included:

- Artissimo, a popular interactive family program;
- The Gallery's award-winning program for people with disabilities, funded by the J.W. McConnell Family Foundation;
- The Teen Council;
- CyberMuse's youth Careers section and *Gallery Channels*;
- An expanded presence on Facebook, Twitter and YouTube; and
- Substantially expanded education and outreach programs that stress the importance of lifelong learning and the value of the visual arts for diverse audiences.

The Gallery took steps to develop a more representative workforce by approving a four-year HR Plan to implement practices that strengthen employment diversity.

Strategic Priority 3: Access and National Outreach

The Gallery continued to offer programming of exceptional quality and high demand to Canadians, both in the National Capital Region and across the country. Twenty exhibitions were presented at the Gallery in Ottawa, among them:

- *From Raphael to Carracci: The Art of Papal Rome*, with *The Petrobelli Altarpiece*, in collaboration with the Dulwich Picture Gallery and the Blanton Museum of Art;
- *Miller Brittain: When the Stars Threw Down Their Spears*, organized by the Beaverbrook Art Gallery;
- *Scenes from the House Dream*, organized by Rodman Hall Art Centre/Brock University, with the Southern Alberta Art Gallery and Trepanier Baer Gallery;
- *Governor General's Awards in Visual and Media Arts*;
- The CMCP presented two solo exhibitions of Canadian photographers at the Gallery's main facility: *Scott McFarland: A Cultivated View*, and *Gabor Szilasi: The Eloquence of the Everyday*, co-organized with the Musée d'art de Joliette.

Exhibitions support cultural tourism and have a significant economic impact for host venues. In 2009–10, the *On Tour* program organized 16 travelling exhibitions in 18 galleries and museums, in 8 provinces and 2 U.S. states. The Gallery's loans program ensures that all regions of Canada had access to the Gallery's collections and programs. A three-year partnership with the Art Gallery of Alberta (AGA) sent highlights from the national collection and special exhibitions to the AGA, while loans of Canadian photographs went to Antwerp, Belgium, the National Gallery of Art, Washington, D.C., and the Museum of Modern Art, New York, among other venues.

The Gallery's co-productions with other Canadian galleries provide new research and significantly benefit the reputation of these institutions. Among such projects were *Uturautit: Cape Dorset Celebrates 50 Years of Printmaking* in collaboration with Dorset Fine Arts and *Wanda Koop*, co-organized with the Winnipeg Art Gallery (2010).

Publications are fundamental to the Gallery's principal mandate to develop and document the collections. This year, the Gallery published four issues of its magazine, *Vernissage*, and seven exhibition catalogues in French and English versions, including *From Raphael to Carracci: The Art of Papal Rome*, *Gabor Szilasi: The Eloquence of the Everyday*, *Nomads*, and *19th-Century French Photographs from the NGC*.

The Gallery's websites experienced significant growth and recognition. The number of web visits has doubled since 2005, to over 50 million hits in 2009–10.

Strategic Priority 4: National Leadership

The Gallery is recognized for its leadership role in art acquisition, particularly of contemporary art. As of the third quarter in 2009–10, 497 works were acquired via purchase or gift. Of these, 123 were works by contemporary Canadian artists. The CMCP's collection was also enhanced by the purchase and donation of works. Several important Canadian works were acquired, including: Emily Carr's 1895 sketchbook of *A Bicycle Trip along the Cowichan*; Jean-Paul Riopelle's *Haze*, the bequest of the Estate of Janet MacTavish Ritchie; and works by Canadian photographers Yousuf Karsh, Arnaud Maggs and Charles Gagnon.

On Tour presented nine contemporary Canadian exhibitions. The Gallery's national leadership role in contemporary art was highlighted by five exhibitions at the Gallery, with accompanying promotional micro-websites:

- *Gabor Szilasi: The Eloquence of the Everyday*
- *Nomads*
- *Scott McFarland: A Cultivated View*
- *Thomas Nozkowski*
- *The Drawings and Paintings of Daphne Odjig: A Retrospective Exhibition*

The recruitment of the new Director and CEO, whose area of expertise is contemporary art, reinforced the importance of this form to the Gallery, now and for the future.

Strategic Priority 5: Succession Planning

In 2009–10, succession planning was a priority for the Board of Trustees and Management as several senior managers retired. Top-notch talent was successfully recruited and one position was abolished. The new HR Plan includes the development of the comprehensive succession plan as recommended in the Office of the Auditor General's 2009 NGC Special Examination Report.

Strategic Priority 6: Building Expansion Plan

Given the dramatic changes that occurred in the nation's economic landscape in 2009–10, the building expansion priority articulated in the last Corporate Plan has given way to a more manageable initiative focussed on capital infrastructure renewal. Special funding received from the Treasury Board's Management Reserve Fund in 2007 and supplementary capital funding made available to the Gallery in 2008 have been combined in a Capital Action Plan that addresses the most urgent health and safety and program integrity issues. Implementation commenced in April 2008 and will continue to 2014–15.

STRATEGIC ISSUES FOR THE PLANNING PERIOD

OVERVIEW

The 2007 Government Strategic Review confirmed that the Gallery's programs achieve results and value for money and remain highly relevant to its mandate and consistent with government priorities for the Canadian Heritage Portfolio.

The strategic issues for the planning period are based on the Gallery's assessment of its challenges and opportunities, potential risks, and its corporate strengths and weaknesses. An environment scan of the key factors that could impact the Gallery as well as the 2009 NGC Special Examination by the Office of the Auditor General also influenced the identification of the strategic issues for 2010–11 through to 2014–15.

SPECIAL EXAMINATION BY THE OFFICE OF THE AUDITOR GENERAL (OAG)

In 2009, the OAG conducted an assessment of the Gallery's systems and practices addressing the statutory control objectives. It confirmed that the Gallery's management control framework is sound in all three key areas: its assets are safeguarded; its human, physical and financial resources are managed; and its operations are carried out effectively.

Management is following-up on the OAG's recommendations related to: the transmission of strategic information to the Board; regular communication across the institution on strategic directions; and the development of targets for performance indicators. A three-year Risk-Based Internal Audit Plan (2010–13) has been developed that outlines key risks and annual audits to address these risks.

ENVIRONMENTAL SCAN

Economic Environment and Financial Challenges

As a direct result of the global economic downturn, the Gallery's charitable giving, rentals and investment income have been substantially reduced. The Gallery expects 2010–11 to be a particularly challenging year. Although the economy is recovering, the Gallery will feel the long-term impact in the following areas:

Reduced government spending:

- Federal government deficits may result in tighter financial regulations and decreased government funding.
- Increased national debt and reduced GDP may lead to reduced revenues from governments and corporations (two pillars of support for Canada's arts and culture sector).

Decreased tourism levels due to reduced disposable income, high Canadian dollar values and U.S. passport regulations:

- The Gallery's attendance-dependent commercial revenues are directly influenced by the tourism market, the Canadian dollar, U.S. passport requirements and security concerns. Reduced tourism in Ottawa means reduced self-generated revenues.

Price pressures from the effects of inflation on fixed costs, salaries and utilities and changes to the Ontario minimum wage legislation:

- Non-discretionary fixed costs continue to escalate. Gallery appropriations have not kept pace with the Consumer Price Index (CPI), which limits its ability to fund its public programming. The institution has had to re-assess its inventory of projects from a risk management perspective and re-profile a portion of the funding where feasible.

Reduced donations and gifts

- The National Gallery Foundation continues to face stiff competition for philanthropic giving, compounded by the fact that private donors tend to assume that the Government fully funds the Gallery and its activities. The recession negatively impacts donations and the return on investments, making fewer funds available to the Gallery.

As noted, the present financial situation confronting the Gallery will be exacerbated by fiscal year 2013–14 when funds received through the Management Reserve (2006) and the Budget (2008) expire. The Gallery will then face significant financial pressures, seriously impacting its ability to deliver its mandate. It is expected that cost-cutting measures similar to those of fiscal year 2009–10 will be required in 2010–11 if the Gallery is to achieve a balanced budget.

Social and Demographic Factors

Finding new ways to play a meaningful role in a rapidly changing Canadian society and enhancing visitor experience are reflected in the priorities established for the planning period. Canada's growing number of retirees provides the Gallery with an opportunity to attract a unique market niche of potential visitors and volunteers. Additionally, visible minorities now represent over 50% of the population of large urban centres. Due to immigration, Canada recorded the highest population growth among G8 countries over the past 10 years, despite its declining birthrate. These social and demographic shifts bring opportunities for new audiences but also present challenges for the Gallery as it strives to remain relevant to an increasingly diverse set of audiences.

Operational Challenges

Now in its 22nd year of operation, the main facility continues to face a range of life cycle issues. Additional special funding through Budget 2008 allowed the Gallery to address the pressing needs but projects have had to be deferred and maintenance levels must be reassessed annually to stay within the operating budget.

Serious space issues continue to confront the Gallery. The lack of suitable space to exhibit leaves the Gallery unable to showcase some of the best of the various collections. Moreover, the institution is facing a lack of sufficient space for the storage of art and research materials. As a collecting institution, this poses significant challenges. In the short-term, the Gallery is making every effort to optimize the space currently available for storage, while it develops options to address the longer-term issue. The decision to permanently house the Canadian Museum of Contemporary Photography exhibitions and collections within the main Gallery building has further amplified space issues.

STATEMENT OF POTENTIAL RISKS

As identified in the *2010-11 to 2012-13 Risk-Based Internal Audit Plan for the NGC*, the primary risk that will continue to challenge the Gallery is its ability to sustain its revenue-generating activities. External challenges due to the global economic downturn have resulted in a decrease in visitors (most notably from the U.S.), increased competition for access to public funds and reduced corporate donations.

STRATEGIC PRIORITIES FOR 2010-11 TO 2014-15

Having considered the strategic issues The Board of Trustees agreed to focus on four primary strategic priorities: funding; diversity; access and outreach; and infrastructure.

The Auditor General's 2009 Special Examination Report recommended greater alignment between the strategic priorities and the Gallery's achievement of these objectives. Management will ensure that operational plans are developed and implemented in support of each strategic priority and will report the results to the Board of Trustees.

The following highlights the strategic priorities established for 2010-11 to 2014-15:

Funding

The Gallery will strive to maximize its fundraising and self-generated revenues to equal and stabilize at 20% of total resources within the five-year planning period.

This priority will require greater source diversification, increased fundraising efforts, more support from the Foundation, enhanced sponsorship activities, better use of the Gallery's brand, more rentals of the Gallery's facilities and an increase in attendance at the Gallery.

Funds allocated via the 2006 Management Reserve exercise and Budget 2008 will expire at the end of 2012-13. By fiscal year 2013-14, the Gallery will face significant financial pressures. An overall decrease in appropriations, the impact of cumulative inflation, increased costs related to maintaining infrastructure, increased payments in lieu of taxes and uncertain revenues given the economic forecast will collectively strain the Gallery's resource base, impacting the institution's ability to deliver its mandate. Action on this strategic priority will be a paramount concern for the institution during the planning period.

Diversity

The National Gallery of Canada will respond to the changing face of Canada by adapting the development of the collection, programming and promotion to the shifting needs of Canadians, as well as engaging in a more focused employee and volunteer recruitment program.

The Gallery will continue to increase collection and program diversity and engage in a more focused employee and volunteer recruitment program. The Gallery will work with the visual arts leadership in different communities, initiate cultural leadership and educator training programs and work with its Trustees to benefit from their connections in communities across Canada.

Access and Outreach

The Gallery will continue to become widely accessible to Canadians and those abroad through its outreach programs and by electronic means.

The Gallery will continue to enhance its presence nationally and internationally through its programming, exhibitions, partnerships and collaborations with other institutions, its websites and the sharing of its acclaimed research and scholarship activities.

Infrastructure

The Gallery will create and implement a strategy over the next five years to increase space efficiency and expand the physical presence of the National Gallery of Canada.

The Gallery will make more efficient use of its existing space, provide appropriate space for the varying needs of its diverse audiences (i.e., children, seniors, etc.) and address the need for increased exhibition and storage space. The Gallery will also expand its presence into selected Canadian communities outside of the National Capital Region.

STRATEGIC PRIORITIES - KEY RESULTS, STRATEGIES, INDICATORS, MEASURES

The following tables describe the key results for the four strategic priorities identified for action by the Board of Trustees. In addition, strategies, performance indicators and performance measures are provided for each of the key results areas, as well as targets where possible. Lastly, each key result area is tied to a specific Gallery program activity.

STRATEGIC PRIORITY: FUNDING

PROGRAM ACTIVITY: CORPORATE MANAGEMENT

Key Results	Strategies	Performance Indicators	Performance Measures
Self-generated revenues grew incrementally and reached a target of 20% of total resources by 2014-15.	<p>Establish self-generated revenue targets. 2010-11 target is 16%</p> <p>Optimize opportunities and strategies for increasing revenues and market share.</p> <p>Review and build on the key revenue generation-oriented recommendations outlined in the Audience of the Future Project.</p> <p>Identify selected best revenue generation / fundraising practices from other cultural institutions.</p>	<p>The extent to which revenues from commercial and fundraising activities increased with respect to established targets.</p> <p>The net funds provided to the Gallery as a result of new revenue generation efforts.</p>	A report on revenues compared to targets for commercial activities, education, memberships, fundraising activities and revenues per visitor.
	<p>Review the Gallery's current sponsorship program.</p> <p>Complete required revisions to sponsorship program.</p>	<p>Sponsorship protocols (policies and procedures) were reviewed and updated.</p> <p>Degree to which revised sponsorship program was implemented.</p>	Assess current sponsorship policies and procedures and the revisions made and implemented.
	<p>Review of Gallery sponsorship initiatives.</p> <p>Establish new, more flexible levels of sponsorships for potential sponsors.</p> <p>Pursue more in-kind sponsorships.</p>	Number of Gallery initiatives that benefited from sponsorship.	Review and assessment of Gallery sponsorship efforts.
The Gallery prioritized its mission-critical work, including its programs and program support efforts.	Identify, review and prioritize mission-critical core work.	Fiscal resources were allocated in a manner designed to achieve the priorities and mission-critical core work of the Gallery.	Review of the plan and efforts undertaken to assess and protect mission-critical work.

STRATEGIC PRIORITY: DIVERSITY

PROGRAM ACTIVITY: COLLECTIONS

Key Results	Strategies	Performance Indicators	Performance Measures
The collections, installations, exhibitions and programs were more relevant to Canadians.	Appeal to the changing face of Canada through installations, exhibitions and programs.	Nature and scope of the installations, exhibitions and programs that reflect the changing face of Canada.	<p>Review new acquisitions with respect to diversity.</p> <p>Review of the installations, exhibitions and programs.</p>

PROGRAM ACTIVITY: OUTREACH

Key Results	Strategies	Performance Indicators	Performance Measures
Diverse audiences including visible minorities, new Canadians and youth, were targeted and reached by the Gallery.	<p>Reach younger audiences through social media marketing programs, including Facebook, Twitter and YouTube. (For 2010-11)</p> <p>Review and employ audience-specific information identified in the HBS Branding exercise.</p> <p>Create more strategic partnerships with selected national and community organizations capable of reaching the diverse audiences identified by the NGC.</p>	<p>Number of social media marketing programs employed to reach target audience (youth).</p> <p>Level of resources (human and financial) allocated to identify and research the nature and scope of the Gallery's diverse audiences.</p>	<p>Assessment of the reach provided through social-media-marketing programs with respect to youth and other audiences.</p> <p>Assessment of resources allocated to audience research activities.</p>

PROGRAM ACTIVITY: CORPORATE MANAGEMENT

Key Results	Strategies	Performance Indicators	Performance Measures
The Gallery workplace was representative of the diversity in Canadian society.	<p>Promote career opportunities among four designated groups including new Canadians.</p> <p>Ensure hiring managers have skills, information and awareness necessary to hire those representing Canada's diversity.</p> <p>Implement Human Resources Plan and set employee diversity targets. (For 2010-11)</p>	<p>Gallery workforce has a complement of staff representative of the diversity within the community.</p> <p>Extent to which diversity targets were identified and reached.</p>	Analysis of recruitment and staffing data, including employment equity results.

STRATEGIC PRIORITY: ACCESS AND OUTREACH**PROGRAM ACTIVITY: COLLECTIONS**

Key Results	Strategies	Performance Indicators	Performance Measures
Greater national and international access was systematically created for research.	Maximize outreach opportunities through online information. Increase awareness of the art collections, exhibitions, programs and services.	Extent to which research was made nationally and internationally accessible. Degree to which research was accessed.	Assessment of the nature and scope of research made available on the website.
The permanent collection was made more accessible to individuals in Canada and abroad.	Design and implement a long-term lending program plan for selected stored items in the permanent collection.	Extent to which the permanent collection including corresponding detailed info was made available on the website. Number of stored objects that were lent on long-term arrangements to selected Canadian galleries.	Assessment of the permanent collection available on the website. A 'formative evaluation' of the impact of the 'long-term lending program'.

PROGRAM ACTIVITY: OUTREACH

Key Results	Strategies	Performance Indicators	Performance Measures
Canadians in all regions of the country had access to the collections and programs.	Continue to operate loans program. Continue to operate travelling exhibitions program to be responsive to stakeholders. Create promotional micro-websites for major exhibitions. Create new semi-permanent NGC venues in various regions of Canada. (All strategies for 2010-11)	Number of loans made in a timely fashion and based on agreed standards. Number of travelling exhibitions. Target for 2010-11 is 16 Number of promotional micro-websites established. Profile of the National Gallery generated by the loans and exhibitions programs in host communities. Creation of 2-3 new semi-permanent venues. Target for 2010-11 is 2	Review of loans and travelling exhibitions program. Review of the number and impact of promotional micro-websites. Assessment of number of website visitors seeking information on specific works or art and programs. Assessment of extent to which semi-permanent venues offer a workable model for increased access to the collections.
The Gallery was made more accessible and interactive through web-based communications tools.	Accelerate digitization of collection. Subject to new funding, extend educational programs through the website. (For 2010-11) Review and rationalize the Gallery's five external website sites. (For 2010-11)	The website site contributed to the visitor experience. The extent to which digitization of the national collection was extended (subject to copyright). Website was reviewed and recommendations were implemented.	Review and assessment of website site information. Review visitor survey information developed for each virtual tour. Assess digitization. Analysis of the impact of selected projects in online programming. Assess outcome of website site review process.

STRATEGIC PRIORITY: INFRASTRUCTURE**PROGRAM ACTIVITY: ACCOMMODATION (F.P.M.)**

Key Results	Strategies	Performance Indicators	Performance Measures
A comprehensive site optimization study completed and recommendations implemented.	Develop a comprehensive site optimization plan for art storage, including stakeholder consultation. Develop and update a long-term capital plan with updated cost estimates that considers risks and articulates funding requirements. (For 2010-11)	Site optimization study completed. Extent of optimization of current exhibition and office space. Stakeholders were consulted. Extent of implementation of study recommendations. Off-site storage space was secured.	Assessment of the site optimization study and actions taken as a result of the study.

PROGRAM ACTIVITY: OUTREACH

Key Results	Strategies	Performance Indicators	Performance Measures
Exploration of the concepts of a NGC stand-alone facility outside the National Capital Region.	Conduct a feasibility study.	Feasibility study is completed.	Assessment of extent to which study informs decisions regarding Gallery presence outside the National Capital Region.



FINANCIAL STATEMENTS

BALANCE SHEET

(in thousands of dollars)	08-09 Actual	09-10 Budget	09-10 Forecast	10-11 Budget	11-12 Budget	12-13 Budget	13-14 Budget	14-15 Budget
Assets								
Current:								
Cash and investments	6,365	8,741	8,097	8,701	8,801	8,901	9,001	9,101
Restricted cash and investments	9,565	3,949	7,182	9,588	11,793	13,692	3,717	2,742
Accounts receivable	3,556	1,050	1,000	1,050	1,100	1,150	1,200	1,250
Inventories	554	800	975	800	825	850	875	900
Prepaid expenses	1,315	1,225	1,222	1,368	1,418	1,468	1,518	1,568
	21,355	15,765	18,476	21,507	23,937	26,061	16,311	15,561
Collection	1	1	1	1	1	1	1	1
Capital assets	92,034	94,983	91,561	88,663	85,765	82,617	87,219	82,821
	113,390	110,749	110,038	110,171	109,703	108,679	103,531	98,383
Liabilities								
Current:								
Accounts payable and accrued liabilities	6,105	6,000	5,500	6,000	6,100	6,200	6,300	6,400
Deferred revenue	189	0	0	0	0	0	0	0
Unused appropriations for the purchase of objects for the Collection	1,784	0	0	0	0	0	0	0
Unused appropriations for the purchase of capital assets	6,640	3,000	6,289	8,670	10,850	12,724	2,724	1,724
	14,718	9,000	11,789	14,670	16,950	18,924	9,024	8,124
Accrued employee termination benefits	1,825	2,025	1,875	2,025	2,175	2,325	2,475	2,625
Deferred capital funding	91,412	94,361	90,939	88,041	85,143	81,995	86,597	82,199
	107,955	105,386	104,603	104,736	104,268	103,244	98,096	92,948
Equity of Canada								
Balance at beginning of year	5,363	5,363	5,435	5,435	5,435	5,435	5,435	5,435
Excess of revenues over expenses	53	(25)	56	(25)	(25)	(25)	(25)	(25)
Comprehensive income ¹	19	25	(56)	25	25	25	25	25
Balance at end of year	5,435	5,363	5,435	5,435	5,435	5,435	5,435	5,435
	113,390	110,749	110,038	110,171	109,703	108,679	103,531	98,383

¹ Refers to projected growth in accumulated donations that have been given for restricted purposes and for which the purposes have yet to be fulfilled.

STATEMENT OF OPERATIONS

(in thousands of dollars)	08-09 Actual	09-10 Budget	09-10 Forecast	10-11 Budget	11-12 Budget	12-13 Budget	13-14 Budget	14-15 Budget
Expenses by activity								
Collections								
Operations	7,595	7,355	7,093	7,169	6,792	6,872	6,581	6,752
Art acquisitions	7,653	7,400	8,984	7,200	7,200	7,200	7,200	7,200
Total Collections and Research	15,248	14,755	16,077	14,369	13,992	14,072	13,781	13,952
Outreach	14,454	13,629	13,498	13,775	12,927	13,078	12,525	12,850
Accommodation	20,627	19,373	19,689	19,655	19,810	20,510	19,878	20,343
Corporate Management	13,305	12,461	12,424	12,434	11,899	12,039	11,529	11,828
Total expenses	63,634	60,218	61,688	60,233	58,628	59,699	57,713	58,973
Revenue and contributions	10,222	9,070	8,504	8,425	8,965	9,800	8,470	9,730
Net cost of operations before government funding	53,412	51,148	53,184	51,808	49,663	49,899	49,243	49,243
Parliamentary appropriations								
For operating and capital on a cash basis	48,033	41,672	42,632	43,266	40,920	40,600	35,820	35,820
Appropriations deferred for the purchase of depreciable capital assets	(9,935)	(5,074)	(5,074)	(5,381)	(5,180)	(4,874)	(1,000)	(1,000)
Amortization of deferred capital funding	5,268	6,525	5,898	5,898	5,898	6,148	6,398	6,398
Loss on disposal of leasehold improvements	1,716	0	0	0	0	0	0	0
Total on an accrual basis	45,082	43,123	43,456	43,783	41,638	41,874	41,218	41,218
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	2,167	0	1,784	0	0	0	0	0
Deferred to future years	(1,784)	0	0	0	0	0	0	0
Total on an accrual basis	8,383	8,000	9,784	8,000	8,000	8,000	8,000	8,000
Total appropriations on an accrual basis	53,465	51,123	53,240	51,783	49,638	49,874	49,218	49,218
Excess of revenues over expenditures	53	(25)	56	(25)	(25)	(25)	(25)	(25)
Other comprehensive income ¹	19	25	(56)	25	25	25	25	25
	72	0	0	0	0	0	0	0

¹ Refers to projected growth in accumulated donations that have been given for restricted purposes and for which the purposes have yet to be fulfilled.

STATEMENT OF CASH FLOWS

(in thousands of dollars)	08-09 Actual	09-10 Budget	09-10 Forecast	10-11 Budget	11-12 Budget	12-13 Budget	13-14 Budget	14-15 Budget
Cash flow from operations								
Cash received from clients	9,464	7,720	6,773	6,450	6,900	7,650	6,220	7,380
Parliamentary Appropriations received	44,130	49,672	52,994	51,266	48,920	48,600	43,820	43,820
Cash paid (employees and suppliers)	(60,238)	(61,141)	(62,149)	(56,681)	(55,580)	(56,401)	(62,165)	(54,425)
Interest received	464	500	75	100	100	100	100	100
Total cash flows used in operating activities	(6,180)	(3,249)	(2,307)	1,135	340	(51)	(12,025)	(3,125)
Cash flow from investing activities								
Acquisition of property and equipment	(7,488)	(8,102)	(5,425)	(3,000)	(3,000)	(3,000)	(11,000)	(2,000)
Decrease in restricted cash and cash equivalents	(2,083)	3,003	2,383	(2,406)	(2,205)	(1,899)	9,975	975
Total cash flows from investing activities	(9,571)	(5,099)	(3,042)	(5,406)	(5,205)	(4,899)	(1,025)	(1,025)
Cash flows from financing activities								
Funding for the acquisition of property and equipment	9,935	8,102	5,425	3,000	3,000	3,000	11,000	2,000
Restricted contributions and related investment income	1,831	850	1,656	1,875	1,965	2,050	2,150	2,250
Total cash flows from financing activities	11,766	8,952	7,081	4,875	4,965	5,050	13,150	4,250
Increase (decrease) in cash and cash equivalents	(3,985)	604	1,732	604	100	100	100	100
Cash and cash equivalents, beginning of the year	10,350	8,137	6,365	8,097	8,701	8,801	8,901	9,001
Cash and cash equivalents, end of the year	6,365	8,741	8,097	8,701	8,801	8,901	9,001	9,101

SCHEDULE OF OPERATING AND CONTRIBUTION REVENUE

(in thousands of dollars)	08-09 Actual	09-10 Budget	09-10 Forecast	10-11 Budget	11-12 Budget	12-13 Budget	13-14 Budget	14-15 Budget
Operating revenue								
Bookstore and publishing	2,190	2,260	1,947	1,980	2,090	2,295	2,000	2,200
Admissions	1,761	1,900	1,344	1,055	1,200	1,550	1,200	1,500
Parking	892	900	875	800	800	900	800	850
Interest	464	500	75	100	100	100	100	100
Sponsorship	660	500	502	500	600	600	300	600
Traveling exhibitions	183	175	155	175	185	195	205	215
Rental of public spaces	767	600	700	700	725	750	350	600
Art loans-recovery of expenses	116	125	173	150	150	150	150	150
Memberships	672	775	702	750	775	800	825	850
Audio guides	152	150	100	60	80	100	75	100
Food services	62	70	65	70	75	80	85	85
Educational services	194	240	192	180	200	210	210	210
Other	46	25	18	30	20	20	20	20
	8,159	8,220	6,848	6,550	7,000	7,750	6,320	7,480
Contributions								
From National Gallery Foundation	1,676	750	1,549	1,775	1,865	1,950	2,050	2,150
From others	387	100	107	100	100	100	100	100
	2,063	850	1,656	1,875	1,965	2,050	2,150	2,250
	10,222	9,070	8,504	8,425	8,965	9,800	8,470	9,730

CAPITAL BUDGET

(in thousands of dollars)	08-09 Actual	09-10 Budget	09-10 Forecast	10-11 Budget	11-12 Budget	12-13 Budget	13-14 Budget	14-15 Budget
Unused appropriations for the purchase of capital assets at beginning of year	4,193	6,028	6,640	6,289	8,670	10,850	12,724	2,724
Capital appropriations	9,935	5,074	5,074	5,381	5,180	4,874	1,000	1,000
Capital funding available	14,128	11,102	11,714	11,670	13,850	15,724	13,724	3,724
Purchase of capital assets	7,488	8,102	5,425	3,000	3,000	3,000	11,000	2,000
Unused appropriations for the purchase of capital assets at end of year	6,640	3,000	6,289	8,670	10,850	12,724	2,724	1,724
Capital assets								
Net book value at beginning of year	91,530	93,406	92,034	91,561	88,663	85,765	82,617	87,219
Capital additions	7,488	8,102	5,425	3,000	3,000	3,000	11,000	2,000
	99,018	101,508	97,459	94,561	91,663	88,765	93,617	89,219
Less amortization:								
Amortization of building	3,898	3,898	3,898	3,898	3,898	3,898	3,898	3,898
Amortization other	1,370	2,627	2,000	2,000	2,000	2,250	2,500	2,500
Loss on disposal of leasehold improvements	1,716	0	0	0	0	0	0	0
	6,984	6,525	5,898	5,898	5,898	6,148	6,398	6,398
Net book value at end of year	92,034	94,983	91,561	88,663	85,765	82,617	87,219	82,821