



National Gallery of Canada

David Baxter - Deputy Director, Administration and Finance

Annual Public Meeting – December 1, 2008

Good evening, ladies and gentlemen. It is a pleasure to be here tonight.

It's my job to tell you about the perhaps less glamorous side of the museum, but nevertheless a very important aspect of the Gallery's business; namely, our guiding principles, the resources available to us and how we as an institution utilize these resources.

So let's talk about the basic principles on which the National Gallery of Canada operates. As you know, the National Gallery of Canada is a Crown Corporation and falls under the portfolio of the Minister of Canadian Heritage.

The National Gallery of Canada's guiding principles are sound governance, accountability and excellence. We operate according to the government's best practices and priorities; that is to say, as an institution we endeavour to be fully transparent and accountable for the public funds with which we have been entrusted.

Last year, these principles were tested. As you may know, the Gallery participated in the first round of the Government of Canada's Strategic Review process. This process confirmed the value of the Gallery's programs and activities, its delivery models and the efficiency of its operations. In other words, it confirmed the Gallery's significant value to Canadians locally and across the country.

As you can see from this slide, government appropriations for operations have remained relatively constant over the past decade. In 2007-2008, the Gallery received \$51.9 million. This included \$8 million devoted to acquisitions.

You will note a significant increase in the Gallery's capital budget for 2007-08. This increase is attributable to the special funding for urgent repairs to the building, made available through the support of the Minister of Canadian Heritage and the Government of Canada.



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With relatively fixed appropriations, and to address the many challenges it faces from inflation and other issues, the Gallery supplements its appropriations through revenue generating activities. In addition, the National Gallery of Canada Foundation and its patrons secure private funding to support its acquisitions, outreach and programming activities. I can only reiterate what Mr. Théberge said about how grateful we are to them for their ongoing support.

I am particularly pleased to point out that the Gallery has been very successful in raising the level of its self-generated revenues from 15% to 18% of its total annual financial resources. This equates to approximately \$11.5 million for 2007-08.

This is particularly gratifying in the face of increased competition for Canadians' leisure time and a reduced tourism market. Our overarching goal is always to balance our budgets.

The Gallery maintains a strong financial control framework and ensures that it has the appropriate controls and procedures in place to manage the financial resources entrusted to it. We have consistently achieved balanced budgets and are set to accomplish that goal again this year. So now let's move on to the Gallery's expenses...

The Gallery's budgets are allocated to support its four main activities:

- a) Stewardship of the Collection, which includes acquisitions and the storage, care and safekeeping of the vast number of works in the collections;
- b) Outreach and Exhibitions, which includes education, exhibitions, publications and web access and the loan of exhibitions across the country;
- c) Building Operations and Security;
- d) Administration and Governance, which includes the normal elements of administration as well as the cost of our commercial operations, such as the bookstore and special events.
- e) As you can see from this slide, a high percentage of the financial resources available to the Gallery are allocated to non-discretionary costs including, amongst others, care of the facilities, security and payments in lieu of taxes.

After taking these and other costs into account, 23% is available for outreach and public programming.

Through creative partnerships and strong management, the Gallery has consistently delivered on its mandate and maintained the excellence of its public programming, both in the National Capital Region and across the country. Joanne will tell you more about the levels of participation in public programming. Suffice it to say that we are very pleased with the results!



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I think it would be fair to say that we all love the Gallery's iconic building here at 380 Sussex Drive, designed by Canadian architect Moshe Safdie. It has become a landmark in downtown Ottawa. As many of you know, this beautiful building celebrated its 20th anniversary this year. But even contemporary buildings like this require maintenance and capital investment, and ours is no exception. So we cannot be surprised that it is now experiencing what we term as "life-cycle" issues.

Important work has begun to address some of the now urgent infrastructure issues and repairs. In order to complete this essential work, special funding has been provided to the Gallery over a three-year period by the Government of Canada. We are grateful to the Minister of Canadian Heritage and the Government of Canada for providing this additional one-time funding. This past fiscal year, the Gallery initiated a number of capital projects to address urgent building initiatives. Some of the major projects include window replacements, elevator upgrades, high access equipment, high density shelving for art storage vaults, automating interior gallery doors for better accessibility, fire system upgrades and building automation system upgrades. Action Plans are developed on an annual basis with the objective of minimizing disruptions to Gallery operations, ensuring safe and secure facilities for both the public and staff, maintaining high standards in quality of workmanship and maximizing value for this significant investment of public funds.

The Gallery takes the safety and security of the collection and the building's occupants, both visitors and staff, very seriously and considers it a key priority. The Gallery operates its facilities in a cost-efficient manner and has consistently performed well in annual benchmark studies. The Gallery remains committed to providing a welcoming, engaging, stimulating and secure experience to all its visitors.

Recognizing changing diversity and demographics, the Gallery continually strives to meet the evolving needs of Canadians and our international visitors.

This past year, the Gallery undertook a number of initiatives to improve the overall visitor experience. One of our most important new initiatives in customer service was the launch of the SHOP NGC site in the spring of 2007. And speaking of the Bookstore, it is open tonight, but if you don't have time, you can always shop online!

Thank you for your attention and your continued support.