

Performance Summary

Table 1: Performance Measurement

Performance Measures	2007-08 Original Target	2007-08 Revised Target	2007-08 Actual
Quantity			
Weighted average cost of borrowing during the year	6.50%	6.75%	6.67%
Capacity to provide services	\$2.21M	\$2.21M	\$2.18M
Quality			
Borrowing rate margin compared to Industry peers	≤0.20% variance	+0.10% variance	+0.11% variance
Investment portfolio:			
Investment portfolio return above benchmark ¹	>indices	>indices	-0.02%
Volatility of investment portfolio return against benchmark ¹	±0.25%	±0.25%	-0.02%
Stakeholder satisfaction ²	≥5	≥5	5
Timeliness			
Quotes issued within three working days ³	100%	100%	100%
Funding available within five working days	100%	100%	100%

1. The benchmark is the weighted relevant UBS Warburg indices. The benchmark return for 2007-08 was 7.10% and the Corporation achieved a return of 7.08%.

2. A stakeholder satisfaction rating is obtained from government business divisions, the government owned corporation and local government authorities. Ratings range from 1: extremely dissatisfied to 6: extremely satisfied.

3. A quote is the response to a request for financial information relating to a loan by a government business division or the government owned corporation.

Performance Measure Analysis

The Corporation achieved its performance targets in all areas except investment portfolio performance to benchmark.

The cost of borrowing target was raised from 6.50 per cent to 6.75 per cent to reflect the volatile conditions in financial markets and the effect of the credit crisis that developed during year. The actual outcome was 6.67 per cent, slightly below the revised target and only 0.17 per cent above the original target.

The investment portfolio returned 0.02 per cent below target. This result was affected by the volatile investment conditions during the year and by the decision to maintain high levels of cash.

The cost of providing services was about \$0.2 million below estimate, primarily due to savings in Territory bond holder costs.

The quality measures show that the Corporation achieved borrowing levels close to industry benchmarks and to that of similar borrowing authorities in other Australian states and territories.

The Corporation rated highly in all categories from all respondents to the stakeholder survey.

Timeliness measures for processing loans and responding to client requests were met at the required level.

Table 2: Financial Summary of Income Statement

	2007-08	2006-07	2005-06	2004-05	2003-04
	\$000	\$000	\$000	\$000	\$000
Revenue	174 063	162 296	166 339	174 970	187 896
Expenses	149 084	138 648	140 227	149 908	162 922
Profit before Tax	24 979	23 648	26 112	25 062	24 974
Tax Expense	7 494	7 094	7 834	7 519	7 492
Net Profit after Tax	17 485	16 554	18 278	17 543	17 482