

Performance Summary

Table 1: Performance Measurement

Performance Measures	2007-08 Actual	2008-09 Revised Budget	2008-09 Actual	2009-10 Estimates
Quantity				
Weighted average cost of borrowing during the year	6.67%	5.50%	5.96%	6.00%
Capacity to provide services	\$2.18M	\$2.21M	\$2.09M	\$2.21M
Quality				
Borrowing rate margin compared to industry peers	+0.11% variance	+0.15% variance	+0.13% variance	<0.20% variance
Investment portfolio:				
Investment portfolio return above benchmark ¹	-0.02%	>indices	-0.02%	>indices
Volatility of investment portfolio return against benchmark ¹	-0.02%	+0.25%	-0.02%	+0.25%
Stakeholder satisfaction ²	5	≥5	6	5
Timeliness				
Quotes issued within three working days ³	100%	100%	100%	100%
Funding available within five working days	100%	100%	100%	100%

1. The benchmark is the weighted relevant UBS Performance indices. The benchmark return for 2008-09 was 6.73% and the Corporation achieved a return of 6.71%.

2. A stakeholder satisfaction rating is obtained from government business divisions, the government owned corporation and local government authorities and the Treasurer. 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 for the weighted average cost of borrowing during the year and the Government's investment portfolio performance relative to benchmark.

The change in financial market conditions during the year saw the cost of borrowing target reduced from 7.25 per cent to 5.50 per cent. The actual outcome achieved was 5.96 per cent. However, the weighted average cost of borrowing drops to 5.18 per cent when short-term promissory notes are excluded.

The borrowing margin has steadily increased during the course of the 2008-09 financial year due to the distortion in the market as a result of the Commonwealth guarantee applied to wholesale issuances by banks and other qualifying ADIs in October 2008.

The Government's 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 \$0.3 million below estimate, primarily due to savings in Territory Bonds holder costs and consultant costs.

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

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 also met.

Table 2: Financial Summary of Income Statement

	2008-09	2007-08	2006-07	2005-06	2004-05
	\$000	\$000	\$000	\$000	\$000
Revenue	160 175	174 063	162 296	166 339	174 970
Expenses	141 102	149 084	138 648	140 227	149 908
Profit before Tax	19 073	24 979	23 648	26 112	25 062
Tax Expense	5 722	7 494	7 094	7 834	7 519
Net Profit after Tax	13 351	17 485	16 554	18 278	17 543