Table 1: Explanation of budget aggregates and how they are calculated

Budget aggregate	Explanation	Calculation
Underlying cash balance (UCB)	A cash measure that shows whether the Government has to borrow from financial markets to cover its operating activities and net investments in non-financial assets used in the provision of goods and services.	Net cash flows from operating activities *plus* Net cash flows from investments in non-financial assets *equals* ABS GFS cash surplus/deficit *plus* Principal payments of lease liabilities *equals* Underlying cash balance
Headline cash balance (HCB)	A cash measure that shows whether the Government has to borrow from financial markets to cover its operating activities, net investments in non-financial assets used in the provision of goods and services, and net investment in financial assets for policy purposes.	Underlying cash balance *plus* Net cash flows from investments in financial assets for policy purposes.
Net operating balance (NOB)	An accrual measure that shows whether the Government has to borrow from financial markets to fund its operating activities.	Total revenue from transactions *less* Total expenses from transactions
Fiscal balance (FB)	An accrual measure that shows whether the Government has to borrow from financial markets to cover its operating activities and net investments in non-financial assets used in the provision of goods and services.	Net operating balance *less* Net capital investment in non-financial assets.
Net debt	A common measure of the strength of the Government's financial position comprising liquid financial assets and interest bearing liabilities.	Sum of interest bearing liabilities *less* Sum of selected financial assets (cash and deposits, advances paid and investments, loans and placements).