Can Jess Wilson do it?

(Op-ed article published in *The Australian Financial Review*, 5th November 2026)

If published opinion polls are to be believed, Victorians appear set to entrust the Liberals and Nationals to undertake the task of putting their state's finances back on a sustainable footing.

That in turn means that it's appropriate to examine how well-prepared the Liberals and Nationals are for that Herculean challenge.

The 2026-27 Victorian Budget, presented in May, predicted that the state's 'general government' sector would incur cash deficits totaling $30.5 billion over the four years to 2029-30, resulting in an increase in 'general government' net debt of $34.0 billion, to $199.3 billion, by the end of the 2029-30 financial year.

The recently-released Economic and Fiscal Update, revised down that latter estimate to $197 billion, largely because of a lower-than-previously-forecast outcome for the 2025-26 financial year. Unlike the equivalent document released before the 2022 election, the latest update didn't include any revised estimates of the cash deficit. But based on the updated estimates for net debt, they are unlikely to have materially changed from those presented in the May Budget.

So long as the Victorian Government continues to run cash deficits, it cannot begin to start paying down debt: indeed, it cannot stop running up debt for as long as it continues to run cash deficits.

In that context, Opposition Leader Jess Wilson's commitment to "a cash surplus by 2032" is an important statement of intent.

But will a Liberal-National Coalition Government, if that's what Victorian voters choose on 28th November, be able to meet that commitment?

The *Financial Review*'s Emma McGrath-Cohen and Sumeyya Ilanbey reported on Sunday that the Coalition has thus far made new spending commitments totalling $8 billion over the four years to 2029-30, offset by savings totalling $24.8 billion "over the next decade", of which $22 billion (so the Coalition say) will come from a "public service hiring freeze" on "back-office roles".

Assuming purely for the sake of illustration that the proposed savings of $24.8 billion accrue evenly over the next decade – a flattering assumption, because it's more likely that in practice that they will 'start small' and increase over time. But on that assumption, that represents a reduction in the cash deficit of about $1.25 billion in the current financial year (which will be half-over by the time a new Government is installed) and $2.65 billion a year over the following nine years.

Similarly, assuming that the $8 billion of new spending commitments are evenly distributed over the four years to 2029-30, that amounts to $1 billion in what's left of 2026-27 and $2.3 billion a year over the following three years.

So the net effect of the Coalition's promises thus far is to reduce the cash deficit by $250 million in 2026-27, and by an average of $350 million a year over the following three years.

That's not going to make much difference to cash deficits that are otherwise likely to be averaging more than $7.5 billion a year over the next four years.

And it's nowhere near enough to inspire confidence in reaching a cash surplus by 2031-32.

If the Liberals and Nationals aren't willing to give a clear idea, before the election, of how they plan to achieve a cash surplus, whether by 2031-32 or (ideally) sooner, they may well encounter substantial difficulties enacting whatever measures they eventually decide to pursue towards that end.

That's because, even if they secure a majority in the Legislative Assembly, they're unlikely to in the Upper House. And if they haven't secured a 'mandate' for spending cuts of the order required to achieve a cash surplus, by indicating what they'd do and how'd they'd do it, the parties which comprised a majority in the Upper House would likely feel entitled to block the relevant legislation – just as the Opposition, minor parties and independents blocked most of the Abbott Government's first budget, which contained lots of spending cuts which the Coalition had pledged not to implement during the preceding election campaign.

The argument sometimes put in defence of the Liberals' and Nationals' reluctance to spell out how and where they would cut spending, that they can't do this "until they've seen the books", is at best disingenuous. It's no longer credible for newlyelected governments to emerge from their first briefings with Treasury officials decrying that their predecessors had "lied about the condition of the nation's, or the state's, finances", that "the cupboard is bare and we therefore can't keep our promises". That's because, in Victoria, as in every other Australian jurisdiction except Queensland and South Australia, there is now a requirement for a Pre-Election Fiscal and Economic Outlook (PEFO) to be issued shortly after the commencement of the formal election campaign period.

In other words, Labor may well have made a mess of Victoria's finances – but they haven't concealed or lied about it.

If the Liberals and Nationals truly intend to clean up that mess, it's incumbent on them to 'come clean' with the people of Victoria as to how they're going to do it. Otherwise they may well find the task beyond them.