Despite the Treasurer, Scott Morrison, describing the federal budget as " not a centrepiece ", it has always been regarded as just that – the centrepiece of fiscal policy in Australia.

Any changes in federal taxes and expenditure are intended to achieve good outcomes for Australia's economy, such as low unemployment, price stability and economic growth. In economic terms, government spending should increase and tax receipts fall during downturns in the economy, and the opposite should happen when the economy is booming. This is how the government is able to balance out cycles in spending by the private sector.

Importantly, the budget is made up of more targeted fiscal policies (referred to as "discretionary" by economists) as opposed to automatic processes (referred to as "stabilisers"). The distinction between the two is important.

Automatic processes refer to when government taxes and expenditure generally increase and decrease with the business cycle. They are automatic because these changes in taxes and spending occur without the government having to do anything.

For example, when the economy is growing strongly, employment increases and unemployment falls. This results in unemployment benefit payments to workers, who were previously unemployed, automatically decreasing.

Also, when the economy is expanding, expenditure and incomes for workers and for businesses rise and the amount the government collects in taxes increases. When economic growth slows or becomes negative, the opposite occurs: the amount the government collects in taxes will fall and expenditure on unemployment benefits will rise.

With more targeted fiscal polices, the government takes actions to change spending or taxes. But although the budget is the centrepiece, it is not a very effective means of managing the economy.

The government and parliament have to agree on changes in fiscal policy. The treasurer initiates a change in fiscal policy through the budget in May each year. This must be passed by both houses of federal parliament, which can take many months (some measures have been blocked by the Senate for much longer).

Even after a change in fiscal policy has been approved, it takes time to implement. Suppose, for example, that parliament agrees to increase spending on infrastructure to create "jobs and growth". It will probably take several months or more to prepare detailed plans for construction projects.

State or territory governments will then ask for bids from private construction companies. Once the winning bidders have been selected, they will usually need time to organise resources, including hiring labour, in order to begin the project.

Only then will significant amounts of spending actually take place. This delay may well push the spending beyond the end of the low point in the economy that the spending was intended to counteract.

Indeed, if the economy has recovered by the time the construction and related jobs come on board then the government spending will mean a shortage of labour in other parts of the economy and few or no new jobs (unless shortages are filled through migration).

Because the budget is a very difficult means of carrying out targeted fiscal policy, it's become more important as a centrepiece for the government to set out its broad economic strategy – its goals and how to achieve them. But it seems that both major parties are failing even with this goal.

In recent years the view of most economists has been the need to reduce the structural budget deficit and the level of government debt. In 2016-17 net government debt stood at A$326 billion, and was forecast in last year’s budget to increase until at least 2018-19. There is also quite widespread acceptance that our tax system is in need of reform

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There are two glaring omissions from recent federal budgets of both major parties: any plan to significantly reduce the deficit any time soon, and any proposal to embark on meaningful tax reform.

The Rudd and Gillard governments will be remembered for Wayne Swan's budgets, which consisted of new spending initiatives including the National Disability Insurance Scheme, the National Broadband Network, and the Gonski education funding reforms, but featured no plan to raise revenues to fund them and manage the huge subsequent debts.

Joe Hockey and Tony Abbott's attempt in the 2014 budget to address government deficit and debt was regarded as a disaster , resulting in the demise of both as leading politicians. Morrison and Prime Minister Malcolm Turnbull are desperate not to make the same mistake, and this severely limits their capacity to do anything meaningful to tackle the deficit and debt issue.

The major problem with successive budgets is that they have not provided a cogent strategy for improving living standards, including addressing inequity for the most disadvantaged Australians, which can only be achieved through economic growth.

Growth entails taking materials, labour and capital to produce goods and services of greater value that people want at prices they are willing to pay. This is best done by the private sector and cannot arise from wasteful government expenditure, accumulating debt or fiddling at the edges with markets, through such things as changes to superannuation or housing finance.

Growth and jobs can only arise from value-adding activities and government policies which facilitate this such as reducing debt, promoting free trade, reducing restrictions on business and labour market reform. This is hard to do and far more difficult than easy options, which explains why we can expect little from the budget to address real reform.

Phil Lewis does not work for, consult to, own shares in or receive funding from any company or *organisation that would benefit from this article. He also has no relevant affiliations. During his career he has received funding from many private and public sector organisations including most recently the ARC, NCVER, DEEWR, the AFPC, ABLA and CPA Australia.*

Read more http://theconversation.com/the-real-reason-scott-morrison-is-playing-down-the-budget-76311