Introduction

A Cheann Comhairle,

When the Government took office in March 2011 we set out a plan to regain control of Ireland's fiscal and economic policies, to grow the economy and to get people back to work. Many people both inside and outside this House believed that we as a Government would fail and opposed each and every step we took along the way.

But, A Cheann Comhairle, the Government did not fail. We exited the bailout. The public finances are under control. The Irish economy is growing at the fastest rate among developed economies. The rate of jobs creation in Ireland is one of the fastest in Europe.

We are ahead of our planned fiscal targets and we have managed to achieve this progress with less tax increases and fewer expenditure cuts than envisaged in 2011. We have succeeded in key negotiations over our EU and IMF loans and on the promissory notes.

The road we have travelled to get to this point has been very difficult and the Irish people have made major sacrifices, but the policies pursued by this Government have worked and the recovery in the Irish economy is well underway.

The recovery has not spread across the country yet and many families have yet to experience it. The Government is fully aware of this fact. For many people, the recovery will only come when they get a job. For some, the recovery will only come when they see more money in their pockets. For many families, the permanent return of a loved one who has emigrated will mark the end of the crisis and the start of the recovery.

Budget 2015 is about securing the recovery, building for the future and broadening it to families across the country. This Government will not be returning to the boom and bust model of the past that has spectacularly and repeatedly failed the Irish people.

We must secure a new economy for a new Ireland.

Of course, we must continue to deal with the legacy issues of the economic crisis, and we will.

But today is about looking forward. It is about building for the future upon this solid foundation that has been so painstakingly laid.

Macro-economic, fiscal and financial framework

As a result of the policies pursued by this Government and the sacrifices of the Irish people, the macro-economic and fiscal framework underpinning this year's Budget is far more favourable than in previous years.

The recovery is gaining momentum. While exports are continuing to grow, the recovery is broadening with domestic sources of growth, consumer spending and investment, contributing positively for the first time since 2007. We have now had seven consecutive quarters of solid annual employment expansion and we have now seen an increase in employment of over 70,000 people at work since the low-point in early-2012. Unemployment, while still too high at 11.1%, is at its lowest level in five-and-a-half years and has now fallen for 27 months in a row.

My Department is forecasting a continuation of this trend and expects unemployment to fall to an average of just above 10% next year. It is clear that the measures introduced to support job creation in key sectors of the economy are working. My Department estimates there will be around one million, nine hundred and twenty thousand people in work by the end of this year; this is over 80,000 higher than at the low-point two and a half years ago. By the end of 2015, it is anticipated that the increase from the low-point will be around 128,000 and we expect to have two million people at work in 2016.

The evidence of the growing economy can be seen in the public finances. Throughout the course of 2014, taxes have grown steadily and my Department is projecting an outturn of over €41 billion; €1 billion ahead of profile. Thanks to this strong revenue growth, effective expenditure management and the impact of European statistical changes, the forecast deficit for 2014 is 3.7% of GDP. This is well inside our Excessive Deficit Procedure target of 5.1% and the 4.8% target on which we built the Budget for 2014.

My Department is forecasting GDP growth of 4.7% this year. On a no policy change basis, the Department is forecasting real GDP growth in 2015 of 3.6%. These forecasts are prudent and were endorsed by the Irish Fiscal Advisory Council. However, as a result of the package of measures I am introducing today, the GDP growth forecast in 2015 has been revised up to 3.9%. In 2016, the growth rate will be 3.4%. In 2017, the growth rate will be 3.4%. In 2018, the growth rate will be 3.4%. This is the type of solid and steady economic growth that we want in the coming years.

The Government's strategy to reduce the burden of our debt by improving the terms of our EU/IMF loans and the promissory note, minimising future borrowing requirements by reducing the deficit and by growing the economy is working.

The forecast debt to GDP ratio for end 2014 is under 111%. When account is taken of cash balances and other financial assets, the 2014 net debt forecast is just below 91%. Furthermore, a debt reducing primary surplus of 0.3% of GDP will be achieved this year. However, our debt is still high by comparison to many of our fellow EU members so we need to continue this approach. Not only will this make the debt more sustainable, it will also minimise the cost to the taxpayer of interest paid on the national debt.

This is the backdrop to today's Budget. Prudent and responsible budgeting has got us to this point. Prudent and responsible budgeting will be how we will continue. Each year, this Government has set ambitious deficit reduction targets, often inside those required under the Stability and Growth Pact, and each year we have beaten these targets. This approach has been a key factor in restoring market access and in successfully exiting the EU/IMF programme last year. Investor confidence in Ireland has returned and our 10 year sovereign bond yields are down to record lows, trading at 1.72% this morning.

The three major agencies, Moody's, S&P and Fitch, all upgraded their rating of our long term debt during 2014, with two of them moving us into the A grades.

That is why I am targeting a deficit of 2.7% in Budget 2015, ahead of the required target of 2.9% of GDP. I think that it is appropriate to go beyond our requirements under the Stability and Growth Pact in order to build upon the progress made to date. Achieving a deficit below 3% does not signal an end to fiscal prudence in Ireland. Exceeding our target in 2015 will underpin solid, steady economic growth into the medium term and it is a further step on the way to balancing the budget. Even so, these figures do not fully reflect the progress that we are making as an element of the surplus income due from the Central Bank in 2015 is being used to only reduce the debt. If the entire surplus income was counted for deficit reduction, the forecast deficit would be 2.5% next year.

This prudent approach further improves our debt sustainability. We are making significant progress and we are forecasting that our gross debt ratio will drop below 100% of GDP in 2018, ahead of the reduction required by the Stability and Growth Pact.

Total general government revenue will be €65.2 billion in 2015 and total general government expenditure will be €70.5 billion. Expenditure under the Government Expenditure Ceiling, consisting of gross voted expenditure along with expenditure funded by the Social Insurance Fund and the National Training Fund, will be €53.6 billion.

Minister Howlin will set out full details of his 2015 expenditure allocations and publish the Ministerial Expenditure Ceilings.

Corporation Tax Reform

Since coming to office, the Government has provided vital supports to indigenous industry to grow and create jobs, such as the Jobs Initiative for the tourism sector, the tax reform plan for SMEs and measures such as the Home Renovation Incentive for the construction sector. We have introduced significant reforms and improvements to our corporate tax system, and last year I introduced changes to address 'Stateless companies'.

Today I am publishing a Road Map to secure Ireland's place as the destination for the best and most successful companies in the world. There are many changes taking place globally in corporate tax. The key role the corporate tax regime plays in attracting investment is recognised by all developed economies and our competitors for foreign direct investment are introducing enhancements to their systems to attract investment.

For over 60 years, foreign direct investment has been a cornerstone of Ireland's economic development. We have competed for and won major investment into Ireland and Europe from some of the largest and most successful companies in the world. With over one hundred and sixty six thousand people employed in over one thousand one hundred companies, the Irish foreign direct investment sector has real substance. Our competitive corporate tax system plays a key role. Ireland's corporation tax strategy has three key elements: Rate, Regime and Reputation. I will deal with each issue in turn.

The 12.5% tax rate remains at the heart of this. The Government has successfully protected the 12.5% tax rate in recent years. The 12.5% tax rate never has been and never will be up for discussion. The 12.5% tax rate is settled policy. It will not change.

The Road Map responds to a changing international environment and ensures that we continue to attract and retain companies of real substance offering real jobs. The Road Map will:

- improve Ireland's R&D regime by fully phasing out the R&D base year from the 1st of January 2015;
- enhance Ireland's existing intangible asset tax provisions to make Ireland an even more attractive location for companies to develop intellectual property;
- improve SARP, the special assignee relief programme; and
- increase the resources of the Revenue Commissioners in its role as 'competent authority';

I am also going to extend:

- the three year corporation tax relief for start-up companies; and
- the accelerated capital allowances scheme for energy efficient equipment for a further three years.

Companies now invest as much or more in knowledge-based capital as they do in physical capital such as plant and machinery. Consequently, I intend putting in place a 'Knowledge Development Box' along the lines of patent and innovation boxes which have existed for many years in countries that compete with us for foreign direct investment. I am launching a public consultation process to gather views on how the Knowledge Development Box should operate and I plan to legislate for it in next year's Finance Bill or as soon as EU and OECD discussions conclude. My intention is that the Knowledge Development Box will be best in class and at a low competitive and sustainable tax rate. This intellectual property offering will be a key element in attracting future foreign direct investment to Ireland.

Aggressive tax planning by multi-national companies has been criticised by Governments across the globe and has damaged the reputation of many countries. Schemes that exploit mismatches in tax legislation are being heavily scrutinised by the OECD and others and through the Base Erosion and Profit Shifting project they will come to an end over time.

The so called “Double Irish” is one of many such schemes. I am abolishing the ability of companies to use the “Double Irish” by changing our residency rules to require all companies registered in Ireland to also be tax resident. This legal change will take effect from the 1st of January 2015 for new companies. For existing companies, there will be provision for a transition period until the end of 2020.

This proactive change will not bring an end to international tax planning; that requires co-ordinated action by all countries. By taking action now and making this change as part of a broader reform of our corporate tax system, we are giving certainty to investors about corporate tax in Ireland for the next decade.

These measures will enhance Ireland’s corporate tax regime and align it with best practice internationally. It will ensure that Ireland continues to be the home of the best and most successful companies in the world. It will attract and retain companies with real substance offering real jobs.

Full details of all the measures I am announcing today will be included in the Finance Bill.

IFSC

These corporation tax reforms will also support our International Financial Services Sector. Over 33,000 highly skilled professionals are employed in International Financial Services in Ireland and a new Strategy for Financial Services in Ireland is currently being developed and will be launched next year. The strategy will identify and lay out actions to successfully develop the opportunities to grow the sector in this globally competitive market and increase the numbers employed.

Farming and agri-food sector

Farming is our largest indigenous industry with an annual turnover of about €26 billion and 170,000 employees. It is not only important because of the number of people it employs but also because of where it employs those people – in every townland and along every byroad in Ireland.

I am publishing today the Agri-Taxation Review, which I announced in last year’s Budget. Arising from the recommendations in the Review, I am introducing a number of tax measures to support farming.

There will be no milk quotas from 2015 leading to new opportunities that we can exploit but we need to make additional land available to young and active farmers. Therefore, to encourage the long term leasing of land and improve productivity, I am:

- increasing the income tax exempt thresholds by 50% and introducing a new threshold for leases of 15 years and over;
- allowing relief where the lessee is a company;
- removing the current 40 years of age threshold for leasing relief;
- targeting CAT relief for agricultural property to ensure it is used by active farmers;
- broadening CGT retirement relief so that, for example, individuals can now lease out their land for up to 25 years prior to disposal and still be eligible for CGT retirement relief;
- extending CGT retirement relief to land let under conacre, which is disposed of, or converted to long term leasing before the end of 2016;
- extending stamp duty relief for non-residential land transfers between certain close relatives;
- removing stamp duty on agricultural leases in excess of 5 years; and
- extending CGT farm restructuring relief to the end of 2016 and broadening it to allow for restructuring through whole farm replacement.

Volatile agricultural prices make it difficult for farming families to earn a steady income over a number of years. To improve the situation, I am increasing the range for income averaging from 3 to 5 years. I am also allowing income averaging on farm income to be available to farmers who derive income from another trade or profession, if this is due to on-farm diversification. This measure will be reviewed after 3 years to assess how well it is working.

The farmers' flat rate addition for farmers not registered for VAT is being increased from 5% to 5.2% with effect from the 1st of January 2015.

In recognition of the importance of the Irish Bloodstock Industry to the rural economy and the anticipated yield of €25 million per annum from Betting Duty, the Government will be providing an additional €6 million a year for 3 years to the fund for horse and greyhound racing. The Government is also allocating additional capital of €5 million to Horse Racing Ireland in 2015 to leverage investment in race courses.

Microbreweries in Ireland have been a success story in recent years. They have expanded their market share, provided employment throughout the country, and are now making inroads into markets abroad. To further assist the development of this sector and not to stand in the way of growth, I am increasing the annual excise relief production ceiling for microbreweries from 20,000 to 30,000 hectolitres.

Marine

Having experienced the positive outcome of the Agri-taxation review, I am now proposing a similar exercise for the Marine sector. The Government has prioritised the marine as a key area for further growth under the *Harnessing Our Ocean Wealth* Strategy, with a target of doubling the value of Ireland's blue economy by 2030. I am keen to ensure there is a supportive financial environment underpinning this target and so I intend to review the financial and taxation supports and opportunities available to the marine sector. This exercise will not cover offshore petroleum exploration and production, as a revised taxation regime for this area has already been determined. My Department will work closely with the Marine Co-ordination Group to examine strategic measures that could be introduced to help Ireland as an island nation to fulfil its potential in the marine area

Film

The new Irish film tax credit scheme is due to commence in 2015 and I am very pleased that it has been broadly welcomed by the film industry.

The film industry is very important to modern Irish culture and to the economy, not just in terms of jobs but also indirectly through tourism promotion. As the new scheme beds down next year, I will be monitoring how it works and how it can be improved. One of the issues that I will consider in the context of Budget 2016 is a possible increase to the €50 million cap on eligible expenditure, subject of course to resource constraints.

Tourism

Tourism delivers income and jobs in every town and city and to every corner of our country. The abolition of the air travel tax last year will result in over one million extra passengers through additional capacity on many existing routes, as well as the introduction of new services. The reduced 9% rate of VAT on tourism related activities has been a great success and there are now an extra twenty three thousand employed in the sector since mid-2011.

This initiative is delivering and I am retaining the 9% VAT rate for these services. In the light of reports of rising prices in this sector, it is incumbent on the industry to ensure that this relief continues to be passed through fully to the consumer. However, let me be very clear, the taxpayer cannot be the only stakeholder keeping costs down in the sector. If prices begin to rise, the case for retaining the measure diminishes.

The reduction in the VAT rate for tourism services to 9% was funded by the 0.6% Pension Levy I introduced in the Jobs Initiative in 2011 and continued in the Budget last year. Without the Pension Levy there would have been no VAT reduction. This is a fact. Not only would this have meant that the thousands of jobs that have been created in the sector may not have been created but that thousands of existing jobs could have been at risk. As a result of the overall improvement in the country's finances, I am now in a position to continue the VAT reduction but I am also ending the 0.6% Pension Levy at the end of 2014. The additional 0.15% Pension Levy I introduced for 2014 and 2015 will expire at the end of 2015.

Private and Social Housing Market

Every economy needs a fully functioning property market. Despite progress in recent years, the market is not currently meeting the needs of our citizens. This is evident in private housing, in social housing and in the rental market, particularly in Dublin. There is strong demand for housing but insufficient supply. The State alone cannot meet the private and social housing needs of all our citizens. Nor can the State use taxpayer's money to subsidise private building and construction companies or guarantee their debts and liabilities.

Under the Construction 2020 strategy, the Government is removing blockages from the system to get the market moving, to generate building activity and to increase supply. Across Government, we are taking action to support the private and social housing and rental sectors by addressing issues in relation to the:

- Planning Regulation and Development Systems;
- Supply of Land and upgrading of existing housing stock; and
- Financing of Private and Social Housing Development.

The Minister for Public Expenditure and Reform will address the issue of social housing in his Statement. My colleague, the Minister for Environment, Community and Local Government, has announced changes to the Planning Act and will be making further improvements to the system in due course.

To increase and improve the housing stock, I am bringing forward a number of measures.

The Home Renovation Incentive has been very successful to date with just under 9,300 homes on the HRI online system representing nearly €190 million worth of works involving some 3,000 contractors. The Incentive is generating employment in the tax compliant construction sector and increasing sales in building supplies, hardware and related businesses.

To support legitimate operators in the rental and construction sector and help upgrade the quality of private rental stock, particularly at the lower end, I am extending the Home Renovation Incentive to rental properties whose owners are liable to income tax. This means that this very successful scheme will now be available to landlords for work carried out from Budget night until the end of 2015. This will allow work to be carried out in a cost effective manner and I would expect that the savings realised under this scheme will be reflected in rent levels.

The Living City Initiative, announced in Budget 2013 and extended last year to all 6 of our cities, targets certain areas that are most in need of regeneration in these cities. Discussions with the European Commission are at an advanced stage and I am hopeful that the Local Authorities in each city - Dublin, Cork, Limerick, Waterford, Galway and Kilkenny - will be in a position to suggest final proposals for eligible areas in their cities later this year in time for the full roll-out of the Initiative in early 2015.

This is a very attractive initiative designed to bring families back into our city centres and to maximise the use of existing pre-1914 buildings by transforming them into modern homes. This initiative allows home owners to offset the entire cost of renovation against their income tax over a ten year period.

I am also removing the capital gains tax relief I introduced to incentivise the purchase of property between the 7th of December 2011 and the end of 2014. It has achieved its objective of increasing property transactions and is no longer needed.

I am removing, with effect from the 1st of January 2015, the 80% windfall tax applying to chargeable gains on the disposal or development of land which are attributable to planning decisions made since October 2009. The 33% rate of capital gains tax and other standard taxation arrangements will now apply to the property market as it does to other normal functioning capital asset markets.

To support first time buyers saving for their first home, I am introducing a refund for Deposit Interest Retention Tax or DIRT on savings used to purchase their home. This refund will apply from Budget night and will run until the end of 2017 in respect of savings up to a maximum of 20% of the purchase price. As a result, first time buyers will be able to save for their first home and retain 100% of the interest that they earn on their savings. I would expect that the banks will introduce specific savings products to support this new initiative.

The Ireland Strategic Investment Fund or ISIF under the auspices of the NTMA is exploring ways, through its commercial mandate, to support financing projects that will enhance the supply of housing. Potential options include the development of housebuilders investment funds, enabling of large scale development projects, and investment in social housing PPP projects.

There will be no return to the past where tax incentives for developers drove supply. The Government is doing its part to overcome the challenges and remove the roadblocks to a fully functioning property market. It is up to the other stakeholders to follow suit.

There is a view that owners of zoned and serviced land are waiting for higher prices and that is why they are not taking steps to develop their land or sell it to others who will. I will launch a public consultation in the coming months on this issue and, if it turns out to be a valid point of view, I will examine what taxation measures might be taken to penalise land owners who do not develop land that is already zoned and serviced.

Water Charges Relief

To alleviate the burden of the new water charges on working families across the country, income tax relief will be available at the Standard Rate in respect of water charges up to a maximum of €500 per household per year. The Water Charges Relief will be worth up to €100 per household per annum when claimed in the following year.

Business and Enterprise

I have said on many occasions that SMEs are the lifeblood of our economy and play a crucial role in economic and employment growth. This Government has introduced a range of initiatives to support the SME sector to grow and create jobs.

Financing SME growth

The Strategic Banking Corporation of Ireland, which is expected to be formally launched at the end of this month, will increase the availability of loans of longer duration coupled with more flexible conditions and potentially at lower cost.

The Permanent TSB, which will shortly recommence actively lending to the SME sector, has agreed to participate in the Credit Review Office process and Ulster Bank is actively considering making a similar commitment.

The Seed Capital scheme will be re-launched in the coming months.

I am increasing the amount of finance that can be raised by a company under the Employment and Investment Incentive to €5m annually subject to a lifetime maximum of €15m. Investment in the management and operation of nursing homes, medium-sized enterprises in non-assisted areas, and internationally traded financial services that are certified by Enterprise Ireland, will now qualify under the scheme.

I am increasing the required holding period for shares from 3 to 4 years and extending the inclusion of hotels, guest houses and self-catering accommodation in the scheme by a further 3 years.

These changes are subject to the approval of the European Commission.

Export Support

To support SMEs to grow their businesses abroad, I am improving the Foreign Earnings Deduction by:

- extending the list of countries eligible to include Mexico, Chile and certain countries in the Middle East and Asia;
- reducing the number of days that employees are required to be abroad in a year to 40 days; and
- including travel time in order to make it easier for smaller companies to send employees on trade missions.

My Department and the Department of Jobs, Enterprise and Innovation will roll-out an integrated export finance strategy in 2015 with financing products and platforms being developed by the SBCI and the Ireland Strategic Investment Fund in conjunction with Enterprise Ireland.

Income Tax Reform Plan

A fair, efficient and competitive income tax system is essential for economic growth and job creation. Income tax increases introduced between 2008 and 2011, mean that employees on the minimum wage are liable to the top rate of USC, and workers on average incomes in Ireland face a marginal tax rate of 52% on their income, when Income Tax, USC and PRSI are combined. While those who have lost their jobs have been hit the hardest in recent years, working families have seen significant falls in both their wages and take-home pay. These outcomes impact on competitiveness, are negative for economic growth and act as a barrier to job creation. Reduced take home pay also directly affects consumer confidence with serious consequences for businesses, especially retailers. We have all seen the impact of this in towns and villages the length and breadth of the country.

In each of my previous three Budgets, we have not increased income tax or USC rates nor have we reduced credits or bands. In my first Budget, I exempted 330,000 low income earners from the USC. The Government viewed this as the best possible approach to income tax policy for the early phase of our national recovery.

As we enter a new phase in the recovery, the progress made over the past three years in improving public finances, increasing economic growth and creating jobs, means the Government can focus on reforming the income tax system in a manner that positively contributes to and strengthens that recovery. These reforms will give confidence about the future and create the opportunity for businesses to grow again.

In the summer, the Government committed to delivering better living and working standards to our people. Developing a considered and focused tax reform plan that reduces the 52% marginal tax rate on low and middle income earners in a manner that maintains the highly progressive nature of the Irish tax system is a key part of this commitment. This will be delivered over a number of Budgets.

Reform starts today by making it more attractive to return to work, to stay in work and to ensure that work rewards individuals adequately. My Department estimates that a consistent series of reforms, along the lines announced today, delivered over a three year period, could boost employment levels by as much as 15,000 jobs when the full impact of the changes have taken effect in the economy.

To deliver on this plan, I am:

- Increasing the entry point to the Universal Social Charge to just above €12,000 removing 80,000 low income workers from the charge altogether;
- Increasing the entry point to the second rate of USC from just over €10,000 to just above €12,000 and the upper ceiling for this band is increasing from just over €16,000 to just above the level of the minimum wage;
- Reducing the 2% USC rate to 1.5%;
- Reducing the 4% USC rate to 3.5%;
- Increasing the Income Tax Standard Rate band by €1,000 to €33,800 for single individuals;
- Reducing the top rate of Income Tax from 41% to 40%;
- Introducing a new 8% USC rate for incomes in excess of €70,000 and an 11% rate of USC for self-employed income in excess of €100,000 to limit the benefits of these changes for the top 10% of earners; and

- Retaining the exemption from the top rate of USC for medical card holders earning less than €60,000 and these individuals will now only be liable to a maximum USC rate of 3.5%. This rate of USC is also the maximum that will apply to the over-70s who have incomes lower than €60,000.

These changes mean that everyone who currently pays income tax or USC, or both will benefit from today's Budget changes. For example:

- a part-time worker earning €12,000 will continue to face no income tax and now no USC charge;
- a minimum wage worker will now face a maximum USC rate of 3.5%;
- a working family with three children where both parents earn €50,000 each will have an additional €100 per month in their pocket; but
- all employees with incomes in excess of €70,000 will continue to face a marginal tax rate of 52%

These changes enhance the progressivity of our income tax system with the top 1% of income earners now paying 21% of all income tax and USC collected. In contrast, the bottom 76% of income earners will pay 20% of the total.

This is the first instalment of a plan to progressively reduce the 52% tax rate on low and middle income earners in a manner that maintains the highly progressive nature of the Irish tax system.

I have set the direction and the parameters for that reform today and I will follow this approach in next year's Budget and, if the Government is re-elected, this approach will be followed in the 2017 budget. We will continue to ease the burden on those in the middle in a targeted manner without giving disproportionate benefits to those on highest incomes. The 52% marginal tax rate will be lowered further while ensuring those on higher incomes continue to pay their fair share.

Progressivity will be copper-fastened by giving greater importance to USC at higher incomes so that the capacity of higher earners to shelter their income through tax breaks is significantly curtailed.

Funding tax changes

The measures I have announced today will cost an estimated €585 million next year and this cost has to be paid for.

So, with effect from midnight tonight, the price of 20 cigarettes will increase by 40 cents, with a pro-rata increase on other tobacco products. This will bring the price of cigarettes in the Most Popular Price Category to €10. In addition, a 25 gram pouch of roll-your-own tobacco will increase by a further 20 cents per 25 gram pack. Revenue is also being raised through previously provided for changes in the Betting Duty and as a result of changes in VAT rules at

EU level. Collectively, the revenue raising measures in the Budget will contribute over €167 million to the Exchequer in the coming year.

I am not raising taxes on alcohol. I am not raising taxes on petrol or diesel. I am not raising motor tax. I am not raising the Vehicle Registration Tax. I am not raising any other taxes because I am able to fund the costs of these reforms and incentives through improved tax revenues arising from economic growth and continued expenditure restraint.

Conclusion

Both the taxation and expenditure sides of this year's Budget are designed to support and broaden the economic recovery that we are now experiencing. Available resources have been carefully targeted on initiatives that will build consumer confidence, support jobs and strengthen demand in the domestic economy. The measures introduced today will put more money into the domestic economy, assist local business and retailers and drive growth right across the country.

We, as a country, have travelled a long road to get to this point. Managing an economy is not just about numbers. Without the support and resilience of the Irish people, our public finances would not now be under control and our economy would not be growing. I believe this Budget is the right approach for Ireland at this point in our recovery.

We have travelled the long road and are now at a very important crossroads. We are now facing a choice: do we return to the past; unwind the progress and structural reforms made and pursue boom and bust policies.

Or do we look forward and continue to build for a better future with a new economic model.

Colleagues will recall that Robert Frost's poem "The Road Not Taken" starts with "Two roads diverged in a yellow wood".

The road ahead of us diverges and we have a choice to make. Do we take the road frequently trodden by Irish Governments in the past, a road whose signposts are tax and spend and where one's journey is through boom to bust?

Or do we, like Frost, take the road "less travelled by"? A road whose milestones are prudence and caution. A road that delivers stable economic growth. A road that encourages investment. A road that rewards work, and creates job opportunities. A road that delivers high quality public services. A road on which our citizens have certainty about their incomes and can plan for the future without fear of another bust. A new road to a new Ireland.

I know the road this Government will take.

I commend this Budget to the House.