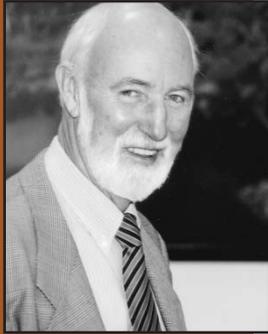


A Message from the Chairman



It is a pleasure to be able to report another successful year for TasBuild.

Returns were strong and the major highlight was the Trustee's announcement in November that from 1 January 2006 workers commenced accruing 13 weeks paid leave after 10 years of service in the industry. A substantial increase in benefits from the previously offered 13 weeks paid leave after 15 years of service.

In conjunction with this increase in worker benefits the subsidised contribution rate offered to employers reduced from 0.7% to 0.3% of an ordinary weekly wage with effect from 1 July 2006.

Tasmania is by far the leader in this area, we offer Tasmanian employers a far cheaper contributions rate than any other state or territory.

Due to prudent management of the fund the Trustee has been able to increase the benefits from the scheme. The Board are extremely proud to be able to return these benefits to the construction industry. We are reducing employment costs in the industry and at the same time securing employee access to entitlements.

In closing I would like to thank my fellow Board members for their valued support and assistance during the year and finally without the dedication and contributions from the Chief Executive Officer and staff the Trustee would not be in the strong position it is in today.

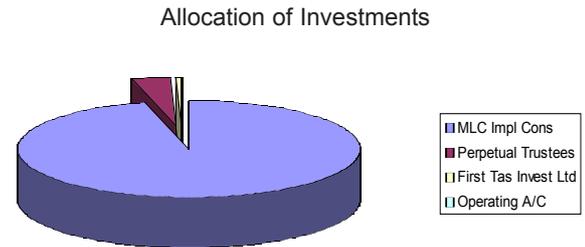
A handwritten signature in black ink, appearing to read 'Hodgman'. The signature is stylized and cursive.

Des Hodgman
Chairman



The end of the 2005-2006 financial year has resulted in more positive results for the Trustee.

Our investment performance was again strong closing the financial year with an overall investment return of 14.82%. MLC Implemented Consulting continues as the Trustee's main investment platform. MLC's performance and compliance to the Trustees agreed investment objectives are continually monitored and they continue to perform and provide the Trustee with excellent service.



The Trustee's self employed scheme which undertook significant changes effective 1 July 2005 continues to grow with membership increasing by 32.3% during the financial year. The Trustee is pleased to be able to continue to provide excellent interest rates to the scheme announcing in July the rate for 2006-2007 year has been set at 10.6%.

The implementation of the increased benefits during the year resulted in substantial changes to the Trustee's in-house database and significant testing being undertaken. Workers commenced accruing 13 weeks after 10 years from 1 January 2006, their benefits were not converted, in effect they commenced accruing quicker! The corresponding drop in the subsidised contribution rate offered to employers was well received. It continues to be a priority to market the benefits to employers of submitting their returns on time and subsequently paying their invoices on time to access this heavily subsidised rate. This is a significant saving to employers who would otherwise have to pay the full rate of long service leave (prior to 1/7/06 approx 1.67% after 1/7/06 2.5%).

We were also pleased to advise that we were successful in gaining an exemption from charging GST on employer contributions with effect from 1 July 2005. We had been working for sometime with the Government to gain an exemption from this administrative burden. The exemption came into effect for contributions from 1 July 2005 onwards. For employers who may have outstanding contributions the Trustee are still required to charge GST on all contributions between the period 1 July 2000 and 1 July 2005.

TasBuild welcomed 1,071 workers during the financial year. This resulted in the total number of active workers as at 30 June 2006 being 11,714. Employer registrations were 989. A total of 209 claims totaling in excess of \$1,035 million during the financial year were paid out. The Actuary reported a slight increase in the weekly ordinary pay rates of workers during the financial year and calculated the Trustees liability as at 30 June 2006 to be \$27.050 million, with assets of \$57.449 million the Trustee remains in a sound position.

Small claims action continues to be a priority for the Trustee with 62 new cases being instigated during the financial year. 14 further cases were handed to the Trustee's legal counsel to commence action. This will continue to remain one of the Trustees main objectives as it seeks to protect employee entitlements and maintain a level playing field within the construction industry in Tasmania.

Sponsorship assistance was again given to the VET Construction program and the Worldskills Competitions. Assistance and financial support has also been approved for the OzHelp Foundation Tasmania Inc a foundation presently being established within the construction industry. The foundation is an early intervention work based suicide prevention and social capacity building program.

A handwritten signature in black ink, appearing to read 'Maree Tomes'.

Maree Tomes
Chief Executive Officer

The Board

The Construction Industry Long Service Board is established under the provisions of the Trust Deed. The Board consists of seven members. Three members are appointed to represent employers. They are nominated by the Master Builders Association of Tasmania, the Tasmanian Chamber of Commerce and Industry and the Building Industry Specialist Contractors Association. To represent employees, three members are selected from nominations by the Construction, Forestry, Mining and Energy Union, the Australian Manufacturing Workers Union and Unions Tasmania. An independent Chairman is nominated by the Board of Directors.

The membership of the Board for the financial year was:

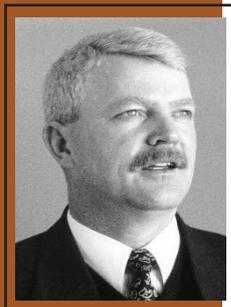
Mr Des Hodgman	Chairman
Mr Chris Atkins	Master Builders Association of Tasmania
Mr Mark Watson	Tasmanian Chamber of Commerce & Industry
Mr Michael Shepperd	Building Industry Specialist Contractors Association
Mr Tony Benson	Construction, Forestry, Energy & Mining Union
Mr Darren Hanisch	Australian Manufacturing Workers Union
Mr Kevin Harkins	CEPU - Electrical Trades Union <i>(nominated by Unions Tasmania)</i>

The Board of Directors meet on a monthly basis, in 2005-2006 the Board met on 8 occasions, refer attendance by individual Directors below. Other meetings may be held to consider specific matters that require attention between scheduled meetings.

Number of Meetings Attended 2005-2006 Financial Year

Des Hodgman	7	
Chris Atkins	6	
Michael Kershbaum	2	Alternate Director for Chris Atkins
Mark Watson	8	
Michael Shepperd	8	
Tony Benson	7	
Bill White	1	Alternate Director for Tony Benson
Darren Hanisch	5	
Kevin Harkins	5	
Nicole Wells	1	Alternate Director for Kevin Harkins

Directors of TasBuild Limited



MR CHRIS ATKINS

Representative of Master Builders Association

Chris Atkins is the Executive Director of the Master Builders' Association of Tasmania Inc., a position he has held since 2000. Starting in the workforce in 1974 Chris completed trade training as an electrical mechanic shortly thereafter sought a change in career and was employed by the Australian Customs Service stationed in Melbourne. In 1989 he was recruited by the Master Builders' Association.

Chris has achieved a Graduate Diploma in Construction Law (Melbourne University) and an Associate Diploma in Business (Accounting). He is a member of the National Institute of Accountants as a 'Fellow Professional National Accountant' (FPNA) and is a member of the Australian Institute of Company Directors. Chris also represents the Master Builders' Association and the industry on numerous other Boards, including the Government's Procurement Advisory Group, Building Apprenticeship Scheme and the Tasmanian Building and Construction Industry Training Board.



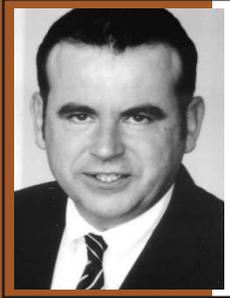
MR DARREN HANISCH

Representative of the Australian Manufacturing Workers Union

Darren Hanisch is the State President of the Australian Manufacturing Workers Union with over ten years of Union/Activist experience. He worked for two years with the CFMEU Furnishing Division as an Organiser and relocated to Hobart in 2003 where he took up the position of State Organiser for the AMWU.

Darren is a Member of the Automotive, Engineering and Manufacturing Training Board.

Directors of TasBuild Limited *Cont.*



MR MICHAEL SHEPPERD

Representative of the Building Industry Specialist Contractors Association

After graduating with a Bachelor of Business Degree (Accounting), Michael gained his work experience within Tasmanian industry.

As a certified Practising Accountant, Michael's involvement in public practice has concentrated on the provision of services to specialist contractors in the building and construction industry.

Michael is also a member of the Building and Construction Industry Council, the AMCA Tasmania Industry Fund, the Tasmanian Building and Construction Industry Training Board - Services and TASTEC Group Training.

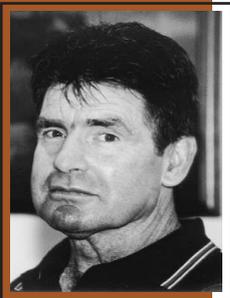


MR MARK WATSON

Representative of the Tasmanian Chamber of Commerce & Industry

Mark Watson is TCCI's Director of Industrial Services. Mark has been employed for 27 years in the human resources and industrial relations arena. Mark has a wealth of experience both in the public and private sector and has been employed at TCCI for the past 12 years. Mark is also a member of the National Employers Workplace Policy Committee.

During Mark's time at TCCI he has provided workplace relations advice, advocacy and representation to TCCI members across industry, including the building and construction industry. Mark regularly delivers training and presentations on workplace relations issues and has a Certificate IV in Assessment and Workplace Training. Mark is head of TCCI's Industrial Services Team and is responsible for managing TCCI's member workplace relations service.



MR TONY BENSON

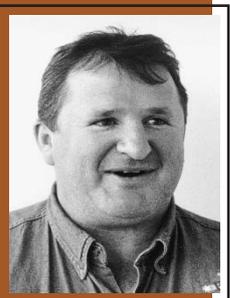
Representative of the Construction, Forestry, Energy & Mining Union

Tony Benson is the Secretary of the Construction, Forestry, Mining and Energy Union (Construction & General Division), Tasmanian Divisional Branch.

After leaving school Tony completed an apprenticeship in Painting and Decorating with the Department of Housing and Construction (Housing Department). Some 21 years later Tony worked in the private sector as a painting foreman.

In 1991 Tony started work with the Operative Painters and Decorators Union and was elected Secretary in March 1992. After amalgamation with the building unions in 1993 and other restructuring, Tony was appointed Secretary of the combined building union, the CFMEU, in 1998 and was elected Secretary in 2000.

Tony is a Director of the Building Group Apprenticeship Scheme (BGAS), a Director of the Tasmanian Building Construction Industry Training Board (TBCITB), a Director on the Board of the Australian Construction Industry Redundancy Trust - ACIRT as well as the Union's representative on several Government Boards.



MR KEVIN HARKINS

Representative of the CEPU - Electrical Trades Union

Kevin Harkins is the Assistant Secretary, Southern States Branch, of the Electrical Trades Union (ETU). Kevin is an "A" grade Electrician with over 15 years experience in all fields of electrical work. Kevin has had many years of experience working with apprentices as a Field Officer and Director of a large Group Training Company.

Kevin became an Organiser with the ETU in 1995 in Victoria and transferred to Tasmania in January 2001 to rebuild the Union in Tasmania.