

-CEC Group Limited
and its controlled entities
ABN 84 010 025 831

Annual report
30 June 2006

CEC GROUP LIMITED AND ITS CONTROLLED ENTITIES
ANNUAL REPORT
For the year ended 30 June 2006

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CEC GROUP LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT

For the year ended 30 June 2006

The directors present their report together with the financial report of CEC Group Limited ('the Company') and of the consolidated entity, being the Company and its controlled entities, for the financial year ended 30 June 2006 and the auditor's report thereon.

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CEC GROUP LIMITED AND ITS CONTROLLED ENTITIES
 DIRECTORS' REPORT (continued)
 For the year ended 30 June 2006

1. DIRECTORS

The directors of the Company at any time during or since the end of the financial year are:

<i>Name, qualifications and independence status</i>	<i>Age</i>	<i>Experience, special responsibilities and other directorships</i>
<p>Robert Borbidge AO DUniv (Griffith) Chairperson Independent Non-Executive Director</p>	52	<p>A former Premier of Queensland (1996 to 1998), Robert (Rob) Borbidge retired from Parliament in March 2001 after a long and distinguished career. Since retiring from Parliament Rob has served on a wide range of government and private sector boards.</p> <p>Rob is an accomplished administrator with special expertise in public affairs and government. Rob currently holds a number of senior board positions including chairman of the listed company Asset Loans Limited, chairman of the Executive Task Force, Institute for Glycomics, Griffith University and chairman of the unlisted company Rotec Design Limited. He is also a director of Strategic Communications Pty Ltd (an unlisted company) and a member of the Board of Trustees, Friends of Griffith University (incorporated in the USA).</p> <p>Rob is a member of both the Audit and Risk Management Committee and the Nomination and Remuneration Committee.</p>
<p>Roy Lavis Licensed property developer Chief Executive Officer Executive Director</p>	59	<p>Roy Lavis is a founding director of the CEC Group. His career in the Australian civil construction industry spans over 40 years, and he has been involved in many facets of civil construction, from operating heavy machinery to managing multi million dollar projects.</p> <p>Roy brings specialist skills and experience to the CEC Group Board, including building design and construction, civil construction, heavy vehicle fleet management, quarrying (alluvial and hard rock), subdividing, developing and marketing land and waste collection and management.</p> <p>Roy is a member of the Nomination and Remuneration Committee and a director of a number of subsidiary companies.</p>
<p>Gregory Kern BCom, CA, IP, F Fin, AIIA Non Independent Non-Executive Director</p>	40	<p>Gregory (Greg) Kern is managing director of Kern Consulting Group Pty Ltd, a corporate advisory firm specialising in corporate finance, strategic planning and resolving complex commercial matters.</p> <p>Prior to establishing Kern Consulting Group in 1994, Greg worked for Ernst & Young and Coopers & Lybrand. His experience includes the resolution of a number of significant commercial disputes, arranging large finance packages (including financing the Lavis family acquisition of 50% of the CEC Group in December 2002) and negotiating material commercial contracts.</p> <p>Greg has also provided corporate advisory services to a number of Queensland based companies.</p> <p>Greg is the chairman of the Audit and Risk Management Committee and a director of a number of subsidiary companies.</p>

CEC GROUP LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT (continued)

For the year ended 30 June 2006

1. DIRECTORS (continued)

The directors of the Company at any time during or since the end of the financial year are:

<i>Name, qualifications and independence status</i>	<i>Age</i>	<i>Experience, special responsibilities and other directorships</i>
<p>Peter Lewis</p> <p>Bachelor of Commerce, Licensed real estate agent.</p> <p>Independent Non-Executive Director</p> <p>Resigned 21 September 2006</p>	55	<p>Peter Lewis has over 25 years experience in the property industry with specific expertise in commercial property, development and property funds management.</p> <p>Peter is the founder and managing director of Trinity Consolidated Group Ltd, an ASX listed property group with \$500 million of property assets under management.</p> <p>Prior to starting Trinity in 1998 Peter founded the commercial real estate agency, Lewis & Partners in 1986 – the agency is now known as Savills, Queensland.</p> <p>Peter is also a former director of Richard Ellis (now CBRE) and was owner of three Ray White franchised real estate offices in the 1980s.</p> <p>Peter is a member of the Nomination and Remuneration Committee.</p>
<p>Anthony Hartnell AM</p> <p>BEC (ANU), LLB (Hons)(ANU), LLM (Highest Hons) (Geo.Washington University)</p> <p>Independent Non-Executive Director</p>	63	<p>Anthony (Tony) Hartnell is the founding partner of Atanaskovic Hartnell Lawyers, which represents the culmination of an extensive corporate career. His past roles have included Chairman, Australian Securities Commission (1989-1992), Chairman, National Companies and Securities Commission (1990-1991) and Chief Legal Counsel – Bankers Trust Australia Group to mention a few. Tony is Chairman of Chiquita Brands South Pacific Limited and Television & Media Services Limited. He specialises in corporate and commercial law, particularly covering corporate financing, takeovers, trade practices, prescribed interests and regulatory issues.</p> <p>Tony is a member of the Audit and Risk Management Committee.</p>
<p>Steven Lavis</p> <p>Non Independent Non- Executive Director</p>	27	<p>Steven (Steve) Lavis commenced work at CEC in 1996 working on excavators, loaders and in pipe laying crews.</p> <p>Steve joined Pioneer North Queensland in March 2000 where he worked at the coal face of the business in concrete batching, Asphalt production and the sand plant operations in the Cairns area. Steve offered a combination of hands on expertise and management skills to that company which resulted in him being appointed General Manager of Pioneer North Queensland in 2004.</p>

CEC GROUP LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT (continued)

For the year ended 30 June 2006

1. DIRECTORS (continued)

The directors of the Company at any time during or since the end of the financial year are:

<i>Name, qualifications and independence status</i>	<i>Age</i>	<i>Experience, special responsibilities and other directorships</i>
Warren Entsch Independent Non-Executive Director Appointed 26 September 2006	56	<p>Prior to being elected as the Federal Member for Leichhardt in 1996, the Hon Warren Entsch led a diverse life including a nine year service in the RAAF as an aircraft engine fitter, a Cape York grazier and crocodile farmer.</p> <p>During his first term in political office, Warren was Chairman of the Joint Statutory Committee on Native Title and Aboriginal Land Fund. Between 1996 and 1998 he was a member of the House of Representatives Joint Standing Committee on Aboriginal and Torres Strait Islander Affairs and Joint Standing Committee on Environment, Recreation and the Arts. Warren was appointed to the frontbench in 1998 as the Parliamentary Secretary to the Minister for Industry, Science and Resources. In 2002, he was appointed Parliamentary Secretary to the Minister for Industry, Tourism and Resources, a position he held up to 25 January 2006. His extensive knowledge, understanding and passion for North Queensland provide a valuable resource for the CEC Group.</p>

2. COMPANY SECRETARY

Kevin Lubbe
BCom, CPA, ACIS.

Kevin has worked for CEC Group Limited since September 1998 initially performing the role of financial controller. He was appointed company secretary and chief financial officer in December 2002. He relinquished his role of chief financial officer in July 2005 to concentrate solely on his roles as company secretary and director of a number of the group's subsidiary companies.

CEC GROUP LIMITED AND ITS CONTROLLED ENTITIES
 DIRECTORS' REPORT (continued)
 For the year ended 30 June 2006

3. DIRECTORS' MEETINGS

The number of directors' meetings (including meetings of committees of directors) and number of meetings attended by each of the directors of the Company during the financial year are:

<i>Director</i>	<i>Note</i>	<i>Board meetings</i>		<i>Audit & Risk Management Committee meetings</i>		<i>Nomination & Remuneration Committee meetings</i>	
		<i>A</i>	<i>B</i>	<i>A</i>	<i>B</i>	<i>A</i>	<i>B</i>
Rob Borbidge		12	12	6	6	2	2
Roy Lavis (i)	(i)	12	12	-	-	1	2
Greg Kern		12	12	6	6	-	-
Peter Lewis (ii)	(ii)	11	12	-	-	2	2
Anthony Hartnell		8	8	3	3	-	-
Steven Lavis (iii)	(iii)	4	6	-	-	-	-

A – Number of meetings attended

B – Number of meetings held during the time the director held office during the year

- (i) Roy Lavis has only attended 1 of the 2 directors' sub committee meetings held during the financial year due to him being unavailable to attend due to a business commitment.
- (ii) Peter Lewis has only attended 11 of the 12 directors' meetings held during the financial year due to him being unavailable to attend due to a business commitment.
- (iii) Steven Lavis has only attended 4 of the 6 directors' meetings held during the financial year due to him being abroad at the time of the meetings.

CEC GROUP LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT (continued)

For the year ended 30 June 2006

4. CORPORATE GOVERNANCE STATEMENT

This statement outlines the main corporate governance practices in place throughout the financial year, which comply with the ASX Corporate Governance Council's Principles and Best Practice Recommendations, unless otherwise stated.

4.1 BOARD OF DIRECTORS

Role of the board

The board's primary role is the protection and enhancement of long-term shareholder value.

To fulfil this role, the board is responsible for the overall corporate governance of the consolidated entity including formulating its strategic direction, approving and monitoring capital expenditure, setting remuneration, appointing, removing and creating succession policies for directors and senior executives, establishing and monitoring the achievement of management's goals and ensuring the integrity of internal control and management information systems.

It is also responsible for approving and monitoring financial and other reporting. Details of the board's charter are located on the Company's website (www.cecgroup.com.au).

The board has delegated responsibility for operation and administration of the Company to the chief executive officer and executive management. Responsibilities are delineated by formal authority delegations.

Board processes

To assist in the execution of its responsibilities, the board has established a number of board committees including a Nomination and Remuneration Committee, and an Audit and Risk Management Committee. These committees have written mandates and operating procedures, which are reviewed on a regular basis. The board has also established a framework for the management of the consolidated entity including a system of internal control, a business risk management process and the establishment of appropriate ethical standards.

The full board currently holds eleven scheduled meetings each year, plus strategy meetings and any extraordinary meetings at such other times as may be necessary to address any specific significant matters that may arise.

The agenda for meetings is prepared in conjunction with the chairperson, and the company secretary. Standing items include the chief executive officer's report, business unit managers' reports, financial reports, strategic matters, governance and compliance. Submissions are circulated in advance. Executives are regularly involved in board discussions and directors have other opportunities, including visits to business operations, for contact with a wider group of employees.

Director education

The consolidated entity has a formal process to educate new directors about the nature of the business, current issues, the corporate strategy and the expectations of the consolidated entity concerning performance of directors. Directors also have the opportunity to visit consolidated entity facilities and meet with management to gain a better understanding of business operations. Directors are given access to continuing education opportunities to update and enhance their skills and knowledge.

CEC GROUP LIMITED AND ITS CONTROLLED ENTITIES
DIRECTORS' REPORT (continued)
For the year ended 30 June 2006

4. CORPORATE GOVERNANCE STATEMENT (continued)

4.1 BOARD OF DIRECTORS (continued)

Independent professional advice and access to company information

Each director has the right of access to all relevant Company information and to the Company's executives and, subject to prior consultation with the chairperson, may seek independent professional advice from a suitably qualified adviser at the consolidated entity's expense. The director must consult with an advisor suitably qualified in the relevant field, and obtain the chairperson's approval of the fee payable for the advice before proceeding with the consultation. A copy of the advice received by the director is made available to all other members of the board.

Composition of the board

The names of the directors of the Company in office at the date of this report are set out in the Directors' report on pages 4 to 6 of this report. The composition of the board is determined using the following principles:

- ▲ a minimum of three directors, with a broad range of expertise.
- ▲ a majority of independent non-executive directors
- ▲ a majority of directors having extensive knowledge of the Company's industries.
- ▲ a non-executive independent director as Chairperson
- ▲ enough directors to serve on various committees without overburdening the directors or making it difficult for them to fully discharge their responsibilities

An independent director is a director who is not a member of management (a non-executive director) and who:

- ▲ holds less than five per cent of the voting shares of the Company and is not an officer of, or otherwise associated, directly or indirectly, with a shareholder of more than five per cent of the voting shares of the Company
- ▲ has not within the last 3 years been employed in an executive capacity by the Company or another group member, or been a director after ceasing to hold any such employment
- ▲ within the last 2 years has not been a principal or employee of a material* professional adviser or a material* consultant to the Company or another group member
- ▲ is not a material* supplier or customer of the Company or another group member, or an officer of or otherwise associated, directly or indirectly, with a material* supplier or customer
- ▲ has no material* contractual relationship with the Company or another group member other than as a director of the Company
- ▲ is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially* interfere with the director's ability to act in the best interests of the Company.

* *the board considers, 'material', in this context, to be where any director-related business relationship has represented, or is likely in future to represent the lesser of at least 10 per cent of the relevant segment's or the director-related business's revenue. The board considered the nature of the relevant industries' competition and the size and nature of each director-related business relationship, in arriving at this threshold.*

CEC GROUP LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT (continued)

For the year ended 30 June 2006

4. CORPORATE GOVERNANCE STATEMENT (continued)

4.2 NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee oversees the appointment and induction process for directors and committee members, and the selection, appointment and succession planning process of the Company's chief executive officer (CEO). The committee makes recommendations to the board on the appropriate skill mix, personal qualities, expertise and diversity of each position. When a vacancy exists or there is a need for particular skills, the committee in consultation with the board determines the selection criteria based on the skills deemed necessary. The board then appoints the most suitable candidate. Board candidates must stand for election at the next general meeting of shareholders.

The Nomination and Remuneration Committee comprised the following members during the year, two of whom were non-executive directors:

- ▲ Rob Borbidge (Chairperson) – Independent Non-Executive
- ▲ Peter Lewis - Independent Non-Executive
- ▲ Roy Lavis – Executive

The Nomination and Remuneration Committee met twice during the year and committee members' attendance record is disclosed in the table of directors' meetings on page 7. The terms and conditions of the appointment and retirement of non-executive directors are set out in a letter of appointment, including expectations of attendance and preparation for all board meetings, minimum hourly commitment, appointments to other boards, the procedures for dealing with conflicts of interest, and the availability of independent professional advice.

The Nomination and Remuneration Committee also conducts an annual review of the performance of the chief executive officer and the senior executives reporting directly to him and the results are discussed at a board meeting.

Further details of the Nomination and Remuneration Committee's charter and policies, including those for appointing directors and senior executives, are available on the Company's website.

4.3 REMUNERATION REPORT

4.3.1 Principles of compensation

Remuneration is also referred to as compensation throughout this report.

Remuneration policy

Key management personnel have authority and responsibility for planning, directing and controlling the activities of the Company and the consolidated entity, including directors of the Company and other executives. Key management personnel include the five most highly remunerated S300A directors and executives for the Company and the consolidated entity.

The board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The Nomination and Remuneration Committee determines payments to the non-executive directors. Compensation levels for key management personnel and secretaries of the Company and relevant key management personnel of the consolidated entity are competitively set to attract and retain appropriately qualified and experienced directors and executives.

Compensation is reviewed annually by the Nomination and Remuneration Committee, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. Fees for non-executive directors are not linked to the performance of the consolidated entity. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company.

CEC GROUP LIMITED AND ITS CONTROLLED ENTITIES
DIRECTORS' REPORT (continued)
For the year ended 30 June 2006

4. CORPORATE GOVERNANCE STATEMENT (continued)

4.3 REMUNERATION REPORT (continued)

4.3.1 Principles of compensation (continued)

Company performance, shareholder wealth and key management personnel remuneration

Within the financial year ending 30 June 2007 a performance based bonus scheme will be developed of which remuneration may be partially satisfied by the issuing of options. The intention of this program is to facilitate goal congruence between directors/executives with that of the business and shareholders. Key performance indicators (KPIs) will be set annually, with a certain level of consultation with directors/executives to ensure buy-in. The measures will be specifically tailored to the areas each director/executive is involved in and has a level of control over. The KPIs target areas the board believes hold greater potential for group expansion and profit, covering financial and non-financial as well as short- and long-term goals. The level set for each KPI is based on budgeted figures for the group and respective industry standards.

Performance in relation to the KPIs will be assessed annually, with bonuses being awarded depending on the number and deemed difficulty of the KPIs achieved. Following assessment, the KPIs are reviewed by the Nomination and Remuneration Committee in light of the desired and actual outcomes, and their efficiency is assessed in relation to the group's goals and shareholder wealth, before the KPIs are set for the following year.

Fixed compensation

Fixed compensation consists of base compensation (which is calculated on a total cost basis and includes any FBT charges related to employee benefits including motor vehicles), as well as employer contributions to superannuation funds.

Compensation levels are reviewed annually by the Nomination and Remuneration Committee through a process that considers individual, segment and overall performance of the consolidated entity. In addition external consultants provide analysis and advice to ensure the directors' and senior executives' compensation is competitive in the market place. A senior executive's compensation is also reviewed on promotion.

Performance-linked compensation

Executive directors and executives may be paid performance based bonuses. These bonuses are paid as a set monetary figure rather than as a proportion of their salary. This has led to the proportions of remuneration related to performance varying between individuals. The Nomination and Remuneration Committee has set these bonuses to encourage achievement of specific goals that have been given a high level of importance in relation to the future growth and profitability of the consolidated entity. The Nomination and Remuneration Committee will review the performance bonuses to gauge their effectiveness against achievement of the set goals, and adjust future years' incentives as they see fit, to ensure use of the most cost effective and efficient methods.

CEC GROUP LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT (continued)

For the year ended 30 June 2006

4. CORPORATE GOVERNANCE STATEMENT (continued)

4.3 REMUNERATION REPORT (continued)

4.3.1 Principles of compensation (continued)

Service contracts

Key management personnel

It is the consolidated entity's policy that service contracts for key management personnel, excluding the CEO and company secretary, are unlimited in term but capable of termination on three months' notice and that the consolidated entity retains the right to terminate the contract immediately, by making payment equal to three months' pay in lieu of notice.

The consolidated entity has entered into service contracts with each key management person, excluding the CEO and company secretary that provide for the payment of benefits where the contract is terminated by the consolidated entity or the individual. The key management persons are also entitled to receive on termination of employment their statutory entitlements of accrued annual and long service leave, together with any superannuation benefits.

The service contract outlines the components of compensation paid to the key management personnel but does not prescribe how compensation levels are modified year to year. Compensation levels are reviewed each year to take into account cost-of-living changes, any change in the scope of the role performed by the senior executive and any changes required to meet the principles of the compensation policy.

The CEO has a contract of employment dated 28 January 2004 with the Company. The contract specifies the duties and obligations to be fulfilled by the CEO and provides that the board and CEO will early in each financial year, consult and agree objectives for achievement during that year.

The service contract can be terminated either by the group or the CEO providing three months' notice. The Company may make a payment in lieu of notice of three months salary. The CEO has no entitlement to termination payment in the event of removal for misconduct.

The company secretary has a contract of employment with the Company. This contract is for an unlimited term and is capable of termination on three months' notice. The consolidated entity retains the right to terminate the contract immediately, by making payment equal to three months' pay in lieu.

Non-executive directors

Total compensation for all non-executive directors, last voted upon by shareholders at the 2005 AGM, is not to exceed \$400,000 per annum and is set based on advice from external advisors with reference to fees paid to other non-executive directors of comparable companies. Directors' base fees are presently up to \$52,000 per annum. The Chairperson receives \$78,000 per annum.

Directors' fees cover all main board activities and membership of the committees and non-executive directors do not receive performance related compensation.

CEC GROUP LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT (continued)

For the year ended 30 June 2006

4. CORPORATE GOVERNANCE STATEMENT (continued)

4.3 REMUNERATION REPORT (continued)

4.3.2 Directors' and executive officers' remuneration (Company and Consolidated)

Details of the nature and amount of each major element of remuneration of each director of the Company and each of the five named Company executives and relevant group executives who receive the highest remuneration are set out below:

Details	Year	Short-term			Post-employment	Other long term	Termination benefits	Share-based payments	Total	S300A (1)(e)(ii) Proportion of remuneration performance related	S300A (1)(e)(vi) Value of options as proportion of remuneration
		Salary & fees (Note i)	Cash bonus	Non-monetary benefits							
		\$	\$	\$	\$	\$	\$	\$	\$	%	%
Directors											
Non-executive directors											
Rob Borbidge (Chairperson) (appointed 28 January 2005)	2006	74,583	-	4,167	-	-	-	-	78,750	-	-
	2005	29,167	-	7,363	-	-	-	-	36,530	-	-
Greg Kern (appointed 13 December 2002)	2006	120,983	-	4,167	-	-	-	-	125,150	-	-
	2005	121,001	-	7,363	-	-	-	-	128,364	-	-
Peter Lewis (appointed 19 November 2003) (resigned 21 September 2006)	2006	50,000	-	4,167	-	-	-	-	54,167	-	-
	2005	35,000	-	7,363	-	-	-	-	42,363	-	-
Tony Hartnell (appointed 28 September 2005)	2006	47,352	-	4,167	-	-	-	-	51,519	-	-
	2005	-	-	-	-	-	-	-	-	-	-

CEC GROUP LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT (continued)

For the year ended 30 June 2006

4. CORPORATE GOVERNANCE STATEMENT (continued)

4.3 REMUNERATION REPORT (continued)

4.3.2 Directors' and executive officers' remuneration (Company and Consolidated) (continued)

Details	Year	Short-term			Post-employment	Other long term	Termination benefits	Share-based payments		S300A (1)(e)(i) Proportion of remuneration performance related	S300A (1)(e)(vi) Value of options as proportion of remuneration
		Salary & fees (Note i)	Cash bonus	Non-monetary benefits				Total	Options and rights (B)		
Directors (continued)											
Steven Lavis (appointed 24 November 2005)	2006	27,174	-	4,167	-	-	-	-	31,341	-	-
	2005	-	-	-	-	-	-	-	-	-	-
Keith De Lacy (former Chairperson (resigned 31 March 2005)	2006	-	-	-	-	-	-	-	-	-	-
	2005	48,750	-	7,363	4,387	-	-	-	60,500	-	-
Glen Morrow (former Deputy Chairperson) (resigned 17 June 2005)	2006	-	-	-	-	-	-	-	-	-	-
	2005	33,736	-	7,363	-	-	-	-	41,099	-	-
Executive directors											
Roy Lavis CEO	2006	486,191	-	4,167	24,432	66,439	-	-	583,229	-	-
	2005	529,489	-	7,363	20,944	97,400	-	-	655,196	-	-

CEC GROUP LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT (continued)

For the year ended 30 June 2006

4. CORPORATE GOVERNANCE STATEMENT (continued)

4.3 REMUNERATION REPORT (continued)

4.3.2 Directors' and executive officers' remuneration (Company and Consolidated) (continued)

Details	Year	Short-term			Post-employment	Other long term	Termination benefits	Share-based payments		S300A (1)(e)(ii) Proportion of remuneration performance related	S300A (1)(e)(vi) Value of options as proportion of remuneration
		Salary & fees (Note 1)	Cash bonus	Non-monetary benefits				Total	Options and rights (B)		
		\$	\$	\$	\$	\$	\$	\$	\$	%	%
Executive directors (continued)											
John Sadler (Managing Director – CEC Constructions) (resigned 6 September 2004)	2006	-	-	-	-	-	-	-	-	-	-
	2005	39,235	-	3,711	2,534	-	128,085	-	173,565	-	-
Total compensation: directors	2006	806,283	-	25,002	24,432	68,439	-	-	924,156	-	-
	2005	836,378	-	47,889	27,865	97,400	128,085	-	1,137,617	-	-
Group executives											
Current group executives											
Michael Phillips Executive Manager, Commercial CEC Group Limited (commenced 6 June 2005)	2006	178,009	-	20,000	14,862	-	-	-	212,871	-	-
	2005	12,666	-	-	972	-	-	-	13,638	-	-
Brendan Rogina Manager – CEC Constructions Pty Limited	2006	154,526	15,000	-	14,013	6,025	-	-	189,564	-	-
	2005	132,991	10,000	5,686	11,042	9,426	-	-	169,145	-	-

CEC GROUP LIMITED AND ITS CONTROLLED ENTITIES
 DIRECTORS' REPORT (continued)
 For the year ended 30 June 2006

4. CORPORATE GOVERNANCE STATEMENT (continued)

4.3 REMUNERATION REPORT (continued)

4.3.2 Directors' and executive officers' remuneration (Company and Consolidated) (continued)

Details	Year	Short-term			Post-employment	Other long term	Termination benefits	Share-based payments		S300A (1)(e)(ii) Proportion of remuneration performance related	S300A (1)(e)(vi) Value of options as proportion of remuneration
		Salary & fees (Note 1)	Cash bonus	Non-monetary benefits				Total	Options and rights (B)		
		\$	\$	\$	\$	\$	\$	\$	%	%	\$
Group executives (continued)											
Current group executives (continued)											
Kevin Lubbe Company Secretary – CEC Group Limited	2006	118,519	-	28,000	21,480	9,885	-	-	-	-	177,884
	2005	132,976	10,500	3,203	21,241	2,236	-	-	-	-	170,156
Gerard Obersky Manager - Property - CEC Group Limited	2006	243,449	8,500	-	21,462	347	-	-	-	-	273,758
	2005	166,174	8,191	-	14,592	-	-	-	-	-	189,124
Suzanne Hockey Manager – Human Resources - CEC Group Limited (commenced 8 November 2004)	2006	127,254	7,500	23,500	14,464	-	-	-	-	-	172,718
	2005	68,157	-	-	5,781	-	-	-	-	-	73,938

CEC GROUP LIMITED AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT (continued)

For the year ended 30 June 2006

4. CORPORATE GOVERNANCE STATEMENT (continued)

4.3 REMUNERATION REPORT (continued)

4.3.2 Directors' and executive officers' remuneration (Company and Consolidated) (continued)

Details	Year	Short-term			Post-employment	Other long term	Termination benefits	Share-based payments	Total	S300A (1)(e)(i) Proportion of remuneration performance related	S300A (1)(e)(iv) Value of options as proportion of remuneration
		Salary & fees (Note ii)	Cash bonus	Non-monetary benefits							
		\$	\$	\$	\$	\$	\$	\$	\$		
Former group executives											
Andrew Franzmann	2006	101,171	-	24,500	5,195	-	52,635	-	183,501	-	-
Operations Manager – Townsville (resigned 11 November 2005)	2005	65,242	-	-	5,081	-	-	-	70,323	-	-
Total compensation: key management personnel (consolidated)	2006	1,718,227	31,000	121,002	115,908	84,696	52,635	-	2,123,468	-	-
	2005	1,414,584	28,691	56,778	86,574	109,229	128,085	-	1,823,941	-	-
Total compensation: key management personnel (Company)	2006	1,574,684	16,000	121,002	101,895	78,671	52,635	-	1,944,887	-	-
	2005	1,242,358	18,691	47,381	72,998	99,803	-	-	1,481,231	-	-

Note i Salary and fees includes cash salary, fees and commissions and annual leave entitlements.

Note ii Gerard Obersky was appointed alternate director for Roy Lavis for the period 11 March 2005 to 28 March 2005. His remuneration is disclosed as executive remuneration

CEC GROUP LIMITED AND ITS CONTROLLED ENTITIES
 DIRECTORS' REPORT (continued)
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4. CORPORATE GOVERNANCE STATEMENT (continued)

4.3 REMUNERATION REPORT (continued)

Notes in relation to the table of directors' and executive officers remuneration

- ▲ The cash bonus is for performance during the 30 June 2005 financial year using the criteria set out on the page 11. The amount was finally determined in December 2005 and paid on 22 December 2005.
- ▲ No options were issued to directors and executives as part of their remuneration.

Details of performance related remuneration

Details of the consolidated entity's policy in relation to the proportion of remuneration that is performance related is discussed on page 11.

4.3.3 Analysis of bonuses included in remuneration

Details of the vesting profile of the cash bonuses awarded as remuneration to each director of the Company and each of the six named Company executives and relevant group executives are detailed below.

Details	Included in remuneration (Note A)	Vested in year	Forfeited in year (Note B)
	\$	%	%
Directors			
Rob Borbidge	-	-	-
Roy Lavis	-	-	-
Greg Kern	-	-	-
Peter Lewis	-	-	-
Tony Hartnell	-	-	-
Steven Lavis	-	-	-
Executives			
Michael Phillips	-	-	-
Brendan Rogina	15,000	100	-
Kevin Lubbe	-	-	-
Gerard Obersky	8,500	100	-
Suzanne Hockey	7,500	100	-
Andrew Franzmann	-	-	-

(A) Amounts included in remuneration for the financial year represents the amount that vested in the financial year based on achievement of personal goals and satisfaction of specified performance criteria. No amounts vest in future financial years in respect of the bonus schemes for the 2006 financial year.

(B) The amounts forfeited are due to the performance or service criteria not being met in relation to the current financial year.