arc

australian respiratory council

prevention and cure of respiratory illness

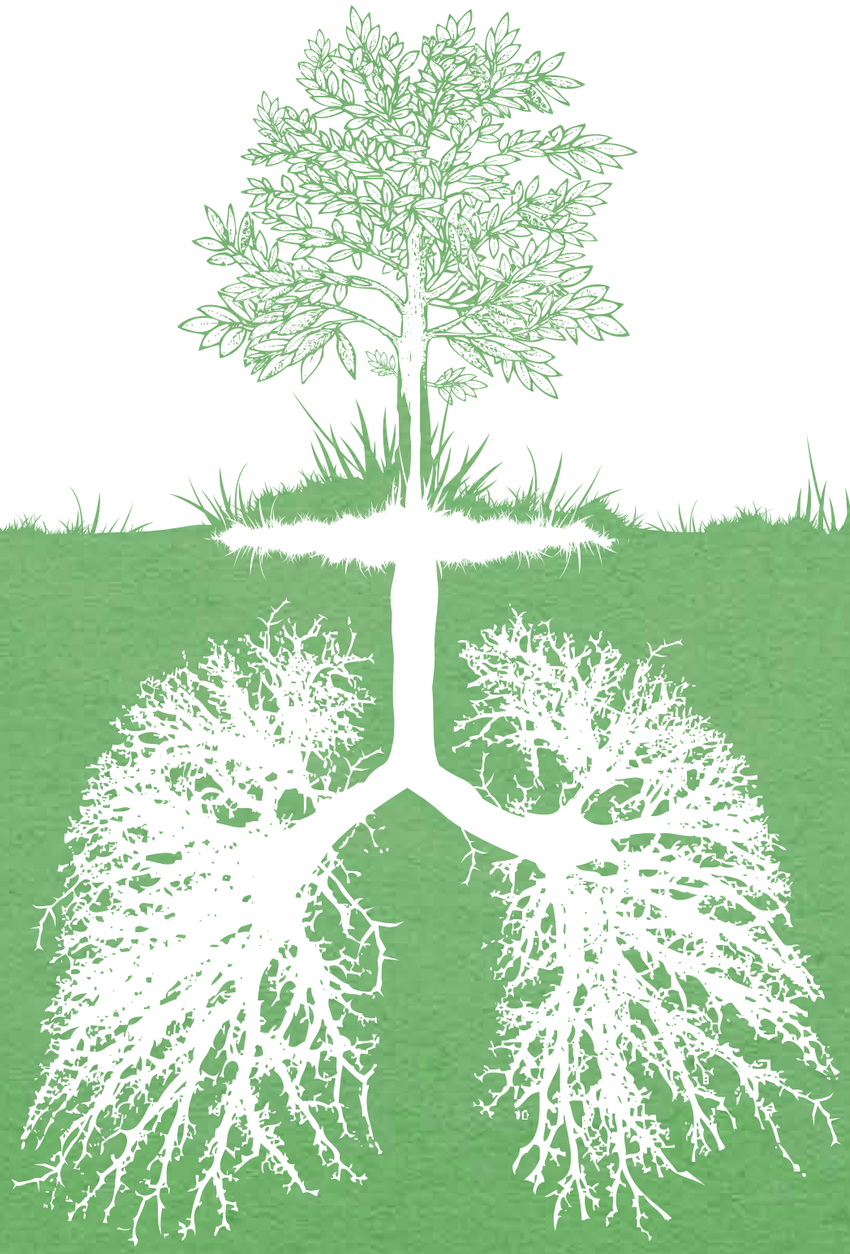


2009 Annual Report

No. 96

Celebrating 100 years in 2013

australian respiratory council
prevention and cure of respiratory illness



www.thearc.org.au

Our Mission

To develop and support innovative and effective approaches to research and development in lung health and to improve lung health in communities, with emphasis on disadvantaged groups.

Our Patrons

Her Excellency Professor Marie Bashir AC, CVO
Governor of New South Wales.

Sir Nicholas Shehadie AC OBE.

Our Vision

- Continue to build expertise in respiratory health
- Foster innovation in respiratory health research
- Deliver and measure positive impacts to communities and research
- Enhance ARC's role in the country as a unique non-government organistaion in the area of lung health
- Advocate to improve respiratory health, particularly in relation to TB and smoking at state, national and international levels

ARC confirms that in the pursuit of its mission and vision it has no tobacco exposure in regard to direct stocks or managed funds exposures held within its Investment Portfolio.

ACFID

Australian Respiratory Council (ARC) is a member of the Australian Council for International Development (ACFID) and is a signatory to the ACFID Code of Conduct. The Code requires members to meet high standards of corporate governance, public accountability and financial management.

International Union Against Tuberculosis and Lung Disease
Health solutions for the poor

Australian Respiratory Council (ARC) is a Constituent Member of the International Union Against Tuberculosis and Lung Disease (IUATLD). The Union has as its mission the prevention and control of tuberculosis and lung disease, as well as related health problems, on a world wide basis, with a particular emphasis on low income countries.

President's Report

David Macintosh



The Australian Respiratory Council has clearly defined its direction and purpose and this is evidenced by the amazing work done by our great organisation. A summary of that work follows.

Research

ARC continues to support research throughout Australia through the Harry Windsor Grant Scheme and the Ann Woolcock Fellowship.

In 2009, the Harry Windsor Grant was awarded to Associate Professor Sandra Hodge, from the Hanson Institute, Adelaide, for the project, "Investigation of macrophage function as a therapeutic target in chronic obstructive pulmonary disease/emphysema (COPD)". This innovative research has identified that a substance (procysteine) may assist people with COPD and susceptible smokers respond to recurrent chest infection. The team at Hanson Institute will continue to investigate this field of research in 2010 having successfully applied for a National Health and Medical Research Council (NHMRC) grant. The NHMRC grant was awarded on the basis of the preliminary work completed under the Harry Windsor Grant Scheme.

Dr Ingrid Laing, based in Perth and the first recipient of the Ann Woolcock Fellowship, has concluded her four year project investigating genetic influences and lower respiratory tract infections in children in Papua New Guinea.

I would like to wish Ingrid and Sandra all the best for their careers and to thank them for being great ambassadors for the fellowship, the grant scheme and ARC.

Dr Jodie Simpson from the Department of Respiratory and Sleep Medicine, University of Newcastle, now embarks on her Ann Woolcock Fellowship. Jodie was awarded the fellowship in 2008 and will commence her investigation into the character and treatment of the immune system in older people with obstructive airways disease, in January 2010.

Detailed reports of these research projects follow within the Annual Report.

ARC's International and Australian Project Work

ARC's project work in 2009 builds on work from previous years and reflects the organisation's ongoing commitment to improving lung health with an emphasis in disadvantaged groups. In line with ARC's mission to create sustainable solutions through partnerships, our collaborations with many partners in Asia, the Pacific and Australia strengthen and grow. Whilst, our philosophy of a bottom up approach to the building of capacity in organisations and communities with the goal of lasting development continues to guide our work and direction.

Combating TB in factory workers and the elderly in Cambodia

This year ARC commenced work with the Cambodian Anti Tuberculosis Association (CATA), a small active Non Government Organisation which is partnered with the National TB Control Program to augment its work with the marginal and often forgotten groups of the elderly and vulnerable, and factory workers, both areas with high transmission rates for TB.



ARC's support to alleviating this burden has enabled both capacity building of health staff and village health support groups as well as extensive awareness campaigns in factories and communities. The program utilises ARC training materials to address issues of community involvement and stigma related to TB and has produced advocacy materials such as T-shirts and brochures which have been widely distributed through the awareness campaigns. In August 2009, ARC's Program Development Manager visited Phnom Penh and the CATA program to monitor its impact. The findings were impressive whilst also highlighting the obstacles and challenges the dedicated CATA team face on a daily basis to implement the program.

Meeting a training need in the Federated States of Micronesia (FSM)

In July, with the help of a grant from Eli Lilly Pharmaceutical Company ARC was able to facilitate the training of 30 nursing and health professionals in the FSM, an independent country of 110,000 people in the Northern Pacific. The training was in response to a request from Chuuk State in FSM which had recently experienced an outbreak of Multi Drug Resistant (MRD-TB), a far more fatal disease than non drug resistant TB. The request was motivated by the recommendations of an evaluation team from the Centers for Disease Control (CDC) that had determined, amongst other findings, that a back to basics and bottom up approach to program planning needed to be adopted throughout the region and that an urgent need to mobilise and educate the community on TB was fundamental to TB control in the region. ARC's TB Training Package, designed for use by nurses to train other nurses and health care workers addresses these issues through its focus on the basics of tuberculosis prevention; diagnosis, and treatment and care, all of which are framed by a community based approach to development. The training was delivered by ARC's technical team of clinical and community specialists.



The strength of the success of the undertaking was pillared by solid partnerships with Eli Lilly, CDC, and the FSM National TB Program.

Supporting an MDR-TB hospital schooling program in Chuuk FSM



The ARC Board was happy to have been able to support the Chuuk Women's Council to continue the schooling of five children hospitalised in an isolation facility, for a seven month period due to MDR-TB. The children were unable to attend their normal lessons as the treatment of MDR-TB requires intensive, consistent and isolated care. The employment of a tutor enabled the children to successfully complete their treatment and re enter the school system with limited disruption to their education.

Ongoing development of nurses and allied workers capacity in TB control and prevention in the Pacific

ARC, once more was an active contributor to the Pacific Island TB Controller Association (PITCA) conference and training workshop held in October in Guam in the Northern Pacific. This annual event is coordinated by the CDC and the Pacific Island Health Officers Association (PIHOA) and attracts participants from Northern Pacific Island Nation States. 2009 marked ARC's 4th year of involvement in the development and delivery of the training program for TB Nurses and related workers, with the program designed to address gaps in knowledge to improve clinical and community mobilisation skills. The training content is directed by participants through an ongoing consultative process which is aimed at assessing the changing needs of the workforce. This year the program highlighted TB and diabetes, diabetes affecting 80% of people diagnosed with TB in US affiliated Pacific Islands.

As an off shoot of this work ARC has been contributing secretarial and clinical support to the Pacific Island Nurses Network through monthly regional case conferencing. Once more it is a collaborative approach with CDC, the American National Tuberculosis Controllers Association and PIHOA with the goal to support TB nurses on their home Island states with coordinated practical solutions to TB issues as they arise.

Continued commitment to 'reducing the gap' through smoking reduction in Aboriginal communities in NSW and WA



ARC has completed its second year of funding of two Aboriginal Tobacco Cessation Projects both of which are proving to be role models of best practice within their states.

The dedicated team of the **NSW Aboriginal Health and Medical Research Unit's (AH&MRC) BREATHE** project has been trialing the impact of employing and supporting specialist Tobacco Control Workers within Aboriginal Community Controlled Health Services to implement innovative, community based approaches to tobacco control and smoking cessation. This dynamic project is not only adding to the reduction of smoking rates and smoking related disease in Aboriginal communities, but is importantly adding to the evidence base relating to Aboriginal tobacco control nationally and internationally. Its final report and findings will be released in mid 2010.

The Aboriginal Health Council of Western Australian (AHCWA) *Beyond the Big Smoke Project –co funded by ARC and Healthway.*



The 'Beyond the Big Smoke' (BTBS) project through the enthusiasm and commitment of its two Tobacco Control Officers – has continued the work it commenced in 2007 implementing measures designed to have a demonstrable and measurable impact on overall smoking populations around Western Australia. Already this is the case with the adoption of smoke free workplace policies in a number of Aboriginal Community Controlled Health Services; the training of staff to increase availability and to improve effectiveness of brief interventions and through greater access to resource and educational materials which enhance local community awareness of smoking related issues.

2010 promises to be another productive and exciting year for ARC. Our involvement in Cambodia continues with a strengthened focus on building local and organisational capacity to target marginalised groups, we will work with the Secretariat of the Pacific Community in Kiribati to review the community component to the Kiribati TB Control Program, and will continue to give support to the TB programs in the Northern Pacific Nations through PITCA and the Pacific Nurses Forum. In Australia our formal support for the two Indigenous projects will be coming to an end, though our commitment to Aboriginal lung health continues with a partnership with the Menzies School of Health Research to deliver educational resources to Aboriginal communities on respiratory health issues including bronchiectasis and pneumonia.

Finances

Whilst 2009 continued to be a difficult year for ARC, the organisation was able to stem the losses resulting from the global economic crisis and reduce the budget deficit. In 2008 the loss was $921,065 and this was reduced to $355,058 in 2009. This was achieved by reducing operating costs and project expenditure and by implementing a strategic realignment of the investment portfolio. Project activity was maintained through partnerships such as with the Japanese Anti-tuberculosis Association in Cambodia, the CDC and Eli Lilly in the Pacific Region and Healthway in Australia. These partnerships ensure that ARC continues to have an impact despite the international economic downturn.

This approach will be continued in the upcoming year and fundraising activities will assume an increased priority. Implementation of the bequest plan began in 2009 with plans to extend fundraising to acquisitions and workplace giving in 2010.

The Board

The dedication, expertise and enthusiasm of the Directors is one of ARC's great strengths. Their individual contributions have been deeply appreciated, and I offer my personal thanks to them.

Paul Seale and Peter Gianoutsos continue in their supporting roles as Vice-President. Robert Horsell, Finance Director, is tireless in the guidance and support he continues to provide in the management of ARC finances. Michael Levy and Amanda Christensen have led ARC's Project Advisory Group in 2009, providing strategic guidance and support for the project portfolio which continues to be expanded. Michael has also actively contributed to the activities of the Research Committee for many years. Michael stepped down from the Board and ARC committees in February 2010, his contribution will be greatly missed.

Iven Young continues to guide ARC's Research Committee providing technical expertise and leadership in the administration and awarding of the Harry Windsor Grant Scheme and the Ann Woolcock Fellowship Program.

Ian Ramsay joined the Board in 2008 and has actively contributed in the areas of finance, strata management and bequest program development.

Staff

In 2009 Amanda Christensen returned to the NSW Health Department vacating her position as ARC's Executive Director. Amanda remains actively involved in the activities of ARC through the Board and Projects Committee as well as through consultancy and support for the Pacific Region nurse education and training programs. We also farewelled Renee Martin who relocated interstate early in 2009. Renee had shared the role of Program Development Manager and together with Helen Smith, had been largely responsible for reinvigorating ARC's project portfolio. We wish both Amanda and Renee all the very best and thank them for their contributions.

Kerrie Shaw joined our team as Executive Officer in May 2009. Kerrie has worked as a TB and Respiratory Nurse Consultant for many years and has been especially active in the area of education and training of health workers. We welcome Kerrie to the team. The seamless transition from Amanda to Kerrie has been of great benefit to ARC. It is a pleasure working with Kerrie.

Judy Begnell and Helen Smith continue in their respective roles as Operations Manager and Program Development Manager. Their roles have been expanded due to the operational changes undertaken within ARC over the last 12 months. Judy has taken a leading role in ARC fundraising activities, whilst Helen has expanded her role in project management to accommodate Renee's vacancy. Both Judy and Helen have been successfully building relationships with other organisations and potential partners in order to increase ARC's profile and impact.

Acknowledgements and thanks

I would like to pay tribute to Audrey Tonkin, a committed and enthusiastic volunteer. Audrey's continued support and assistance in ARC's day to day activities is much valued in our organisation.

Special thanks are extended to Associate Professor Guy Marks who graciously represented ARC throughout the year on the Scientific Committee of the International Union Against Tuberculosis and Lung Disease - Asia Pacific Region. Guy is a recognised clinical expert in TB and respiratory disease and is actively involved in TB research being undertaken in South East Asia. It has been an asset to ARC to have Guy engaged with us in this way. Congratulations to Guy who was awarded the Thoracic Society of Australia and New Zealand (TSANZ) medal at the Annual Scientific Meeting of the TSANZ, held in Brisbane in March, 2010.

Special thanks also are extended to Pam Banner and Amanda Christensen whose sustained efforts have enabled ARC to expand its contribution in the Pacific through health worker education and training. Through their efforts ARC has now developed strong relationships with organisations such as the CDC and the World Health Organisation which will strengthen the impact of ARC's activities in the Asia Pacific region.

Thank you to the members of the Research Committee and Projects Advisory Group, experts in their respective fields who continue to give up their time to support and guide ARC on its mission.

A sincere thank you to ARC's donors who, despite the difficult economic climate, have continued their long time commitment to the organisation by giving generously during the year. We also extend our thanks to the Bowlers Club, for their kind donation in support of the educational activities of ARC.

In 2013, ARC will celebrate one hundred years of service to the community. This will be a time of celebration of past achievements, reflection on the challenges that remain and re-invigoration as we take stock of the last one hundred years and prepare for ARC's next century.

I look forward to a successful and productive year ahead for ARC. Thank you all for your contribution.



David Macintosh

President

Governance

Board of Directors



AMANDA CHRISTENSEN

Dip Nursing

NSW TB Program Manager 1997-; various positions in public health for nineteen years including tuberculosis control for thirteen years. Appointed to the Board in 2001. Employed as the ARC Executive Director from April 2008 to May 2009.



CLINICAL ASSOCIATE PROFESSOR PETER GIANOUTSOS

MB, ChB (Univ of Otago), FRACP, FCCP

Senior Consultant Thoracic Physician (VMO) Dept of Thoracic Medicine RPAH 1971-; Member TSANZ, ATS, ACCP, BTS, ALF, MLS(NSW); Chairman RPA Medical Board 1989-1991; Member of Medical Board of NSW 1978-1982; Chairman UMPS Medical Experts Panel 2002 –2007.Member of Board of Directors UMP 2000-2002. Appointed to the Board in 2006.



ROBERT HORSELL

CPA

Partner, R E Horsell & Co Public Accountants 1978-; Director, Cricket Australia 1997-2004, 2005- 2008; Chairman, Cricket NSW 1997-2008; Director, Bradman Foundation 1999-2005. Appointed to the Board in 1999; Chair of Finance Committee.



PROFESSOR MICHAEL LEVY

MBBS, MPH, FAFPHM

Director, Corrections Health Program, ACT Health, Canberra. Conjoint appointments with the Australian National University, University of Sydney and Monash University; Medical Officer Global Tuberculosis Program, World Health Organization Geneva 1995-1997; Convenor of the First National Tuberculosis Conference (Public Health Association of Australia),1994. Short-term Consultant for Tuberculosis Control in Kiribati, Burma, Papua New Guinea, China and the Philippines. Appointed to the Board in 1998; Vice-President 2001-2008.



DAVID MACINTOSH

BBS (UTS), FCA

Chairman, Payce Consolidated Limited 1992-; Director, Payce Consolidated 1990-; Managing Director, Paynter Dixon Construction Group 2001-; Director of numerous private companies; thirty years of senior management and director level in the transport and construction industries in Australia and Europe; Member of Board of Governors and Chairman of the Finance Committee, Woolcock Institute of Medical Research; Benefactor since 2007

The Children's Hospital at Westmead; Director, The Australian Lung Foundation; Chairman, The Macintosh Foundation, Macintosh Chair of Paediatric Respiratory Medicine - Endowed Chair 29 November 2005 in perpetuity; actively involved in the Surf Life Saving movement for over forty five years; Life Member and Vice-President, Long Reef Surf Life Saving Club Inc.; Distinguished Service Member and Chairman of the Expenditure Review Committee, Collaroy Surf Life Saving Club Inc. Appointed to the Board in 1997; President. Elected Life Governor of ARC in 2010.



IAN W. RAMSAY

LL.B

Solicitor, Supreme Court of NSW; member, Law Society of NSW; member, Australian Institute of Company Directors; General Manager and Board Director, WorkCover NSW (1988-1997); Chairman, Dust Disease Board of NSW (1988-1997); Member, National Occupational Health and Safety Commission (1988-1997); Chairman, Sporting Injuries Committee (1988-1997); Member, Joint Coal Board Health and Safety Trust (1993-1997).



PROFESSOR J PAUL SEALE

MBBS, PhD, FRACP

Professor of Clinical Pharmacology, University of Sydney 1992-; Pro-Dean, Faculty of Medicine, University of Sydney 1997-2003; Consultant Physician, Royal Prince Alfred Hospital 1980-; Deputy Director, Woolcock Institute of Medical Research; Member, Australasian Society for Clinical and Experimental Pharmacologists and Toxicologists; Past President, Thoracic Society of Australia and New Zealand; former Congress President, Asia Pacific Society of Respirology; Chairman, NSW Therapeutics Advisory Group; Chair, TB Committee, Sydney South West Area Health Service. Appointed to the Board in 1997; Vice-President. Elected Life Governor of ARC in 2007.



CLINICAL PROFESSOR IVEN YOUNG

BSc (Med), MBBS, PhD FRACP

Head, Department of Respiratory and Sleep Medicine, Royal Prince Alfred Hospital (RPAH) 1991-; Visiting Medical Officer, RPAH 1979-1985; Senior Staff Specialist in Respiratory Medicine, RPAH 1985-; Post Doctoral Fellow, University of California, San Diego 1976-1978; Research Fellow, University of Sydney 1974-1976; Respiratory Physician 1975-; Member, Thoracic Society of Australia and New Zealand; Member, American Thoracic Society; Senior Examiner, Australian Medical Council 1997-; elected to the Adult Medicine Division, Royal Australasian College of Physicians 2000-2001; Chairman, Division of Medicine, RPAH 2001-. Appointed to the Board in 1998. Elected Life Governor of ARC in 2003.

Projects Advisory Group

Amanda Christensen (Chair)
NSW TB Manager,
NSW Health

Dr Vicki Krause
Director, Centres for Disease Control,
Northern territory Health Services

Professor Michael Levy (Chair)
Director, Centre for Health Research in Criminal Justice Health

David Macintosh
ARC President (ex officio)

Dr Graeme Maguire
Specialist Physician, Cairns Hospital, Dept of Medicine, Qld Health; Associate Professor of Medicine, James Cook University of Medicine

Sheila Simpson RN
TB Nurse, Liverpool Health Service

Dr Justin Waring
Consultant Physician, Respiratory and Tuberculosis Medicine, Perth Chest Clinic and Royal Perth Hospital

Roger Williams
Chief Operating Officer
NSW Aboriginal Health & Medical Research Council

Research Committee

Professor Carol Armour
Professor of Pharmacy, University of Sydney, Pro Vice Chancellor for Research, Sydney University; Member of National Asthma Expert Advisory Committee

Professor Judith Black
Professor Pharmacology, School of Medical Services, University of Sydney

Professor Peter Gibson
Staff Specialist, Respiratory Medicine Unit John Hunter Hospital

Professor Michael Levy
Director, Centre for Health Research in Criminal Justice Health.
Chair ARC Projects Advisory Group

David Macintosh
ARC President (ex officio)

Clinical Professor Iven Young (Chair)
Head, Department of Respiratory and Sleep Medicine, Royal Prince Alfred Hospital

David Hugh Macintosh

Election of Life Governor

Congratulations to Mr David Macintosh, who was elected as an ARC Life Governor at the Annual General Meeting, 20th April 2009. Vice President, Professor Paul Seale had the pleasure of presenting David with the Life Governor Certificate and spoke to David's significant philanthropic contribution.

David has devoted a significant amount of time, energy and resources to ARC and other charitable bodies dedicated to improving respiratory health of communities and promoting research in respiratory disease.

David has served on the Council of the Australian Lung Foundation for over a decade, been a member of the Board of the Australian Respiratory Council (ARC) since 1995 and ARC President since 2000. He is also a Governor of the Woolcock Institute of Medical Research (which is a charitable respiratory research institute) and has chaired its Finance Committee since 2006.



David Macintosh is presented with his Life Governor Certificate by Professor Paul Seale

David joined the Board at the time ARC was known as the Community Health & Anti-TB Association (CHATA). He was instrumental in moving CHATA from being a somewhat financially stagnant body to being an extremely progressive organisation, with substantial financial returns from its invested funds. These funds have been used to support important projects and research to improve respiratory health in underprivileged communities.

With his professional experience in property development and management, David was able to direct CHATA through its re-location from a quiet suburban location to a high profile CBD address. This has been a major step in the progress of the ARC to achieve its objectives as a major player in the field of respiratory charitable bodies.

In addition to his role within ARC, David has established and personally funded the Macintosh Foundation which provides the funding of the Macintosh Chair of Paediatric Respiratory Medicine at the Children's Hospital Westmead. This is a magnificent example of his dedication to promoting respiratory health in the community and the humane care of patients with respiratory illness.



David Macintosh launches the Maningrida Project, 2005

As the Chair of ARC's Board since 2000, David has used his finely tuned leadership, financial and management skills to expand the reach of the ARC to beyond a national role to be influential in respiratory care in South East Asia, the Western Pacific and in Papua New Guinea.



David Macintosh , ARC President; Sandra Bailey, AH&MRC CEO and Christine Corby, Chairperson AH&MRC Board at the launch of the BREATHE tobacco control project 2007



David Macintosh introduces the NSW Governor, Her Excellency Professor Marie Bashir to Dr Peter Tyler at the 2003 launch of his book "No Charge, No Undressing"

Professor Michael Levy



A long and distinguished association with the Australian Respiratory Council

In February 2010, Professor Michael Levy stepped down from his active working role in the committees of the Australian Respiratory Council (ARC). Michael has dedicated many years to ARC. He initially contributed through the activities of the International and Public Health Committees in 1997/1998 where he was able to draw on experience gained whilst working in an advisory capacity to the World Health Organisation. He later joined the Research and Project Committees in 2003 where he remained until February 2010, chairing the former in 2003 and the latter from 2005 to 2009. Michael was elected to ARC's Board of Directors in 1998 and served as Vice President from 2000 to 2008. Michael's contribution has been highlighted by his commitment to a "grass roots", "bottom up" approach to public health issues.



Michael Levy with Maree Nutt, National Manager, RESULTS Australia and the Hon Bob McMullen MP at The Shack Exhibition, Parliament House, Canberra, 2008

Over the last two decades, Michael has worked in a public health capacity both in Australia and abroad. After working in the Middle East for almost a decade, Michael returned to Australia and took up the position of Manager, Infectious Diseases Section, Epidemiology and Health Services Evaluation Branch, NSW Health Department in 1990. This was followed by his appointment as Medical Advisor, AIDS/Infectious Disease Branch, NSW Health Department, where he stayed until 1995. During the 1990's, Michael's interest in Tuberculosis took him to the Philippines, Kiribati, Burma, Fiji, Mongolia, Myanmar, Thailand, Singapore, China and Papua New Guinea where he evaluated Tuberculosis programs and delivered training for the World Health Organisation. Closer to home, Michael completed a review of NSW's Tuberculosis Program and convened the first Australian National Tuberculosis Conference (Public Health Association of Australia) in 1994.

In 1995 he undertook a two year appointment with the Global Tuberculosis program, World Health Organisation, based in Geneva. It was during this time that Michael developed an interest in Corrections Health. On his return to Australia in 1998, he took up a position with NSW Corrections Health Service where he worked as Clinical Director, Population Health until 2004. He went on to serve as Director, Centre for Health Research in Criminal Justice, Justice Health until 2007 and is currently the Director, Corrections Health Program, ACT Health. Michael has conjoint appointments with the School of Public Health, University of Sydney and the Victorian Institute of Forensic Medicine Monash University and has published extensively.



Michael Levy chairs meeting of Projects Committee, 2005

The Board, Committees and staff at ARC thank Michael for the dedication, commitment and leadership that he has provided over the last thirteen years. We wish him all the very best in his future endeavours and hope that we may still engage him from time to time in the areas of work in which he remains passionate: public health, tuberculosis and health care for the socially and economically disadvantaged.



Michael Levy, addresses guests at the launch of the AH&MRC BREATHE tobacco control project 2007

Investing in the future through research



Ann Woolcock Fellowship

This award was established in 2004 and is named in honour of the late Professor Ann Woolcock AO, former head of the Institute of Respiratory Medicine at the University of Sydney and Royal Prince Alfred Hospital. Professor Woolcock was a strong supporter of trainee scientists and physicians.

This is a 4 year full time postdoctoral fellowship in biomedical, clinical or public health research anywhere in Australia and is valued at approximately $100,000 per year. The Fellowship aims to encourage people of outstanding ability to develop research as a significant component of their career.

The Fellowship will support research relating to tuberculosis, respiratory diseases due to other infections, or respiratory diseases related to tobacco use, community issues or the health of disadvantaged groups.

Ann Woolcock Fellowship

2004 - 2008 The genetic influences on casual pathways of acute lower respiratory tract infections (ALRIs) in highly susceptible infants in PNG.

Dr Ingrid Laing
Telethon Institute for Child Health Research, Perth WA

2010 - 2014 Characterisation and treatment of innate immune dysfunction in older people with obstructive airway disease

Dr Jodie Simpson
University of Newcastle



Harry Windsor Research Grants Scheme

These grants are named in honour of the late Dr Harry Windsor, a leading Australian heart surgeon who played a key role in ARC for many years.

Dr Windsor performed the first heart transplant operation in Australia and was a prominent cardiothoracic surgeon at Sydney's St Vincent's Hospital.

He was actively involved with ARC and its Board from 1955 until his death in 1987.

These awards are being offered nationally to support research in:

- Tuberculosis
- Respiratory diseases related to other infections
- Smoking-related respiratory diseases

Research which also address community issues or the health of disadvantaged groups are particularly encouraged.

Grants of approximately $50,000 are offered each year. Grants are available for projects submitted to the National Health and Medical Research Council (NHMRC) which are considered fundable but which do not reach the cut-off mark for funding in any one year. An information sheet and grant conditions can be found and downloaded from ARC's website: **www.thearc.org.au**

2009 Recipient

2009 To investigate macrophage function and glutathione in the airways of smokers, and COPD subjects with/without lung cancer and how these correlate with physiological and biological disease markers.

Associate Professor Sandra Hodge et al
Hanson Institute, Adelaide SA

Dr Jodie Simpson

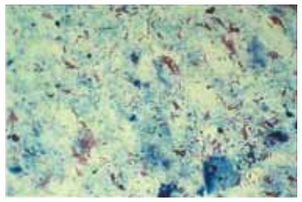
Australian Respiratory Council Ann Woolcock Research Fellow 2010 - 2014



Mechanisms and treatment of neutrophil accumulation in obstructive airways disease

The obstructive airway diseases COPD and asthma are now major health issues for Australia's ageing population. Both asthma and COPD are characterised by inflammation of the airways. The role of airway inflammation in obstructive airway disease of older people is poorly understood. It is likely to be important but also different to younger people because of life-long exposures to particulates such as cigarette smoke or other immune stimuli such as infections. Neutrophils are a key cell present in the airways playing an important role in defence, in patients with COPD and a sub-group of patients with asthma, neutrophils are elevated and persist in the airways.

During this fellowship I will undertake projects that will investigate inflammation in older people with obstructive airways disease and in particular establish the role of the innate immune response in these participants. We propose that alterations in the innate immune system potentiate an exaggerated neutrophil effector response which is observed in COPD and neutrophilic asthma.



This project will significantly extend our understanding of obstructive airway disease. In particular it will determine the role of innate immunity in the persistence of neutrophilic inflammation. Part of this research will also examine the use of an antibiotic as a treatment for neutrophilic bronchitis in older people. We will examine how the addition of this therapy to standard anti-inflammatory treatments will influence airway inflammation and innate immune receptor expression. The results will be of great importance to understanding disease mechanisms in obstructive airway disease and may lead to improvements in quality of life and new directions for therapeutic research.



Associate Professor Sandra Hodge

ARC Harry Windsor 2009 Recipient, Hanson Institute



To investigate macrophage function and glutathione in the airways of smokers, and COPD subjects with/without lung cancer and how these correlate with physiological and biological disease markers.

The Specific Aims of the ARC proposal 2009 were:

To investigate macrophage function and glutathione in the airways of smokers, and COPD subjects with/without lung cancer and how these correlate with physiological and biological disease markers.

Progress Report to 2010-02-02

Defective efferocytosis (macrophage phagocytosis of apoptotic airway cells) may perpetuate inflammation in smokers with/without COPD. Macrophages may phenotypically polarize to classically activated M1 (pro-inflammatory; regulation of antigen presentation) or alternatively activated M2 (poor antigen presentation; improved efferocytosis). In BAL-derived macrophages from controls and smoker/ex-smoker COPD subjects we investigated M1 markers (antigen presenting (HLA class I, II), complement receptors (CR), FcyR1, M2 markers (DC-SIGN, mannose receptor (MR), arginase) and macrophage function (efferocytosis, pro-inflammatory cytokine production in response to LPS). Glutathione (GSH) availability in BAL was assessed, as GSH is essential for both M1 function and efferocytosis.

We utilized a mouse model to further investigate macrophage phenotype/ function in response to cigarette smoke. In lung tissue (disaggregated) and BAL we investigated CR's, available GSH, arginase and efferocytosis. We further investigated the therapeutic effect of oral administration of a GSH precursor, procysteine.

Significantly decreased efferocytosis, available GSH and M1 antigen presenting molecules were noted in both COPD groups, with increased DC-SIGN and production of pro-inflammatory cytokines. Decreased MR and increased CR-3 was noted only in the current-smoker COPD group.

In smoke-exposed mice we found decreased efferocytosis (BAL and tissue) and available GSH, and increased arginase, CR-2 and CR-3. Treatment with procysteine significantly increased GSH, efferocytosis (BAL:control 26.2%, smoke-exposed 17.66%, procysteine+smoke-exposed 27.8%; Tissue:control 35.9%, smoke-exposed 21.6%, procysteine+smoke-exposed 34.5%) and CR's.



We conclude from these studies that macrophages in COPD are of a mixed phenotype and function. The increased efferocytosis and GSH availability in response to procysteine indicates that this treatment might be useful as an adjunct therapy for improving macrophage function in COPD and susceptible smokers.

Ongoing investigations

We are extending the above investigations to our COPD subjects with lung cancer and how these correlate with cancer type and 5 year survival. We expect to have completed these studies by the end of June 2010, and will then prepare a further manuscript for submission to a high quality scientific journal

Publications, presentations and grant success as a result of these investigations

- We were successful in obtaining an NHMRC project grant (commencing 2010) based on the preliminary data obtained as a result of ARC funding.
- We have submitted a manuscript to the American Journal of Respiratory Cell and Molecular Biology, December 2009 (under review) titled 'Cigarette smoke-induced changes to alveolar macrophage phenotype and function is improved by treatment with L-2-oxothiazolidine-4-carboxylate (procysteine)" Authors Sandra Hodge[1,2], Geoffrey Matthews[3], Violet Mukaro[1], Jessica Ahern[1], Aruna Shivam[1], Paul N Reynolds[1,2]
- Dr Violet Mukaro presented her work as a Young Investigator
- (TSANZ SA) in December 2009. Title "Targeting oxidative stress in COPD to improve macrophage function".
- Her abstract has also been selected for an oral presentation at the TSANZ meeting in Brisbane, March 2010.

Project Feedback

Reaching out to factory workers and the elderly to reduce TB in Cambodia

Background Information

Following on from the atrocities of the Khmer Rouge regime from 1975-78 which saw the killing of a quarter of the population including the entire educated class, Cambodia continued to suffer decades of civil war until its conclusion in 1998. This period left the country impoverished and traumatised needing to rebuild virtually its entire infrastructure including its social, political, agricultural and cultural systems. As it is slowly beginning to recover, it is not surprising that Cambodia is amongst one of 22 countries regarded by WHO as having the highest burden of tuberculosis (TB) in the world.



In response the Cambodian Ministry of Health has given TB Control a very high priority and is committed to significantly increasing the detection and cure rate by 2015. To do this the Ministry has adopted a cross sectoral approach harnessing the participation of local authorities, business, communities and development partners.

A very small and active non government organisation the Cambodian Anti Tuberculosis Association (CATA) is one such local group working alongside the National TB Control program (NTP) to meet this goal. With joint funding support from ARC and the Japanese Anti Tuberculosis Association (JATA) they are making tremendous inroads into reaching the marginalised groups of factory workers and the elderly, groups that so often fall outside of the mainstream and are missed.

Garment Factories in Cambodia

The Garment industry is a vital source of income for Cambodia and has until the Global Financial Crisis (GFC) generated a high percentage of the countries exports. The factories employ armies of mainly women who are young, poor, illiterate or with low levels of education and who have migrated largely to the capital Phnom Penh from impoverished rural villages. Recent research has shown that prior to the GFC, 1 in 5 women between the ages of 18-24yrs worked in garment factories and approximately 50% of their $50-$80 monthly wage is remitted to their families as they are often the main or only bread winner.



CATA and the Government recognised that the risk of workers falling sick with an airborne contagion such as TB is increased as factories employ large numbers of people working in close proximity; many of whom also share overcrowded boarding houses with poor ventilation. The TB factory program was therefore instigated as a pilot program.

One of its key components is the granting of paid sick leave by the factory to the TB positive patient for the initial treatment (from 2 – 4 weeks), followed by follow up treatment whilst at work through the factory health centre. CATA's job is to first get the factory management on side, second, train the factory health workers to recognise and treat TB and thirdly to raise awareness of TB and its treatment to the factory workers with the aim to abate their fear of job loss if they fall sick and to ensure they report to the Health Centre for treatment.

The role of the elderly in the community

In Cambodia the elderly care for young children whilst the parents go out to work. According to Dr Mom Ky the acting Director of CATA, because of their age the health of the elderly is often neglected. He believes that since the elderly are the primary carers of young children then the potential to transmit airborne disease, especially TB is great.

He identified the need therefore to work with the community to recognise the needs of the aged whilst circumventing transmission to the young.



An elderly group receiving awareness training

An evaluation of the Cambodian Anti Tuberculosis Association program in factories and with the elderly and vulnerable in 2009

ARC has been supporting the program throughout 2009 and the mid year evaluation for both the factory and elderly and vulnerable components has been impressive:

Within the factories:

- 40 TB Awareness sessions were conducted in 10 factories, with an average of 50 participants per session resulting in approximately 2000 factory workers receiving awareness training.
- 19 Factory Health Centre and Operational District staff were trained by CATA over 2 sessions in the areas of clinical technical skills and TB health promotion strategies.

  In addition to this CATA in collaboration with the Occupation Health Department staff made regular supervisory and support visits to the staff at the factory Health Centres.
- In total 102 TB suspects were referred for TB screening with 10 cases detected.



Factory girls undertaking lunchtime awareness training

This work was undertaken in an increasingly difficult environment with the GFC causing the closure of 5 of the 16 original factories involved in the project leading to the need for CATA to recruit and induct new factories whilst also impacting on the factory workers whose fear of further closures and loss of income were reported to influence their decision to report sick.

Working in communities with the elderly and vulnerable.

- 42 Village Health Support Groups (VHSG) have been trained to be actively involved in community TB awareness raising, in referring TB suspects to the Health Centre and in ensuring that anti TB drugs are taken daily if necessary.
- A collaborative approach has been taken with CATA coordinating the Operational Health District, the Health Centres, the local authorities and the VHSGs to conduct TB awareness campaigns in the communities every 2 months, reaching 2,843 families.
- As a result 95 TB suspects were referred to the HC by the VHSGs for testing and 46 made a self referral, 33 TB cases were detected including 15 PTB smear positive cases in 2009. This detection rate is recorded as 3.7 times higher than last year.

Once again concomitant with these results was ongoing flooding affecting closures to Health Centres and the impact of the GFC on rising living costs and the capacity of the VHSG's to give their time voluntarily over competing needs for survival. These results and the report highlight CATA's high level of commitment to support the ongoing work of the VHSGs through regular supervisory and problem solving meetings and field visits.



Village Health Support Volunteers at a monthly meeting

Scholarships, Fellowships - 10 year history

ARC Harry Windsor Biomedical and Postgraduate Research Scholarship Awards (ceased 2002)

Date	Recipient	Subject	Award
1999-2001	George Latouche *University of Sydney, NSW*	Phopholipases as potential virulence factors of Cryptococcus neoformans variety Gattii	$55,089
1999-2001	Rosemary Santangelo *Westmead Hospital, Sydney, NSW*	Phospholipases of Cryptococcus neoformans	$63,498
1999-2001	Anna Hansen *University of Sydney, NSW*	The role of cytokines in the immunity and pathology of malaria	$56,703
2000-2001	Rita Machaalani *University of Sydney, NSW*	Neurone receptor systems in sudden infant death and piglets exposed to hypercapnic-hypoxia	$37,454
2000-2001	Shoma Dutt *Westmead Hospital, Sydney, NSW*	Biliary lipids in liver disease and interstitial phospholipid metabolism in children with cystic fibrosis	$40,311
2001	Anup Desai *University of Sydney, NSW*	Interaction of mild obstructive sleep apnoea, sleep deprivation and circadian factors in cognitive function	$27,793

ARC Ann Woolcock Biomedical and Postgraduate Research Scholarship Awards (commenced 2002)

Date	Recipient	Subject	Award
2002-2003	Anup Desai *University of Sydney, NSW*	The contribution of obstructive sleep apnoea to driver fatigue in transport drivers	$55,793
2002-2003	Rita Machaalani *University of Sydney, NSW*	Neurone receptor systems in sudden infant death and piglets exposed to hypercapnic-hypoxia	$29,214
2002-2003	Shoma Dutt *Westmead Hospital, Sydney, NSW*	Biliary lipids in liver disease and interstitial phospholipid metabolism in children with cystic fibrosis	$41,793
2002-2004	Zoe Barker-Whittle (McKeough) *Royal Prince Alfred Hospital, Sydney, NSW*	Evaluation of lung volume reduction surgery in patients with chronic airflow limitation	$59,214
2003-2004	Kylie Turner *University of Sydney, NSW*	Investigation of the structure of cryptococcal phospholipases	$40,143
2003-2004	Corrina Parker *Australian National University, Canberra, ACT*	Detection, isolation and characterisation of novel anti-effective agents from cultured micro-fungi	$40,143

ARC Ann Woolcock Fellowship Awards (commenced 2005)

Date	Recipient	Subject	Award
2005-2009	Ingrid Laing *Telethon Institute for Child Research, Perth, WA*	Genetic Influences on causal pathways of ALRIs in highly susceptible infants (awaiting final data)	$285,000

Research Grants - 10 year history

ARC Harry Windsor Medical Research Grants

Date	Recipient	Subject	Award
1999	Ronald Grunstein *Royal Prince Alfred Hospital, Sydney, NSW*	Sleep Apnoea and Cytokines	$22,000
1999	Karen Waters *University of Sydney, NSW*	Potential neurotoxicity of repetitive hypercapnic hypoxia during early treatment	$10,000
1999	Evangelica Daviskas *Royal Prince Alfred Hospital, Sydney, NSW*	Effects of beta2-adrenceptor agonists on mucociliary clearance in persons with asthma	$5,000
1999	Peter Bye, Stefan Eberl and Jenny Alison *University of Sydney, NSW*	Pharmacological and Physical Therapies to enhance mucociliary clearance in chronic lung disease and mucus hypersecretion	$39,000
1999	Bernadette Saunders and Helen Briscoe *Centenary Institute of Cancer Medicine & Cell Biology, Sydney, NSW*	Apoptosis in the control of Mycobacterial infection	$38,000
1999	Graeme Maguire, Norma Benger and Bart Currie *Menzies School of Health Research, Darwin, NT*	Chronic Lung Disease in Aboriginal Australians: factors in aetiology and treatment	$69,136
1999	Guy Marks *Institute of Respiratory Medicine, Sydney, NSW*	Does BCG vaccination in infancy prevent allergy	$5,000
2000	Peter Gibson *John Hunter Hospital, Newcastle, NSW*	Quality of Life in Chronic Cough	$25,500
2000	Warwick Britton and James Triccas *Centenary Institute of Cancer Medicine & Cell Biology, Sydney, NSW*	Interlukin-18 as an adjuvant for DNA Immunisation against Tuberculosis	$26,500
2000	Peter Bye, Iven Young, Jenny Alison and Marney Isedale *Royal Prince Alfred Hospital, Sydney, NSW*	Evaluation of lung volume reduction surgery in patients with chronic airflow limitation	$38,000
2000-2001	John Wiggers, Afaf Girgis, Robyn Considine and Jenny Bowman *University of Newcastle, NSW*	Preventing infant exposure to tobacco smoke: evaluation of an early childhood intervention	$53,006
2001	James Wiley and Tania Sorrell *University of Sydney, NSW*	The monocyte-macrophage P2x7 receptor and susceptibility to tuberculosis	$45,000
2001	Terence Amis and John Wheatley *Westmead Hospital, Sydney, NSW*	The role of snoring and obstructive sleep apnoea in the pathogenesis of hypertension	$45,665
2001	Amanda Baker and Vaughan Carr *University of Newcastle, NSW*	Randomised controlled trial of a smoking cessation intervention among people with a mental illness	$63,370
2002	Evangelia Daviskas, Sandra Anderson and Iven Young *Royal Prince Alfred Hospital, Sydney, NSW*	Effect of mannitol on the clearance of mucus in patients with COPD	$38,593
2002	Amanda Leach, Heidi Smith-Vaughan Marius Puruntamerri, Ross Baillie and Peter Morris *Menzies School of Health Research, Darwin, NT*	Improved hygiene measures for reduced infection in Australian Aboriginal Children: a randomised controlled trial	$48,424

Research Grants - 10 year history

ARC Harry Windsor Medical Research Grants (continued)

Date	Recipient	Subject	Award
2002-2003	James Triccas and Warwick Britton *Centenary Institute of Cancer Medicine & Cell Biology, Sydney, NSW*	New strategies to vaccinate against Mycobacterium tuberculosis	$112,588
2003	Jennifer Alison, Peter Bye and Campbell Thompson *Royal Prince Alfred Hospital, Sydney, NSW*	Evaluation of individual components of pulmonary rehabilitation in subjects with COPD	$47,880
2004	Paul Kelly, Nick Anstey, Graeme Maguire et al *Menzies School of Health Research, Darwin, NT*	Pulmonary Function in Tuberculosis patients in Mimika District, Papua Province , Indonesia	$43,267
2004	Warwick Britton, Guy Marks and Bernadette Saunders *Centenary Institute of Cancer Medicine & Cell Biology, Sydney, NSW*	Evaluation of genetic and environment risk factors for progression to active tuberculosis in the Liverpool cohort	$44,701
2005	Kwung Fong and Annalese Semmler *Prince Charles Hospital, Chermside, QLD*	Novel methylated genes in lung cancer	$52,250
2005	Paul Reynolds, Gregory Hodge, Sandra Hodge and Mark Holmes *Royal Adelaide Hospital, SA*	Infection versus rejection in lung transplant related bronchiolitis obliterans syndrome: can intracellular *cytokines help?*	$50,000
2006	Robert Capon *University of Queensland, St Lucia, QLD*	A new non-toxic approach to controlling bacterial infection	$49,000
2006	David Jans *Monash University, Melbourne, VIC*	Role of phosphorylation in regulating nuclear trafficking during infection of respiratory syncitial virus matrix protein	$50,000
2006	Paul Kelly, Graeme Maguire, Peter Morris, Ivan Bastian and Nicholas Anstey *Menzies School of Health Research, Darwin, NT*	Nutritional intervention to improve tuberculosis treatment outcome in Timika, Indonesia: the NUTTS study	$50,000
2007	Stephen Bozinovski and Ross Vlahos *University of Melbourne, VIC*	Cigarette smoke chemically modifies and inactivates lung innate immunity mediated by the bacterial receptor, TLR4	$50,000
2007	Siobhain Brennan and Anthony J Kettle *Telethon Institute for Child Health Research, Perth, WA*	Investigating markers of oxidative stress in young children with cystic fibrosis: a driving mechanism of pulmonary investigation	$50,000
2008	Stephen Stick, Anthony Kicic and Siobhan Brennan *University of WA, Perth, WA*	Characterisation of airway epithelial cells from young children with cystic fibrosis	$50,000
2008	Nicholas Anstey *Menzies School of Health Research, Darwin, NT*	A randomised controlled trial of L-arginnine or vitamin D to improve outcomes in pulmonary tuberculosis	$50,000
2008	Jenny Alison *University of Sydney, NSW*	Optimising mucus clearance with exercise in cystic fibrosis	$50,000
2009	Sandra Hodge *Hanson Institute, Adelaide, SA*	Investigation of macrophage function as a therapeutic target *in chronic obstructive pulmonary disease/emphysema (COPD)*	$50,000

Projects - 10 year history

ARC Project Awards

Date	Recipient/Project	Award
1999	Funded purchase of course textbooks for Epidemiology Workshop in Port Moresby	$1,000
1999	Visit to Port Moresby & Lae to evaluate the DOTS TB Programme	$4,000
1999	Provided funding for the translation of "Tobacco or health: A Global Threat" through Teaching Aids at Low Cost	$3,000
2000	Participation in the WHO, "First Stop TB Meeting in the Pacific Islands" in Noumea	$4,000
2000	Sponsored Professor Don Enarson, Scientific Director of IUATLD, to be guest speaker at the NSW Health Department TB Nurses Conference	$3,000
2001	Distribution of books: Clinical Tuberculosis and Tobacco or Health: A Global Threat through Teaching Aids at Low Cost.	$2,000
2002 - 2006	TB laboratory Training Tonga, Samoa, Kiribati and the Cook Islands	$189,231
2005	Maningrida Lung Health Community Awareness Raising Pilot Project Funding (James N Kirby Foundation $12,000)	$20,000
2006	Building of TB Laboratory at Tunguru Hospital Kiribati	$30,000
2006	TB Nurse Training in Kiribati	$41,699
2006-2009	Training of nurses and related workers in the Northern Pacific Funding	$76,261
2007-2008	**Secretariat of Pacific Community** Enhancing Community involvement in TB control through Theatre in Kiribati	$40, 926
2007-2009	**Aboriginal Health and Medical Research Council (AH&MRC)** BREATHE: Project. This project aims to reduce smoking-related disease and morbidity for Aboriginal people in NSW communities	$490,200
2007-2009	**Aboriginal Health Council of Western Australia (AHCWA)** Beyond the Big Smoke: a clear vision for Aboriginal tobacco control in Western Australia	$200,000
2008-2009	**Secretariat of Pacific Community** TB Drama Video Production in Kiribati	$35,000
2009	**Cambodian Anti-Tuberculosis Association** Cambodia: TB control in elderly and vulnerable groups and in factories	$27,826
2009	**Federated States of Micronesia** Capacity Building for TB nurses and related health workers in the Federated States of Micronesia (FSM) – Partnership Eli Lilly	$31,424

2009 Financials

Directors' Report

The Directors present their report together with the financial report of the Australian Respiratory Council for the year ended 31 December 2009 and the Auditor's report thereon.

Directors
The Directors at any time during or since the end of the financial period are:
Amanda Julie Christensen
Peter Gianoutsos
Robert Eric Horsell
Michael Herbert Levy
David Hugh Macintosh
Ian Wallace Ramsay
John Paul Seale
Iven Hunter Young

Company Particulars

Australian Respiratory Council, incorporated and domiciled in Australia, is a Public Company limited by guarantee.

Company Secretary

Judith Begnell was appointed to the position of Company Secretary in 2008.

Principal Activities

The principal activity of the Company during the financial period was the provision of funds for the prevention and cure of respiratory illness. There was no significant change in the nature of this activity during the financial period.

Review and Results of Operations

The Company continued to engage in its principal activity during the financial period. The Loss of the Company for the year ended 31 December 2009 was $355,058 (2008 loss: $921,065).

Dividends

No dividends have been paid or declared since the end of the previous year, and no dividends were previously recommended as the Constitution of the Company prohibits their payment.

State of Affairs

No other significant changes in the state of affairs of the Company occurred during the financial period.

No significant change in the nature of these activities occurred during the year.

Events Subsequent to Balance Date

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company to significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Likely Developments

The Company will continue to pursue its principal activities at a surplus. It is not expected that the results in future years will be adversely affected by the continuation of these operations

Further disclosure of information regarding likely developments in the operations of the Company in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Company. Accordingly, this information has not been disclosed in this report.

Environmental Development

The Company's operations are not subject to any significant environmental regulations under Australian Law.

Insurance of Officers

During the financial period, the Company has paid premiums in respect of Directors' and Officers' liability insurance contracts for the 12-month period ended 31 December 2009, and since the financial period, the Company has paid or agreed to pay on behalf of the Company, premiums in respect of such insurance contracts for the 12-month period ended 31 December 2009. Such insurance contracts insure against certain liability (subject to specific exclusions) persons who are or have been Directors or Executive Officers of the Company.

The Directors have not included details of the nature of liabilities covered or the amount of the premium paid in respect of the Directors' and Officers' liability insurance contracts, as such disclosure is prohibited under the terms of the contracts.

Particulars of Directors

Amanda Julie Christensen Dip Nursing.
Appointed to the Board on 22 February 2001
Interest in contracts: Nil

Clinical Associate Professor Peter Gianoutsos
MB CHB FRACP FACCP.
Appointed to the Board on 15 May 2006. Vice President
Interest in contracts: Nil

Robert Eric Horsell CPA.
Appointed to the Board on 24 June 1999. Finance Director
Interest in contracts: Nil

Professor Michael Herbert Levy
MBBS MPH FAFPHM.
Appointed to the Board on 21 May 1998

Interest in contracts: Nil

David Hugh Macintosh BBS, FCA.
Appointed to the Board on 19 June 1997. President
Interest in contracts: Nil

Ian Wallace Ramsay LLB.
Appointed to the Board on 27 November 2008
Interest in contracts: Nil

Professor John Paul Seale MBBS PhD FRACP.
Appointed to be the Board on 19 June 1997. Vice President
Interest in contracts: Nil

Clinical Professor Iven Young BSc(Med), MBBS, PhD, FRACP.
Appointed to the Board on 6 August 1998
Interest in contracts: Nil

Directors' Meetings

The number of Directors' meetings held during the financial period and the number of meetings attended by each Director were:

	Number Held while in Office	Number Attended
Amanda Julie Christensen	5	4
Peter Gianoutsos	5	4
Robert Eric Horsell	5	4
Michael Herbert Levy	5	2
David Hugh Macintosh	5	5
Ian Wallace Ramsay	5	5
John Paul Seale	5	5
Iven Hunter Young	5	4

A copy of the Auditor's Independence Declaration follows this Directors Report.

Signed in accordance with a resolution of the Board of Diretors:

David Macintosh
Director
Sydney, 23 March 2010

Robert Horsell
Director
Sydney, 23 March 2010

Auditor's Independence Declaration Under section 307C of the Corporations Act 2001 to the Directors of Australian Respiratory Council

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2009 there have been:

i. no contraventions of the Auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
ii. no contraventions of any applicable code of professional conduct in relation to the audit.

BRYAN RUSH & COMPANY
Chartered Accountants

D R Conroy
Principal

Sydney
23 March 2010

Income Statement
For the year ended 31 December 2009

	Note	2009 $	2008 $
Revenue	2	573,038	149,662
Depreciation, amortisation and impairments	3	(9,317)	(4,849)
Research grants, fellowships and scholarships		(50,000)	(214,750)
Project funding		(300,140)	(263,000)
Investment expense		(20,871)	(37,870)
Consultancy fees		(41,597)	(26,515)
Employee benefits expense		(221,316)	(298,390)
Other expenses		(284,855)	(225,353)
Loss before income tax		(355,058)	(921,065)
Income Tax expense	1	-	-
Loss for the Year	15	(355,058)	(921,065)
Other comprehensive income after tax:			
Net gain/(loss) on revaluation of financial assets		429,570	(2,109,680)
Other comprehensive income for the year net of tax		429,570	(2,109,680)
Total comprehensive income for the year		74,512	(3,030,745)
Total comprehensive income attributable to members of the entity		74,512	(3,030,745)

Statement of Financial Position
As at 31 December 2009

	Note	2009 $	2008 $
ASSETS			
Current assets			
Cash and cash equivalents	5	1,076,066	349,892
Trade and other receivables	6	24,411	77,759
Other current assets	7	4,876	16,105
Total current assets		1,105,353	443,756
Non current assets			
Financial assets	8	2,965,782	3,458,787
Property, plant and equipment	9	75,559	80,176
Investment property	10	1,650,000	1,650,000
Total non-current assets		4,691,341	5,188,963
TOTAL ASSETS		**5,796,694**	**5,632,719**
LIABILITIES			
Current liabilities			
Trade and other payables	11	196,006	100,560
Short term provisions	12	9,036	15,019
Total current liabilities		205,042	115,579
TOTAL LIABILITIES		205,042	115,579
NET ASSETS		**5,591,652**	**5,517,140**
EQUITY			
Reserves	13	2,725,387	714,242
Retained earnings	15	2,866,265	4,802,898
TOTAL EQUITY		**5,591,652**	**5,517,140**

Statement of Changes in Equity
For the year ended 31 December 2009

	Capital Profits Reserves $	Asset Revaluation Reserves $	Retained Earnings/ (Accumulated Losses) $	Total $
Balance at 1 January 2008	2,411,980	904,755	4,888,217	8,204,952
Profit/(Loss) attribute to members	-	-	(921,065)	(921,065)
Total comprehensive income for the year	-	(2,109,680)	-	(2,109,680)
Transfer on sale assets	-	(492,813)	835,746	342,933
Balance at 31 December 2008	**2,411,980**	**(1,697,738)**	**(4,802,898)**	**(5,517,140)**
Profit/(Loss) attribute to members	-	-	(355,058)	(355,058)
Total comprehensive income for the year	-	429,570	-	429,570
Transfer on sale assets	-	1,581,575	(1,581,575)	-
Balance at 31 December 2009	**2,411,980**	**313,407**	**2,866,265**	**5,591,652**

The accompanying notes form part of these financial statements

Statement of Cash Flows
For the year ended 31 December 2009

	Note	2009 $	2008 $
Cash from operating activities:			
Receipts from customers		466,282	210,184
Payments to suppliers and employees		(625,830)	(1,119,689)
Interest received		24,024	27,303
Distributions received		373,594	339,889
Net cash provided by (used in) operating activities	19	238,070	(542,313)
Cash flows from investing activities:			
Proceeds from sale of property, plant and equipment and investments		2,091,261	1,782,813
Acquisition of property, plant and equipment		(4,499)	(24,407)
Payment for investments		(1,598,658)	(1,191,821)
Net cash provided by (used in) investing activities		488,104	566,585
Net increase/(decrease) in cash held		726,174	24,272
Cash at beginning of financial year		349,892	325,620
Cash at end of financial year	**19**	**1,076,066**	**349,892**

The accompanying notes form part of these financial statements

1. Statement of Significant Accounting Policies

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

Australian Respiratory Council is a Company limited by guarantee, incorporated and domiciled in Australia.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Revenue

Revenues are recognised at fair value of the consideration received net of the amount of goods and services tax (GST) payable to the taxation authority. Exchanges of goods or services of the same nature and value without any cash consideration are not recognised as revenues.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from investment properties is recognised on an accruals basis in accordance with lease agreements.

Dividend revenue is recognised net of any franking credits. Revenue from dividends is recognised when received.

Income from other sources is recognised when the fee in respect of other products or services provided is receivable.

Income Tax

The Company is registered as a charity and is not subject to income tax. Continued exemption for income tax is subject to the requirements for non profit organisations.

Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

Plant and Equipment

Plant and equipment are measured on the cost basis less, where applicable, depreciation and impairment losses. The carrying amount of plant and equipment is reviewed annually by the Company to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The depreciable amount of all fixed assets, including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis and diminishing value basis over their useful lives to the Company commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and Equipment	7.5% - 50%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

Impairment of Assets

At each reporting date, the Company reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the income statement.

Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled plus related on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the Company to employee superannuation funds and are charged as expenses when incurred.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of

acquisition of the asset of as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash and Cash Equivalents

For the purposes of the cash flows statement, cash includes cash on hand and at call deposits with banks or financial institutions, investments in money market instruments maturing within less than two months and net of bank overdrafts.

Comparative Figures

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

Financial Instruments

Recognition and initial measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at cost plus transactions cost where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

1. Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. The fair value of financial instruments traded in active markets such as trading and available-for-sale securities is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Company is the current bid price; the appropriate quoted market price for financial liabilities is current ask price.

2. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

3. Held to maturity investments

Held to maturity investments are non-derivative financial assets with fixed maturities and fixed or determinable payments, and it is the entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

4. Available for sale financial assets

Available for sale financial assets are non derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

5. Financial Liabilities

Non derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Critical Accounting Estimates and Judgments

The Directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economical data, obtained both externally and within the group.

Key Estimates - Impairment

The Company assesses impairment at each reporting date by evaluating conditions specific to the Company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the assets is determined. Value in use calculations performed in assessing recoverable amounts incorporated a number of key estimates.

Key Judgments - Provision for Impairment of Receivables

The Directors believe that the amount included in accounts receivable is recoverable and non provision for impairment has been made at the end of the financial year.

Australian Accounting Standards Not Yet Effective

The Company has not yet applied any Australian Accounting Standards or Interpretations that have been issued at balance date, but are not yet operative for the year ended 31st December 2009. (the "Inoperative Standards"). The impact of the Inoperative Standards has been assessed and identified as not being material. The Company only intends to adopt Inoperative Standards at the date which their adoption becomes mandatory.

Notes to the Financial Statements

For the year ended 31 December 2009

	2009 $	2008 $
2. Revenue		
Operating Activities		
Net profit/(loss) on sale of investments	20,593	(403,108)
Rental revenue for property investment	41,347	40,857
Interest received	24,024	27,303
Fund distributions from investments	331,067	339,889
Legacies & donations	3,000	-
Member subscriptions	1,727	1,364
Refund of franking credits	15,183	27,345
Appeals	83,759	73,249
Sundry income received	52,338	42,763
Total Revenue	573,038	149,662
3. Profit From Ordinary Activities		
Expenses		
Depreciation of Non-Current Assets:		
Plant and Equipment	9,317	4,849
4. Auditors' Remuneration		
Remuneration of the Auditor of the Company for:		
- Auditing the Financial Report	10,000	9,500
5. Cash and Cash Equivalents		
Cash on hand	1 ,749	818
Cash at bank	1 ,074,317	349,074
Total	1,076,066	349,892
6. Trade and Other Receivables		
Current		
Trade debtors	5 ,176	13,260
Other debtors	19,235	64,499
Total	24,411	77,759
7. Other Current Assets		
Prepayments	4,876	16,105

	2009 $	2008 $

8. Financial Assets

Non Current		
Listed shares - at fair value	2,135,785	1,670,083
Managed funds - at fair value	829,997	1,788,704
Total financial assets	**2,965,782**	**3,458,787**

9. Property, Plant and Equipment

Non Current		
Plant & equipment at cost	114,089	143,770
Less: accumulated depreciation and impairment	(38,530)	(63,594)
Total property, plant and equipment	**75,559**	**80,176**

Movements in Carrying Amounts
Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Plant and Equipment $	Total $
Balance at the beginning of year	80,176	80,176
Additions	4,499	4,499
Disposals	-	-
Depreciation expense	(9,317)	(9,317)
Adjustment	201	201
Carrying amount at the end of year	75,559	75,559

10. Investment Property

Non Current		
Investment properties - at fair value	1,650,000	1,650,000
Total	**1,650,000**	**1,650,000**

11. Trade and Other Payables

Unsecured Liabilities		
Trade payables	120,506	74,689
Sundry payables and accrued expenses	75,500	25,871
Total	**1 96,006**	**100,560**

12. Provisions

Provision for annual leave	9,036	15,019
Number of employees		
Number of employees at year end	4	3

	2009 $	2008 $

13. Reserves

Capital profits reserve	2,411,980	2,411,980
Asset revaluation reserve	313,407	(1,697,738)
Total	**2,725,387**	**714,242**

Nature and purpose of reserves

(a) Capital Profits

The capital profits reserve is used to accumulate realised capital profits

Balance at end of year	2,411,980	2,411,980

(b) Asset Revaluation

The asset revaluation reserve is used to record increments and decrements in the value of non current assets

Balance at beginning of year	(1,697,738)	904,755
Revaluation increment/(decrement)	429,570	(2,109,680)
Transfers	1,581,575	(492,813)
Balance at end of year	**313,407**	**(1,697,738)**

14. Members' Guarantee

The Company is limited by guarantee. If the Company is wound up, the Constitution states that each member is required to contribute a maximum of $1 each towards meeting any outstanding obligations of the Company. At 31 December 2009 the number of members was 46 (2008:52).

15. Retained Earnings

Accumulated profit at the beginning of the financial year	4,802,898	4,888,217
Net profit/(loss) attributable to members of the company	(355,058)	(921,065)
Transfers to and from reserves	(1,581,575)	835,746
Accumulated profit at the end of the financial year	**2,866,265**	**4,802,898**

16. Financial Instruments

(a) Interest Rate Risk

The Company's exposure to interest rate risk, which is the risk that a financial instruments value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

	Weighted Average Effective Interest Rate		Floating Interest Rate		Non interest Bearing		Total	
	2009%	**2008%**	**2009$**	**2008$**	**2009$**	**2008$**	**2009$**	**2008$**
Financial Assets:								
Financial Assets								
Cash and cash equivalents	3.20	8.10	1,074,317	349,074	1,749	818	1,076,066	349,892
Receivables	-	-	-	-	24,411	13,260	24,411	13,260
Other financial assets	-	8.08	-	250,000	2,965,782	3,208,787	2,965,782	3,458,787
Total Financial Asset			**1,074,317**	**599,074**	**2,991,942**	**3,222,865**	**4,066,259**	**3,821,939**
Financial Liabilities:								
Payables	-	-	-	-	196,006	100,560	196,006	100,560
Total Financial Liabilities	-	-	-	-	196,006	100,560	196,006	100,560

(b) Net Fair Values of Financial Assets and Liabilities

The carrying amounts approximate the fair values of financial assets and liabilities.

(c) Credit Risk

The credit risk on financial assets of the Company which has been recognised on the Balance Sheet is the carrying amount.

17. Key Management Personnel

Names and positions held of the Company key management personnel in office at any time during the financial year are:

Key Management Personnel

Non Executive Directors
Amanda Julie Christensen
Peter Gianoutsos
Robert Eric Horsell
Michael Herbert Levy
David Hugh Macintosh
Ian Wallace Ramsay
John Paul Seale
Iven Hunter Young

Executive Directors
Amanda Julie Christensen (Cease May 2009)
Kerrie Shaw (Appoint May 2009)

Compensation paid, payable or provided to other key management personnel for the year ended totalled $100,038 (2008:$114,368). This comprised short term benefits.

18. Related Party Transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated. During the year, Amanda Julie Christensen the Director was paid $1,756.00 Consultancy Fees for nurse training workshop in Guam where she represented ARC as a Course Presenter and $2,634.77 Consultancy Fees for attendance and presenting on behalf of ARC at the International Union Against Tuberculosis and Lung Disease Conference in Cancun.

19. Cash Flows Information

	2009 $	2008 $
(a) Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:		
Cash and cash equivalents	**1,076,066**	**349,892**
(b) Reconciliation of Cash Flow from Operations with Profit after Income Tax		
Net income/loss for the period	(355,058)	(921,065)
Cash flows excluded from profit attributable to operating activities		
Non cash flows in profit		
Depreciation	9,317	4,849
Net gain/(loss) on revaluation of investments	429,771	403,108
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries		
(Increase)/decrease in trade and term receivables	53,348	(68,399)
(Increase)/decrease in prepayments	11,229	(11,438)
Increase/(decrease) in trade payables and accruals	95,446	49,099
(Increase)/decrease in provision for employee benefits	(5,983)	1,533
Net cash inflow/(outflow) from operating activities	**238,070**	**(542,313)**

20. Information and declarations to be furnished under the Charitable Fundraising Act 1991, Section 23

(a) Details of aggregate gross income and total expenses of fundraising appeals		
Gross proceeds from fundraising appeals	83,798	73,249
Less: Total direct costs of fundraising	73,327	22,293
Net surplus from fundraising activities	**10,471**	**50,956**

(b) Statement showing how funds received were applied to charitable purposes

This surplus is used for research grants, fellowships and scholarships.

(c) Fundraising appeals conducted during the financial period

Appeals only.

(d) Comparisons		
Total cost of fundraising/gross income from fundraising	88%	30%
Net surplus from fundraising/gross income from fundraising	12%	70%
Total cost of services/total expenditure	100%	100%
Total cost of services/total income received	88%	30%

The direct costs of fundraising contains an amount of $47,000 which is for development and implementation of the Bequest and Acquisition programs commencing in 2010 year.

Summary Financial Report

Income Statement for the year ended 31 December 2009

	2009 $	2008 $
REVENUE		
Donation and Gifts- monetary	86,798	73,249
- non-monetary	-	-
Bequests & Legacies	-	-
Grants		
AusAid	-	-
Other Australian	34,260	-
Other overseas	7,368	16,231
Investment Income	432,214	32,286
Other Income	12,398	27,896
Total Revenue	**573,038**	**149,662**
EXPENSES		
Overseas Projects		
Funds to overseas projects	51,327	18,351
Other project costs	70,439	109,171
Domestic projects	324,485	498,779
Community education	8,710	3,509
Fundraising Costs		
Public	73,327	22,293
Government, multilateral and private	-	-
Administration	399,808	418,624
Total Expenses	**928,096**	**1,070,727**
Excess of revenue over expenses (shortfall) from continuing operations	**(355,058)**	**(921,065)**

Table of Cash Movements for Designated Purposes

For the year ended 31 December 2009

	Cash Available at the beginning of the financial period $	Cash raised during the financial period $	Cash disbursed during the financial period $	Cash available at the end of the financial period $
Australia Research Grants & Fellowships	-	-	(51,485)	(51,485)
Australian Projects	-	86,759	(273,000)	(186,241)
International Projects	-	41,628	(121,766)	(80,138)
Community education	-	-	(8,710)	(8,710)
Other Purposes	349,892	2,826,774	(1,774,026)	1,402,640
Total	**349,892**	**2,955,161**	**(2,228,987)**	**1,076,066**

Note
In the year ended 31 December 2009, the Board allocated an amount for Australian research grants and fellowships. The shortfall in cash reserves is compensated by cash raised from investment activities.

	Capital Profits Reserves $	Asset Revaluation Reserves $	Retained Earnings/ (Accumulated Losses) $	Total $
Balance at 1 January 2008	2,411,980	904,755	4,888,217	8,204,952
Excess of revenue over expense	-	-	(921,065)	(921,065)
Total comprehensive income for the year	-	(2,109,680)	-	(2,109,680)
Transfers on sale of assets	-	(492,813)	835,746	342,933
Balance at 31 December 2008	**2,411,980**	**(1,697,738)**	**4,802,898**	**5,517,140**
Excess of revenue over expense	-	-	(355,058)	(355,058)
Total comprehensive income for the year	-	429,570	-	429,570
Transfer on sale assets	-	1,581,575	(1,581,575)	-
Balance at 31 December 2009	**2,411,980**	**313,407**	**2,866,265**	**5,591,652**

The above disclosures are prepared in accordance with the requirements set out in the ACFID code of conduct.

Director's Declaration

The Directors of the Company declare that:

1. The financial statements and notes are in accordance with the Corporations Act 2001:

(i) comply with Accounting Standards and the Corporations Regulations 2001;

(ii) give a true and fair view of the financial position as at 31 December 2009 and performance for the year ended on that date of the Company;

2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

David Macintosh
Director
Sydney, 23 March 2010

Robert Horsell
Director
Sydney, 23 March 2010

Independent Auditor's Report

To the members of Australian Respiratory Council

Report on the Financial Report

We have audited the accompanying financial report of Australian Respiratory Council, which comprises the statement of financial position as at 31 December 2009 and the statement of comprehensive income, and the changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the Directors' declaration.

Directors' Responsibility for the Financial Report

The Directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the Directors also state, in accordance with Accounting Standard AASB 101: 'Presentation of Financial Statements', that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Auditor's Opinion

In our opinion,

(a) the financial report of Australian Respiratory Council is in accordance with the Corporations Act 2001,including:

(i) giving a true and fair view of the disclosing entity's financial position as at 31 December 2009 and of its performance for the period ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

(c) We have also audited the summary financial reports of Australian Respiratory Council which in our opinion are in accordance with the requirements set out in the ACFID code of conduct.

BRYAN RUSH & COMPANY
Chartered Accountants



D R Conroy
Principal

Sydney, 23 March 2010



Our wish...

to help find solutions for deadly respiratory illness...
and to help the sick find breath

Breathing is something that most people take for granted. But did you know that each year some three million babies around the world succumb quietly to the respiratory infections that close down lung function.

- Respiratory disease is one of the largest killers in Australia and diseases such as pneumonia and influenza may threaten any of us.
- TB alone kills two million people around the world year after year.

We wish to help find solutions.

ARC has been working for the prevention and cure of respiratory infections such as tuberculosis since the beginning of last century.

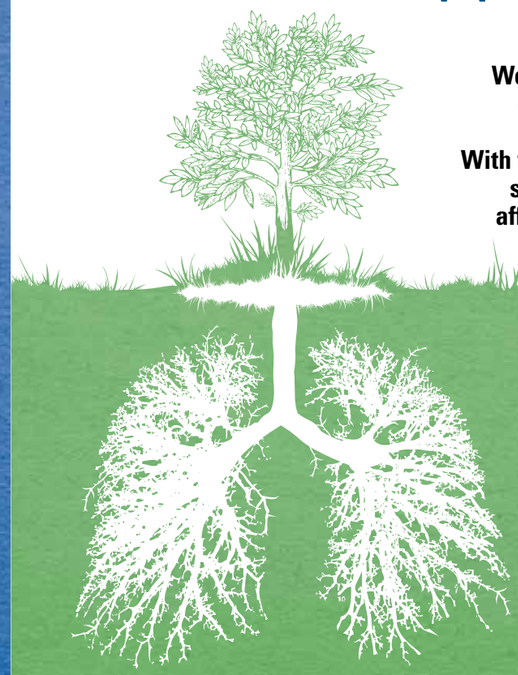
Please support our efforts and send a donation.

Your contribution, no matter the size, will make a significant contribution to the lives of sufferers of lung disease both here and across the Pacific.

Australian Respiratory Council
GPO Box 102, Sydney NSW 2001

Phone: 02 9223 3144
Fax: 02 9223 3044
Email: arc@thearc.org.au

Workplace Giving



Workplace Giving is a simple and effective way for employees and employers to regularly donate to Australian Respiratory Council.

With workplace giving, all your donations are made from your pre-tax salary. This reduces your salary for taxation purposes but doesn't affect the amount you are giving to Australian Respiratory Council.

- Pre-tax benefit with no need to collect receipts
- Donations made through a transparent program
- Simple way to give direct from pay
- Flexibility to start, change, stop at any time
- Cost effective method of giving
- Feels good giving your support

Want more information contact ARC on 9223 3144 or arc@thearc.org.au



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