



The Hon Martin Pakula MP

Minister for Industry Support and Recovery
Minister for Trade
Minister for Business Precincts
Minister for Tourism, Sport and Major Events
Minister for Racing

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Mr Lynton Hogan

President

Greyhound Owners Trainers and Breeders Association of Victoria Inc

By Email: gotbav@gmail.com

Dear Mr Hogan

Thank you for your letter dated 17 December 2020, in which you expressed concerns about Greyhound Racing Victoria (GRV) administration expenditure and returns to greyhound racing participants.

Like many other businesses Greyhound Racing Victoria (GRV) faced several significant challenges in the 2019-20 financial year, including impacts from the coronavirus (COVID-19) pandemic, outbreaks of canine gastroenteritis, extreme weather and bushfires.

To assist the industry to meet the challenges arising from the pandemic, the Victorian Government provided a \$3.42 million support package to ensure that greyhound racing participants and clubs were properly supported.

In response to COVID-19, the Board of GRV approved a cost containment strategy. This was critically important given the uncertainty about the likely effects of COVID-19, including whether racing would continue to be permitted in Victoria. This uncertainty also contributed to individual clubs deciding not to top-up feature race prize money for the remainder of 2019-20.

Thanks in no small part to the diligence of greyhound racing participants, and the leadership of GRV, the industry was able to continue to operate throughout the COVID-19 pandemic, including during the strict Stage 4 restrictions that saw many other industries shut down. This has ensured that participants, including your members, could continue to operate their businesses during a challenging time for Victoria.

Despite significant challenges, GRV achieved a \$700,000 net profit and was able to return \$45.7 million in 2019-20 to participants in the form of prize money and other returns. Whilst the return to participants did decrease from the previous year, the trend over the past five years has been positive. GRV has advised that returns to participants are forecast to increase almost 13 per cent in 2020-21 to \$51.6 million. This represents a forecast increase since 2016-17 of almost \$9 million in prizemoney returns (including travelers and starters fees and bonus payments).

The Chair and Board have further advised that they are committed to delivering their 2019-24 Strategic Plan which committed to a minimum 15 per cent increase in prize money (including travelers and starters fees and bonus payments) from 2018-19 prizemoney levels.

I am further advised that the Board and management will also focus on creating efficiencies across the organisation in the new financial year. I encourage GOBTA to continue to provide input on stake money and racing initiatives to ensure the continued success of the sport in Victoria.

I note your comments regarding my response to a Public Accounts and Estimates Committee (PAEC) hearing Question on Notice and your concerns about GRV administration expenditure. In May 2020, GRV provided advice on its COVID-19 cost containment strategy. At that time GRV anticipated that its cost containment measures would deliver administration expense savings of approximately \$2.6 million or about \$860,000 per month. These administration expenses included corporate expenditure, operational cost savings and deferred project spend across all areas of the business (excluding stake money and club distributions).

During the cost containment exercise, the Board also needed to ensure that services to participants were retained and that additional COVIDSafe measures could be implemented. This required additional resourcing and a re-direction of resources from within GRV. I am advised that the increase in expenditure identified in your correspondence reflects additional COVID-19 compliance costs. GRV have advised that an increase in overall expenditure would have been higher had it not been for the cost containment strategy put in place by the Board.

GRV has subsequently advised that the continuation of racing throughout the pandemic, and favourable wagering revenue results through the period, meant that it was able to review and reinstate a number of projects that the GRV Board had felt it necessary to defer in May 2020.

I commend the efforts of greyhound racing participants to ensure the successful continuation of racing in these challenging times. I would also like to take this opportunity to thank you for your continued advocacy on behalf of your members, especially around the distribution of prizemoney to participants.

The Victorian Government understands the importance of prizemoney to the participants and will continue to work with GRV across the core elements of integrity, animal welfare and racing to ensure a strong and vibrant industry into the future.

I trust the information provided is of assistance to you and thank you for taking the time to write about these important matters. If you require further information, please do not hesitate to contact Peter Betson, Associate Deputy Secretary, Sport Recreation and Racing on [REDACTED] or [REDACTED].

Yours sincerely



THE HON MARTIN PAKULA MP
Minister for Racing

17/3/2021