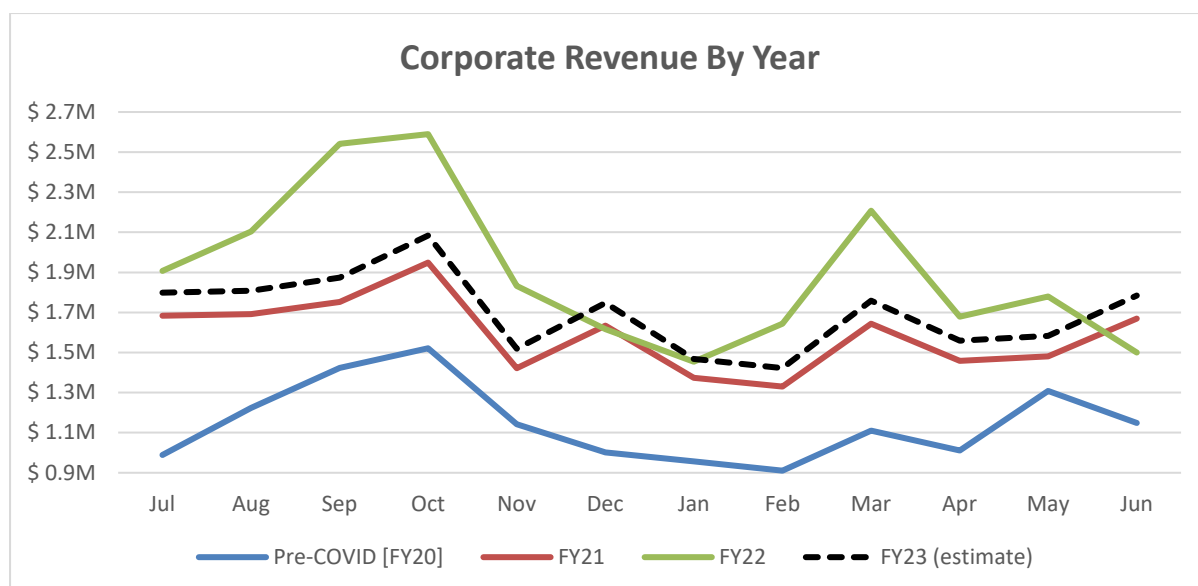


WAP announcement – Thursday 14th July

Greyhound Racing SA Limited (GRSA) wishes to advise participants that the Wagering Activity Payment (WAP) for the month of June 2022 will amount to \$145,000, taking total payments for the year past \$2.1 million. GRSA is aware of an expectation of an Industry Performance Reward Payment (IPRP) being made. Unfortunately, there will be no IPRP at this time because wagering revenue over the second half of the financial year was much lower than the first half. While this is likely to be a disappointing outcome for many, the IPRP was never a guarantee and was always predicated on recent performance. In any case, participants should be aware that GRSA will pay-out 53% of net wagering revenue in FY22.

Payments will be made to participants this coming Friday, 15th July.

For some time GRSA has expressed a view that wagering revenue was showing signs of softening. The macro-economic factors of significant inflation and the biggest increase to interest rates in twenty years is almost certainly reducing the disposable incomes of the wagering public. That in turn is flowing through to reduced wagering revenue. Race field fees from corporate bookmakers account for 80% of GRSA's wagering revenue and as can be seen from the chart below, the uplift in revenue that occurred at the beginning of FY22 has now fallen to below FY21 levels (June 2022 compared to June 2021).



The GRSA budget for FY23 anticipates a reduction in corporate revenue of \$2.4 million [from \$22.8 million to \$20.4 million] in this new financial year (see the dashed line in the chart above). If GRSA's prediction is right, then WAP's during FY23 will be very modest and there will be a number of months where no WAP is payable. Importantly, if revenue exceeds forecasts, then the WAP model (which guarantees a minimum payment of 50% of net wagering revenue) operates in a way that pays out any upside to participants as soon as practically possible.

The WAP calculation for the month is as follows:

		Current Month
Net Wagering Revenue *		\$2,080,000
Multiplied by		X
WAP Benchmark Return (50%)		50%
equals		=
Payout		\$1,040,000
less		
Prizemoney ^	\$711,000	-
Trainer Fees	\$83,000	

Breeder bonuses	\$101,000	
Total payments to Participants	\$895,000	\$895,000
<i>Equals</i>		=
WAP for the month		\$145,000

* **Net Wagering Revenue** is the combination of all corporate race field fees and Tabcorp product fees, less the fees associated with the generation of Tabcorp product fee from wagering on interstate racing product.

^ **Prizemoney** includes payments to winners, places and unplaced of all South Australian races. Following feedback from participants in December 2020, additional money for feature races is averaged over the year.

The table below shows the total WAP position for the year to date.

Month	Indexed Net Wagering Revenue (NWR)	NWR x 50%	Returns (ex WAP)	WAP	WAP YTD
	A	B	C	B less C	
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Jul 21	2,224	1,112	870	242	242
Aug 21	2,326	1,163	973	190	432
Sep 21	2,488	1,244	968	276	708
Oct 21	2,436	1,218	912	306	1,014
Nov 21	1,890	945	861	84	1,095
Dec 21	1,912	956	1,010	-	1,095
Jan 22	1,852	926	929	-	1,095
Feb 22	2,186	1,093	853	240	1,335
Mar 22	2,634	1,317	996	321	1,656
Apr 22	2,217	1,108	867	241	1,897
May 22	2,140	1,070	996	74	1,971
Jun 22	2,080	1,040	895	145	2,116

Distribution between Trainers and Owners

GRSA would like to remind all participants who receive a WAP that the payment is the equivalent of prizemoney. If you are currently responsible for distributing prizemoney to another party (eg owners) then the same approach applies to WAP payments.

From GRSA's perspective, the position in relation to third parties is reflective of OzChase records and is as follows:

- If GRSA have been notified of an ownership split [which is recorded in OzChase] then you **DO NOT** need to make a payment to owners for the WAP because GRSA will do this automatically, however;
- If you ordinarily forward on payments to owners of your own accord, then you **DO** need to do the same for the WAP. Each remittance will include the name of the dog for which the WAP is being made.

Comparison table showing the impact of WAP on a selection of prizemoney levels

Month	Category 1 Meetings GRADE 5 530m	Category 2 Meetings GRADE 5 531m	Category 3 Meetings GRADE 5 512m	Category 2 Meetings GRADE 5 400m	Category 3 Meetings GRADE 5 400m
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Base stakemoney levels excluding WAP: [Minimum paid out to participants].

Base	\$3,585	\$1,645	\$1,005	\$1,430	\$880
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Final stakemoney levels paid out including WAP:

Jul 21	\$4,886	\$2,242	\$1,370	\$1,949	\$1,199
Aug 21	\$4,524	\$2,076	\$1,268	\$1,805	\$1,111
Sep 21	\$5,098	\$2,339	\$1,429	\$2,033	\$1,251
Oct 21	\$5,216	\$2,393	\$1,462	\$2,081	\$1,280
Nov 21	\$4,073	\$1,869	\$1,142	\$1,624	\$1,000
Dec 21	\$3,585	\$1,645	\$1,005	\$1,430	\$880
Jan 22	\$3,585	\$1,645	\$1,005	\$1,430	\$880
Feb 22	\$4,937	\$2,265	\$1,384	\$1,969	\$1,212
Mar 22	\$5,173	\$2,374	\$1,450	\$2,063	\$1,270
Apr 22	\$4,940	\$2,267	\$1,385	\$1,971	\$1,213
May 22	\$3,951	\$1,813	\$1,108	\$1,576	\$970
Jun 22	\$4,327	\$1,986	\$1,213	\$1,726	\$1,062

Example to help participants understand the WAP they receive

It is not uncommon for GRSA to receive requests for more information in relation to how the WAP is calculated for their particular dogs(s). The example below is provided to assist in the general understanding of the calculation.

Assumptions:

In this example, assume the owner/trainer received **\$1,000** in prizemoney for any/all races for the month.

EXAMPLE		
Net Wagering Revenue	\$1,800,000	
<i>Multiplied by</i>	X	
WAP Benchmark Return (50%)	50%	
<i>equals</i>	=	
Payout	\$900,000	
<i>less</i>		
Prizemoney	\$700,000	-
Trainer Fees	\$80,000	
Breeder bonuses	<u>\$70,000</u>	
Total payments to Participants	\$850,000	\$850,000
<i>Equals</i>	=	
WAP for the month	\$50,000	

In this the total prizemoney (paid to all participant) is **\$700,000**.

In this example, the total WAP is **\$50,000**.

In this example, the owner/trainer would receive a WAP of **\$71.43**, calculated as:

$$\text{\textcolor{green}{\$1,000}} \div \text{\textcolor{red}{\$700,000}} \times \text{\textcolor{blue}{\$50,000}} = \text{\textcolor{black}{\$71.43}}$$

Participants should note that:

- WAP is **not payable** for any prizemoney received in relation to feature races [where total stakes are above \$5,000];
- Trainers' fees and other bonus payments are not included in the calculation of the share of the WAP; and
- It is a requirement that a greyhound has to have raced and received prizemoney during a month to be eligible to receive the WAP payment for that month.