

# **LawLite Economic Loss Analysis Report**

Date of Report: 24/07/2021

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# **Smith v Wesson Economic Loss Analysis**



**Annotations:**

2008/09 Claimant suffered injury

2014/15 Likely promotion 1

2018/19 Likely promotion 2

# **Loss Value Calculations:**

## **Comparison v Claimant**

Loss of Income (Gross): $692,460.29

Loss of Income (Net): $438,456.22

Loss of Superannuation: $68,342.37

## **Comparison v Loss Line (25% impairment):**

Loss of Income (Gross): $629,309.75

Loss of Income (Net): $396,984.01

Loss of Superannuation: $62,071.56

# **Comparison Earnings (Career in IT):**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Financial Year** | **Gross Weekly Income** | **Gross Yearly Income** | **Tax** | **Net Yearly Income** | **Net Weekly Income** | **Superannuation** |
| 2002/03 | $1,176.82 | $61,406.47 | $17,162.14 | $44,244.33 | $847.92 | $5,526.58 |
| 2003/04 | $1,206.53 | $62,956.74 | $17,341.02 | $45,615.72 | $874.20 | $5,666.11 |
| 2004/05 | $1,236.65 | $64,528.40 | $17,281.85 | $47,246.54 | $905.45 | $5,807.56 |
| 2005/06 | $1,287.75 | $67,194.80 | $17,529.74 | $49,665.06 | $951.80 | $6,047.53 |
| 2006/07 | $1,342.43 | $70,048 | $17,415.12 | $52,632.88 | $1,008.68 | $6,304.32 |
| 2007/08 | $1,449.35 | $75,627.08 | $18,485.24 | $57,141.84 | $1,095.09 | $6,806.44 |
| 2008/09 | $1,505.95 | $78,580.47 | $18,752.85 | $59,827.62 | $1,146.56 | $7,072.24 |
| 2009/10 | $1,585.58 | $82,735.56 | $20,130.55 | $62,605.02 | $1,199.79 | $7,446.20 |
| 2010/11 | $1,659.08 | $86,570.79 | $21,279.76 | $65,291.04 | $1,251.27 | $7,791.37 |
| 2011/12 | $1,698.87 | $88,647.04 | $22,079.11 | $66,567.93 | $1,275.74 | $7,978.23 |
| 2012/13 | $1,774.80 | $92,609.06 | $23,601.49 | $69,007.57 | $1,322.49 | $8,334.82 |
| 2013/14 | $1,817.02 | $94,812.10 | $24,449.66 | $70,362.44 | $1,348.46 | $8,770.12 |
| 2014/15 | $2,015.78 | $105,183.56 | $28,968.59 | $76,214.97 | $1,460.62 | $9,992.44 |
| 2015/16 | $2,093.08 | $109,216.91 | $30,541.60 | $78,675.32 | $1,507.77 | $10,375.61 |
| 2016/17 | $2,184.73 | $113,999.32 | $32,091.73 | $81,907.58 | $1,569.71 | $10,829.93 |
| 2017/18 | $2,259.65 | $117,908.69 | $33,616.39 | $84,292.30 | $1,615.41 | $11,201.33 |
| 2018/19 | $2,573.49 | $134,284.63 | $39,868.01 | $94,416.62 | $1,809.44 | $12,757.04 |
| 2019/20 | $2,614.08 | $136,402.90 | $40,694.13 | $95,708.77 | $1,834.20 | $12,958.28 |
| 2020/21 | $2,645.02 | $138,017.34 | $38,893.76 | $99,123.58 | $1,899.65 | $13,111.65 |
| 2021/22 | $2,697.92 | $140,777.68 | $39,970.29 | $100,807.38 | $1,931.92 | $14,077.77 |
| 2022/23 | $2,751.88 | $143,593.23 | $41,068.36 | $102,524.87 | $1,964.83 | $15,077.29 |
| 2023/24 | $2,806.92 | $146,465.10 | $42,188.39 | $104,276.71 | $1,998.40 | $16,111.16 |
| 2024/25 | $2,863.06 | $149,394.40 | $39,398.21 | $109,996.19 | $2,108.01 | $17,180.36 |

## **Notes on Comparison Earnings (Career in IT):**

Earnings data source for 1995/96 to 2020/21 inclusive is 'Australia / Original / Fulltime / Total earnings' for Information Media and Telecommunications published by the Australian Bureau of Statistics.

Earnings data source for 2021/22 to 2024/25 inclusive estimated based on starting value of $114,063.91 gross yearly earnings for 2021/22 and increasing year on year by 2% from the first year.

The following modifications were applied to the Comparison Earnings:

+10% for the period of 2014/15 to 2024/25. Reasons: Likely promotion 1

+10% for the period of 2018/19 to 2025/26. Reasons: Likely promotion 2

# **Loss Line Earnings**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Financial Year** | **Gross Weekly Income** | **Gross Yearly Income** | **Tax** | **Net Yearly Income** | **Net Weekly Income** | **Superannuation** |
| 2009/10 | $1,189.19 | $62,051.67 | $13,328.34 | $48,723.33 | $933.75 | $5,584.65 |
| 2010/11 | $1,244.31 | $64,928.10 | $14,049.47 | $50,878.62 | $975.06 | $5,843.53 |
| 2011/12 | $1,274.15 | $66,485.28 | $14,602.27 | $51,883 | $994.31 | $5,983.67 |
| 2012/13 | $1,331.10 | $69,456.80 | $15,162.31 | $54,294.49 | $1,040.52 | $6,251.11 |
| 2013/14 | $1,362.76 | $71,109.08 | $15,724.09 | $55,384.99 | $1,061.42 | $6,577.59 |
| 2014/15 | $1,374.40 | $71,716.06 | $16,289.04 | $55,427.02 | $1,062.23 | $6,813.03 |
| 2015/16 | $1,427.10 | $74,466.08 | $17,237.80 | $57,228.28 | $1,096.75 | $7,074.28 |
| 2016/17 | $1,489.59 | $77,726.81 | $18,362.75 | $59,364.06 | $1,137.68 | $7,384.05 |
| 2017/18 | $1,540.67 | $80,392.29 | $19,282.34 | $61,109.95 | $1,171.14 | $7,637.27 |
| 2018/19 | $1,595.14 | $83,234.27 | $19,182.82 | $64,051.45 | $1,227.51 | $7,907.26 |
| 2019/20 | $1,620.30 | $84,547.25 | $19,635.80 | $64,911.45 | $1,243.99 | $8,031.99 |
| 2020/21 | $1,639.48 | $85,547.94 | $18,901.04 | $66,646.90 | $1,277.25 | $8,127.05 |
| 2021/22 | $1,672.27 | $87,258.89 | $20,571.32 | $66,687.57 | $1,278.03 | $8,725.89 |
| 2022/23 | $1,705.71 | $89,004.07 | $21,173.40 | $67,830.67 | $1,299.94 | $9,345.43 |
| 2023/24 | $1,739.83 | $90,784.15 | $21,787.53 | $68,996.62 | $1,322.28 | $9,986.26 |
| 2024/25 | $1,774.62 | $92,599.83 | $21,223.95 | $71,375.89 | $1,367.88 | $10,648.98 |

## **Notes on Loss Line Earnings:**

Loss Line is calculated based on a 25% impairment of earning capacity by reference to the Comparison Earnings.

The calculation of the Loss Line values ignores the effect of the following Modifications to the Comparison Earnings:

+10% for the period of 2014/15 to 2024/25.

10% for the period of 2018/19 to 2025/26.

# **Claimant Earnings:**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Financial Year** | **Gross Weekly Income** | **Gross Yearly Income** | **Tax** | **Net Yearly Income** | **Net Weekly Income** | **Superannuation** |
| 2002/03 | $1,176.82 | $61,406.47 | $17,162.14 | $44,244.33 | $847.92 | $5,526.58 |
| 2003/04 | $1,206.53 | $62,956.74 | $17,341.02 | $45,615.72 | $874.20 | $5,666.11 |
| 2004/05 | $1,236.65 | $64,528.40 | $17,281.85 | $47,246.54 | $905.45 | $5,807.56 |
| 2005/06 | $1,287.75 | $67,194.80 | $17,529.74 | $49,665.06 | $951.80 | $6,047.53 |
| 2006/07 | $1,342.43 | $70,048 | $17,415.12 | $52,632.88 | $1,008.68 | $6,304.32 |
| 2007/08 | $1,449.35 | $75,627.08 | $18,485.24 | $57,141.84 | $1,095.09 | $6,806.44 |
| 2008/09 | $1,505.95 | $78,580.47 | $18,752.85 | $59,827.62 | $1,146.56 | $7,072.24 |
| 2009/10 | $1,148.68 | $59,938.12 | $12,578.03 | $47,360.09 | $907.63 | $5,394.43 |
| 2010/11 | $1,206 | $62,929.08 | $13,339.82 | $49,589.26 | $950.35 | $5,663.62 |
| 2011/12 | $1,253.85 | $65,425.89 | $14,226.19 | $51,199.70 | $981.21 | $5,888.33 |
| 2012/13 | $1,316.63 | $68,701.75 | $14,905.60 | $53,796.16 | $1,030.97 | $6,183.16 |
| 2013/14 | $1,353.62 | $70,631.89 | $15,561.84 | $55,070.05 | $1,055.39 | $6,533.45 |
| 2014/15 | $1,368.87 | $71,427.64 | $16,189.53 | $55,238.10 | $1,058.61 | $6,785.63 |
| 2015/16 | $1,376.42 | $71,821.60 | $16,325.45 | $55,496.15 | $1,063.55 | $6,823.05 |
| 2016/17 | $1,400.18 | $73,061.39 | $16,753.18 | $56,308.21 | $1,079.11 | $6,940.83 |
| 2017/18 | $1,427.18 | $74,470.25 | $17,239.24 | $57,231.02 | $1,096.80 | $7,074.67 |
| 2018/19 | $1,457.95 | $76,075.83 | $16,713.16 | $59,362.67 | $1,137.65 | $7,227.20 |
| 2019/20 | $1,497.25 | $78,126.51 | $17,420.64 | $60,705.86 | $1,163.39 | $7,422.02 |
| 2020/21 | $1,530.30 | $79,851.05 | $16,935.61 | $62,915.44 | $1,205.74 | $7,585.85 |
| 2021/22 | $1,560.91 | $81,448.07 | $18,566.58 | $62,881.49 | $1,205.09 | $8,144.81 |
| 2022/23 | $1,592.12 | $83,077.03 | $19,128.58 | $63,948.46 | $1,225.54 | $8,723.09 |
| 2023/24 | $1,623.97 | $84,738.57 | $19,701.81 | $65,036.77 | $1,246.39 | $9,321.24 |
| 2024/25 | $1,656.45 | $86,433.34 | $19,250.67 | $67,182.67 | $1,287.52 | $9,939.83 |

## **Notes on Claimant Earnings:**

Earnings data source for 1995/96 to 2008/09 inclusive is 'Australia / Original / Fulltime / Total earnings' for Information Media and Telecommunications published by the Australian Bureau of Statistics.

Earnings data source for 2009/10 to 2020/21 inclusive is 'Australia / Original / Total earnings' for All Industries published by the Australian Bureau of Statistics.

Earnings data source for 2021/22 to 2024/25 inclusive estimated based on starting value of $79,851.05 gross yearly earnings for 2021/22 and increasing year on year by 2% from the first year.

#  **Superannuation rates applied to Comparison Earnings:**

|  |  |
| --- | --- |
| **Financial Year** | **Superannuation Rates** |
| 1995/96 | 0% |
| 1996/97 | 0% |
| 1997/98 | 0% |
| 1998/99 | 0% |
| 1999/00 | 0% |
| 2000/01 | 0% |
| 2001/02 | 0% |
| 2002/03 | 9% |
| 2003/04 | 9% |
| 2004/05 | 9% |
| 2005/06 | 9% |
| 2006/07 | 9% |
| 2007/08 | 9% |
| 2008/09 | 9% |
| 2009/10 | 9% |
| 2010/11 | 9% |
| 2011/12 | 9% |
| 2012/13 | 9% |
| 2013/14 | 9.25% |
| 2014/15 | 9.5% |
| 2015/16 | 9.5% |
| 2016/17 | 9.5% |
| 2017/18 | 9.5% |
| 2018/19 | 9.5% |
| 2019/20 | 9.5% |
| 2020/21 | 9.5% |
| 2021/22 | 10% |
| 2022/23 | 10.5% |
| 2023/24 | 11% |
| 2024/25 | 11.5% |

#  **Superannuation rates applied to Comparison Earnings:**

|  |  |
| --- | --- |
| **Financial Year** | **Superannuation Rates** |
| 1995/96 | 0% |
| 1996/97 | 0% |
| 1997/98 | 0% |
| 1998/99 | 0% |
| 1999/00 | 0% |
| 2000/01 | 0% |
| 2001/02 | 0% |
| 2002/03 | 9% |
| 2003/04 | 9% |
| 2004/05 | 9% |
| 2005/06 | 9% |
| 2006/07 | 9% |
| 2007/08 | 9% |
| 2008/09 | 9% |
| 2009/10 | 9% |
| 2010/11 | 9% |
| 2011/12 | 9% |
| 2012/13 | 9% |
| 2013/14 | 9.25% |
| 2014/15 | 9.5% |
| 2015/16 | 9.5% |
| 2016/17 | 9.5% |
| 2017/18 | 9.5% |
| 2018/19 | 9.5% |
| 2019/20 | 9.5% |
| 2020/21 | 9.5% |

# **Notes on Calculations**

## **Loss Value Calculations:**

The Comparison v Claimant figures are a subtraction between the earnings and superannuation values of the two earnings data sets (i.e. Comparison Earnings – Claimant Earnings = Loss Value)

The Comparison v Loss Line figures are a subtraction between the earnings and superannuation values for the Comparison and Loss Line data sets. The Loss Line values are calculated based on the stated percentage impairment of earning capacity, treating the Comparison Earnings as 100% of earning capacity (but ignoring the effect of modifications to the Comparison Earnings where stated).

If at any point the Claimant Earnings exceed the Loss Line value for a financial year, the Loss Line value will equal the Claimant Earnings value for that financial year. In this way the calculation avoids overcompensation. This effect can be seen on the graph on the first page if it occurs.

## **Tax Calculations:**

Tax calculations are performed using the income tax tables for each financial year as published by the Australian Taxation Office.

Tax calculations include the Medicare levy (including the low income thresholds and shade-in rates), the Low Income Tax Offset and the Low to Middle Income Tax Offset.

Where earnings data exceeds the years for which tax tables have been published, the most recent tax table is applied to calculate the net earnings.

Where earnings data exceeds the years for which Medicare levy rate and thresholds have been published, the most recent Medicare levy rate and thresholds are applied to calculate the net earnings.

## **Notes on AWE Values Post-1994/95:**

The Australian Bureau of Statistics publishes AWE samples for May and November each year.[[1]](#footnote-1) We compute a single AWE value for each financial year by taking the weighted average of the AWE samples that fall within each financial year.

This concludes the LawLite economic loss analysis report.



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# **Appendix A: Economic Loss Graph**



1. https://www.abs.gov.au/statistics/labour/earnings-and-work-hours/average-weekly-earnings-australia/latest-release [↑](#footnote-ref-1)