

# Social Cost- Benefit Analysis of the Remote Laundries Project

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## OVERVIEW

Aboriginal Investment Group (AIG) March 2021





# Executive Summary

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# Overview

## A Social Cost-benefit Analysis (S-CBA) of the Remote Laundries Project



Simple, innovative, social enterprise model focused on upstream prevention not downstream reactive measures



Providing free and reliable access to laundry facilities in remote communities via a fully automated and purpose-built container



The S-CBA measures the **social** and **economic benefit** using a predictive model

# Overview

## A Social Cost-benefit Analysis (S-CBA) of the Remote Laundries Project

**Results:** Barunga Remote Laundry (over five year period)



**Results:** 7 remote laundries (over five year period)



**Return on Investment (Barunga)**



**Return on Investment (7 remote laundries)**





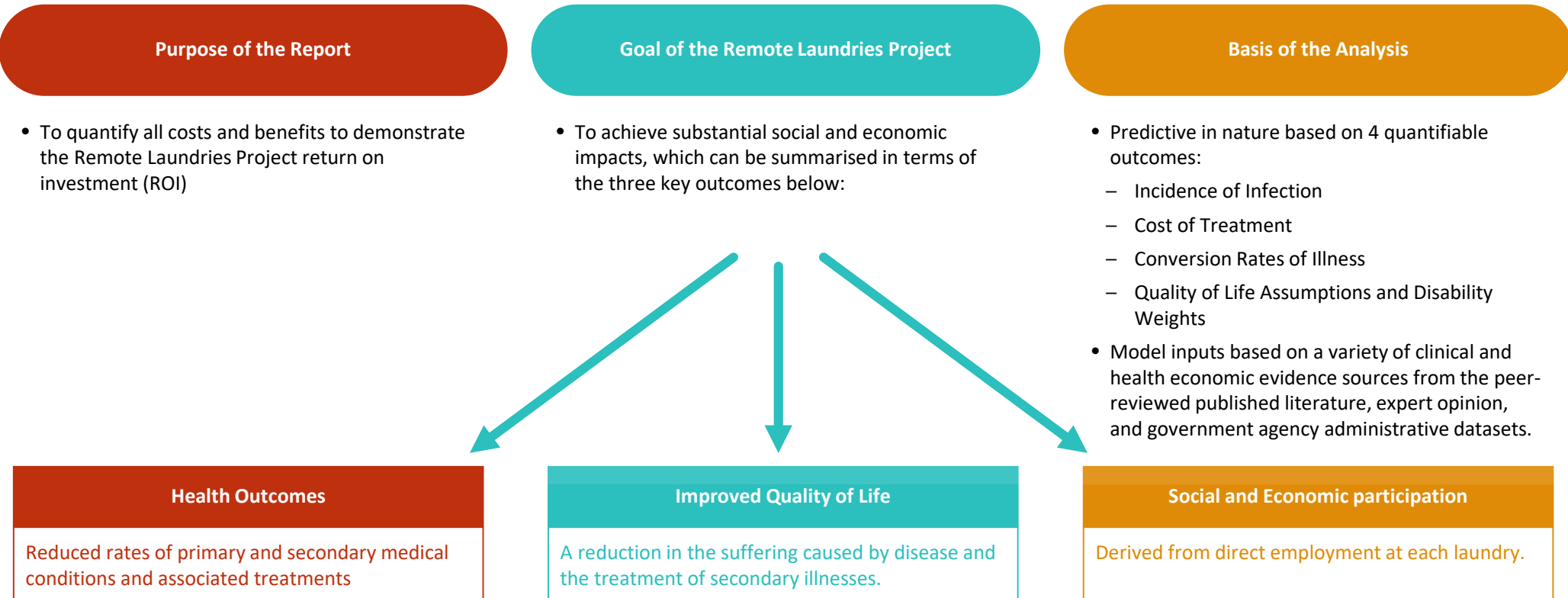


# Introduction



# Introduction

## Purpose and goals of the Social Cost-benefit Analysis (S-CBA)







# Project Background

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# Project Background

## Background story of the Remote Laundries Project

### Why?

8 of 10 children are diagnosed with skin sores before their 1<sup>st</sup> birthday

If left untreated, scabies can lead to more serious health complications such as kidney disease, ARF and RHD

Causes of skin infections include overcrowding in homes, limited access to washing machines, power and hot water.

Lack of employment opportunities within remote communities

### What?

Free, fully automated community access laundries

Reliable access to hot water and power

Durable machines (plus supply of medical grade sanitiser, detergent and softener)

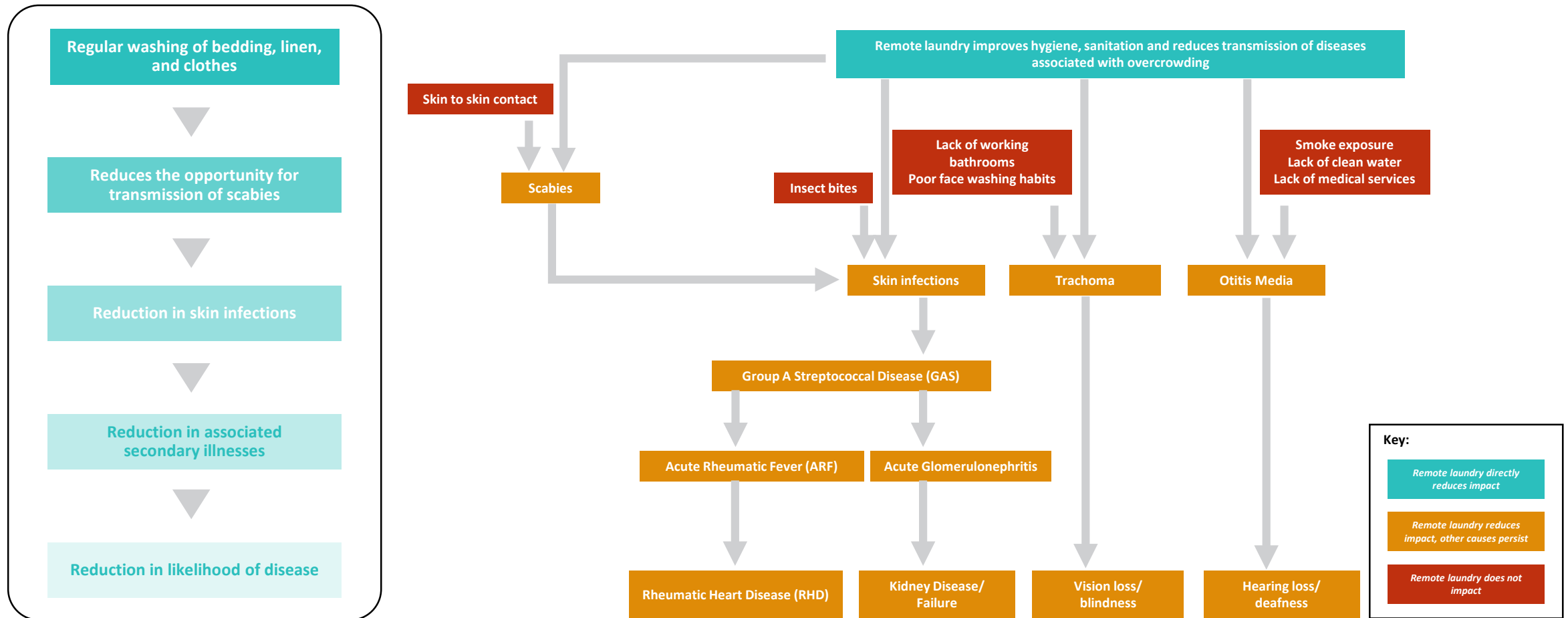
Machines and chemicals purposefully selected to target the scabies mite and other skin bacteria

Providing 5 sustainable Aboriginal-identified positions, injecting **\$55,105** in wages back into the community



# Project Background

## Mechanism via which the Remote Laundries Project interacts with health outcomes





# Framework & Assumptions



# Framework & Assumptions

## Framework and assumptions that formed that basis of the S-CBA report



### Framework

- **Improved Health Outcomes** – Avoided Medical Conditions
- **Improved Quality of Life** – Improved wellbeing from absence of disease
- **Improved Social and Economic Outcomes** – Direct Employment of local staff



### Key Assumptions

- **Incidence of Infection**
- **Cost of Treatment**
- **Conversion Rates of Primary to Secondary Illnesses**
- **Quality of Life Assumptions: Disability Weights and Value of a Statistical Life**



### Incidence Reduction Models

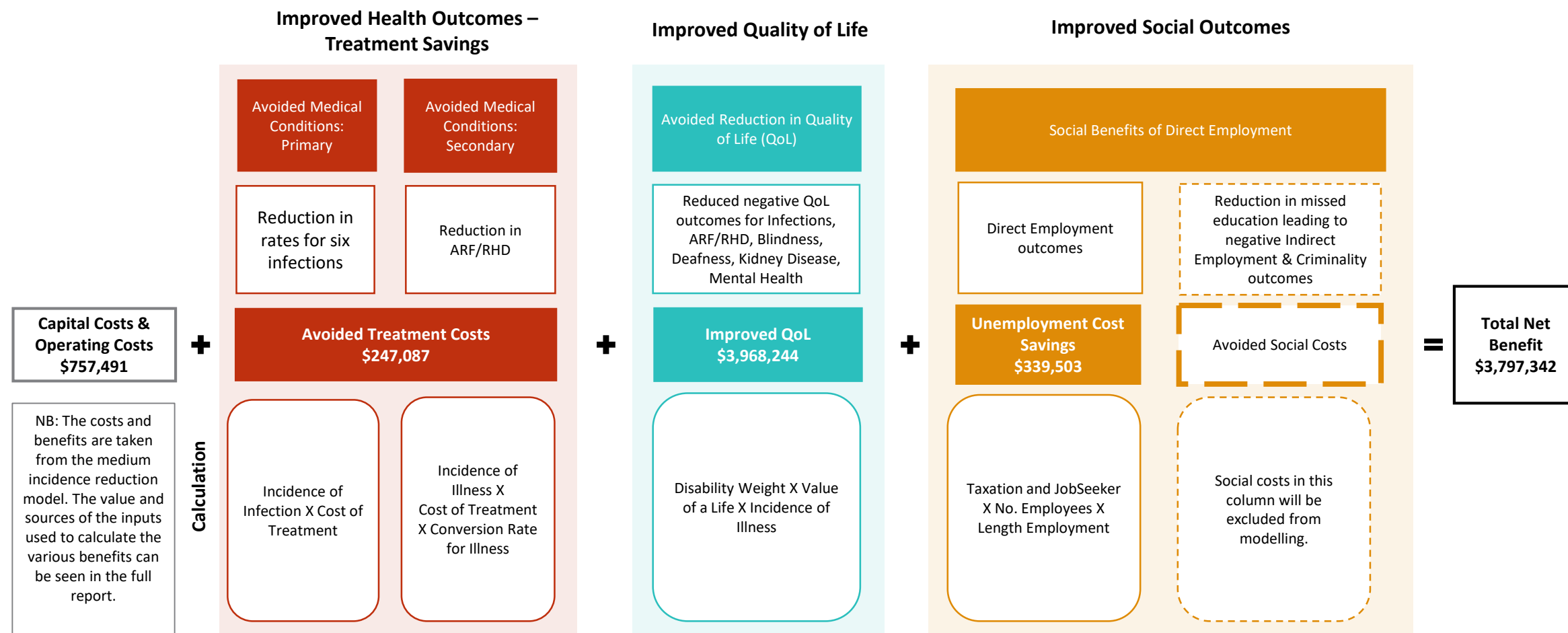
Assume a 75%, 50%, and 25% reduction in primary illnesses

- **High (75%)**
- **Medium (50%)** – the model has used this input throughout the report
- **Low (25%)**



# Framework & Assumptions

## Theory of change and program logic





# Conclusion

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# Conclusion

Quantitative CBRSA outputs in Barunga – aggregate impacts

	Item	Value
	Approximate value of costs	\$757,491
High Incidence Reduction	Approximate value of benefits derived	\$5,931,813
	Net quantitative benefit	\$5,174,322
	Benefit cost ratio	7.83
Medium Incidence Reduction	Approximate value of benefits derived	\$4,554,833
	Net quantitative benefit	\$3,039,843
	Benefit cost ratio	6.01
Low Incidence Reduction	Approximate value of benefits derived	\$2,716,015
	Net quantitative benefit	\$1,958,524
	Benefit cost ratio	3.56

Quantitative CBRSA outputs seven communities – aggregate impacts

	Item	Value
	Approximate value of costs	\$5,302,438
High Incidence Reduction	Approximate value of benefits derived	\$102,641,073
	Net quantitative benefit	\$97,338,635
	Benefit cost ratio	19.4
Medium Incidence Reduction	Approximate value of benefits derived	\$77,953,191
	Net quantitative benefit	\$72,650,753
	Benefit cost ratio	14.7
Low Incidence Reduction	Approximate value of benefits derived	\$44,985,018
	Net quantitative benefit	\$39,682,580
	Benefit cost ratio	8.5

## Break-even point

The point at which the remote laundry would 'pay for itself'. Modelled by adjusting the incidence reduction in primary illness



4%

Reduction in  
Primary medical  
conditions -  
**BARUNGA**

1.5%

Reduction in  
Primary medical  
conditions – **TOTAL  
OF 7 LAUNDRIES**