

## Introduction

The [REDACTED] needs a vehicle to deliver and collect furniture and other household items that they can resell to raise income for their projects. This decision involves multiple considerations including [REDACTED]'s pūtake (purpose), which emphasises sustainability in the main form of waste reduction, financial viability, and the well-being of its stakeholders. The evaluation will cover the needs and perspectives of various stakeholders, financial assessments of both options, and how each aligns with the pūtake.

## Stakeholders

**Employees/Volunteers:** These people require a safe, reliable, and user-friendly vehicle for transporting heavy items such as fridges. Their safety and ease of use is very important.

**Management:** They are responsible for ensuring the financial stability of the organisation, making sure that any investment aligns with both immediate and long-term financial health. They must ensure the vehicle choice aligns with [REDACTED]'s sustainability goals.

**Community:** The community is invested in [REDACTED]'s environmental impact and overall sustainability practices. They expect [REDACTED] to adhere to its environmental commitments, including minimising carbon footprints and promoting sustainable practices.

## Option 1: 2021 LDV Van

### Positives:

1. **Cost-effective:** The purchase price of \$26,030 is significantly lower than new loading vehicles, making it an attractive short-term financial option. This lower upfront cost helps [REDACTED] manage their budget more effectively, allowing for funds to be allocated to other important programmes.
2. **Second-hand vehicle:** Aligns with [REDACTED]'s commitment to reducing waste by preventing the production of another vehicle. The second-hand purchase also supports the principle of reuse, which is a key aspect of sustainability.
3. **Safety features:** As quite a recent model, it includes more advanced safety features than older vehicles, enhancing the safety of employees and operations. These features can include airbags, ABS brakes, and electronic stability control.

### Negatives:

1. **Potential future expenses:** Being a second-hand vehicle, it may incur higher maintenance and repair costs over time due to wear and tear. These future expenses could affect long-term financial viability.
2. **Manual transmission:** Requires specific driving skills which employees might lack. This could lead to vehicle damage or additional costs for driver training. This could also impact operational efficiency if employees are not comfortable or proficient with manual transmissions.
3. **Poor fuel efficiency:** Contradicts [REDACTED]'s pūtake of sustainability as it has bad fuel efficiency and high CO2 emissions, scoring poorly on clean car standards. This poor efficiency can lead to higher fuel costs and a larger carbon footprint.

### Financial Assessment:

- **Loan Amount:** \$26,030
- **Interest Rate:** 6% per annum
- **Loan Term:** 5 years
- **Monthly Payment:** Approximately \$504.77
- **Total Interest Paid Over 5 Years:** \$4,196.30
- **Total Amount Paid Over 5 Years:** \$30,226.30

This is using the Calculator net calculator.

### Option 2: 2023 Volkswagen Crafter Van

#### Positives:

1. **Safety consideration:** Designed with features that make it accessible for employees who will be lifting heavy items. The Volkswagen website states, “ready for big tasks - lift heavy items easily into the vehicle,” which highlights its suitability for [REDACTED]'s needs and the ease of use for the employees. Easy loading of heavy items is safer for employees.
2. **Safety systems:** Comes equipped with advanced safety systems, enhancing the safety of employees/vehicle users. These systems can include adaptive cruise control, lane-keeping assist, and automatic emergency braking.
3. **Fuel efficiency:** With a fuel efficiency of 8.5 L/100km, it aligns better with [REDACTED]'s sustainability goals as it requires less fuel to cover a given distance, promoting long-term environmental benefits.

#### Negatives:

1. **Diesel engine:** While diesel engines are often more fuel-efficient, they are not as environmentally friendly as electric alternatives. This can be seen as a compromise on [REDACTED]'s commitment to reducing environmental impact.
2. **High cost:** Priced at \$78,000, it poses a significant financial risk. The high purchase price could strain [REDACTED]'s budget, potentially affecting other programmes and financial commitments. Additionally, the interest rates for a non-electric car loan can sometimes be higher, increasing the total cost.

### Financial Assessment:

- **Loan Amount:** \$78,000
- **Interest Rate:** 6% per annum
- **Loan Term:** 5 years
- **Monthly Payment:** Approximately \$1,508.96
- **Total Interest Paid Over 5 Years:** \$12,537.60
- **Total Amount Paid Over 5 Years:** \$90,537.60

This is using the Calculator net calculator.

### My financial decision

I chose the 2021 LDV Van for the following reasons:

**Financial viability:** The lower cost of the LDV Van (\$30,226 over five years versus \$90,537) ensures [REDACTED] remains financially stable, even with potential future maintenance costs such

as more frequent oil changing expenses. The monthly payments and total interest are majorly lower than those for the Volkswagen Crafter Van, making it a more manageable financial commitment. This ensures [REDACTED] can allocate resources to other essential programmes and services.

**Alignment with pūtake:** Whilst the LDV Van has poor fuel efficiency, being second-hand supports waste reduction and environmental conservation. This aligns with [REDACTED]'s commitment to sustainability by reducing the need for new vehicle production. Most importantly, the financial savings can be redirected towards other environmental initiatives or future maintenance costs.

**Stakeholder needs:** The safety features of the LDV Van partially meet the needs of employees/volunteers, ensuring a safe working environment. Although the manual transmission presents an issue, it can be addressed through training programmes. [REDACTED] management benefits from the financial stability provided by the lower cost, and the community sees a commitment to sustainability through the purchase of a second-hand vehicle.

### **Extent to which stakeholders' perspectives are met?**

**Employees/Volunteers:** Their needs for a safe and reliable vehicle are partially met by this vehicle. The LDV van's modern features enhance safety, but the manual transmission requires additional training, which could temporarily affect usability. The VW van is advertised as easy to load so the workers may miss this benefit, but this can be potentially solved by training, having suitable trolleys etc. [REDACTED] **Management:** Their financial needs are well met with the LDV Van. The lower cost and manageable loan payments ensure the organisation remains financially stable, allowing it to support other crucial initiatives. This vehicle could proactively create a good public image for [REDACTED] showing the future customers that they abide by their pūtake and environmental concerns by buying second-hand. They can promote re-using by saying how much metal etc they saved from being mined by using second-hand. [REDACTED] can also promote the idea that compromises are needed and going electric isn't always the best for the environment and society. **Community:** The community's sustainability concerns are addressed through the purchase of a second-hand vehicle, which reduces waste. However, the poor fuel efficiency does not fully meet their expectations for environmental responsibility.

### **Consequences and Solutions**

**Financial stability:** [REDACTED] will be able to maintain financial stability, allowing continued support for various programmes and government investments. Also, money saved can be used to support other programmes.

**Response:** Maintain a contingency fund to cover potential future maintenance costs. Regular financial reviews will ensure the fund is adequately maintained.

**Employee Training:** [REDACTED] will need to invest in training for employees to handle the manual transmission and safe loading.

**Solution:** Implement a comprehensive training programme to ensure all employees are proficient in operating and loading the vehicle. This programme would include hands on

driving practice and instructional sessions, which would minimise the risk of vehicle damage and enhance operational efficiency.

**Environmental Impact:** The poor fuel efficiency impacts [REDACTED]'s sustainability goals.

**Solution:** Implement a rigorous vehicle maintenance programme to optimise fuel efficiency. Could include regular servicing, proper tyre inflation, and engine tuning. Additionally, [REDACTED] should explore carbon offset programmes and other sustainability measures to mitigate the environmental impact.

### **Conclusion**

The decision to choose the 2021 LDV Van balances financial viability with [REDACTED]'s sustainability goals. Although it requires some compromises, particularly in terms of fuel efficiency, the overall benefits align more closely with [REDACTED]'s pūtake and financial constraints. By extending the loan term and integrating additional sustainability practices [REDACTED] can mitigate some of the negatives and continue its vital environmental stewardship.