



National Certificate of Educational Achievement
TAUMATA MĀTAURANGA Ā-MOTU KUA TAEA

Exemplar for Internal Achievement Standard

Commerce Level 1

This exemplar supports assessment against:

Achievement Standard 92028

Demonstrate understanding of an organisation's financial
decision-making

An annotated exemplar is a sample of student evidence, with a commentary, to explain key aspects of the standard. It assists teachers to make assessment judgements at the grade.

New Zealand Qualifications Authority

To support internal assessment

Grade: Achieved

To achieve the standard, the student needs to demonstrate understanding of an organisation's financial decision-making.

This involves:

- describing options available to address a need, issue, or opportunity for an organisation
- describing a decision that addresses the need, issue, or opportunity
- using data from a financial tool to support the decision-making.

The student has described possible options for using a donation to improve an aspect of the school. Fitting out a weights room, buying smartboards, or buying new laptops have been compared using two financial tools (one detailed financial tool would be sufficient). Stakeholder perspectives on the three options have been explained.

The decision to fit out a weights room was supported by data from the financial tool/s. The student has explained why the weights room option was selected over the two alternatives.

Explanatory Note 2 of the standard requires the student to discuss the organisation's pūtake in the context of the financial decision-making – that is, the decision to equip a weights room. The student has effectively explained how a focus on physical activity can contribute to students' mental health and motivation, ultimately helping ZHS deliver a well-rounded education.

For Merit, in addition to explaining stakeholder perspectives relevant to the decision, the student would explain consequences of the financial decision for ZHS. A positive consequence is that the school can earn income from gym memberships. A second consequence (positive or negative) is required. One consequence for a stakeholder has been provided (students having access to a cheap gym), and a second is required for Merit.

Achieved

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What is the organisation?

ZZZ High School is a co-ed high school located in [REDACTED] It has a roll of 1400 students.

What is the opportunity for ZHS, and the decision the kura has to make?

ZHS has an opportunity to improve some aspects of the school. A former student has agreed to fund a project of the school's choosing. The kura has to pick the best decision which will meet Pūtake and provide students with better learning experiences.

Pūtake of ZHS

ZZZ High School's pūtake is: To deliver Aotearoa New Zealand's best all-round education.

The kura's stakeholders:

- Internal: principal, other administrators, teachers, non-teaching staff, students, BOT members, parents/guardians
- External: Ministry of Education, suppliers, Canteen organisation

Options for spending the donation – financial tools

Option 1 – weights room equipment

ZHS has minimal lifting equipment in its current gym. Currently the facility can only cater for up to 10 people, not enough to have full class participation in activities.

The PE department has considered a full gym set up to include 5 bench presses, 4 treadmills, 3 cable machines, and 3 Smith machines.

Cost GST included:

5 bench presses: \$1845 (torpedo7.co.nz)

4 Treadmills: \$3996 | TRIMLINE 2000 TREADMILL(elitefitness.co.nz)

3 smith machines: \$3897 | Smith machine with crossover cable (leewarehouse.co.nz) 3

cable machines: \$1350 | Wall mount single crossover cable cross machine

(leewarehouse.co.nz)

Total initial cost: **\$11,088**

Maintenance required: Cleaning, equipment fixes.

One Year Running Cost: Treadmill: 8.57 per week, \$445.64 per year Others: no running cost applicable.

Income received:

Gym membership: \$20 per month for after school hours. E.g. 60 students pay for \$20 per month membership = \$14400

Longevity: Around 10 years

Other useful information:

FINANCIAL:

By having a gym, it is possible to rent it out. Students can also pay after-school membership to generate more income.

NON-FINANCIAL:

Promotes fitness for students at ZHS and great for P.E classrooms. Teaching physical education to high school students is highly important for their health and wellbeing.

Option 2 – smartboards

“SMART boards are the new innovative way to teach in 2024! The impressive Interactive Experience includes IR-touch technology, with powerful whiteboard software, smooth touch writing experience, and smart object recognition. There is an app store to explore more interesting Apps, and our software team can customise it for you! It’s All-in-One, more than just a touchscreen TV! In short; Whiteboard + Computer = SMART board!” 10 smart boards are proposed

Cost GST included:

65” inch= \$5732.75

75” inch = \$7992.50

Proposed decision: Five 65 inch Five 75 inch

Total cost: **\$68,626**

Income received: None

Longevity: Lasts approximately 50000 hours (over 5 years)

Other useful information

FINANCIAL:

Doesn’t have a shown running cost, however some maintenance may be required.

NON-FINANCIAL:

Useful for teachers, as it gives classrooms an interactive way to learn. They are highly beneficial for students who are visual and auditory learners. Should improve education in most learning areas and help students engage with their learning more.

Option 3 – new laptops

The current ZHS computers often malfunction and are not highly suitable for students' learning. They are old and do not perform well. Getting new, high-performing computers will help students engage in their learning on the days that they don’t bring their own devices.

Cost GST included:

LENOVO Thinkpad E14 Gen 5 14” intel Individual price: \$1312.79

40 computers: **\$52,512**

Running costs: Broken screen repairs can range from \$50-\$200. Broken keycaps cost: Around \$7-20

Income received: N/A

Longevity: Has a 3-year warranty. Lasts approximately 4-7 years

Other useful information

FINANCIAL:

Repairs and fixes are not definite.

NON-FINANCIAL:

There are currently 32 working computers at the school, which often results in an inadequate number of computers available for students to use.

COST/BENEFIT ANALYSIS		
Option	Advantages (benefits)	Disadvantages (costs)
Weights room equipment	<ul style="list-style-type: none"> • Inexpensive to run • \$11,088 initial cost • Promotes health and fitness • Aids physical and mental wellbeing • Available for after-school use • Affordable gym option for students • ZHS makes a profit from charging students for membership (\$20 per month) • ZHS will gain approximately \$14,400 a year • Helpful for PE classes 	<ul style="list-style-type: none"> • It has a running cost (\$446) • Unspecified and indefinite repairs • It won't benefit all students
Smartboards	<ul style="list-style-type: none"> • Aids students' education • Doesn't have a high running cost (\$0 calculated) • Interactive learning to keep students engaged • 4K ultra-HD resolution • Video conference calls • Adaptive learning 	<ul style="list-style-type: none"> • Expensive (\$68,626) • Not completely necessary • Need to be replaced every 5 years
Laptops	<ul style="list-style-type: none"> • Students can keep on top of their work • Computers do not die as fast • No running cost as the technician is already on the staff 	<ul style="list-style-type: none"> • Expensive (\$52,512) • Students are required to BYOD anyway • Can easily be damaged • Will need to be replaced

Stakeholder perspectives

Stakeholder	Perspectives on smart boards	Perspectives on weight room equipment	Perspectives on new laptops
Student Sienna	I think that smart boards are a good idea because they improve students' education. I think this will benefit everyone.	I think that the new facilities in the gym will help the PE classes to be successful, but I don't see how it can help everyone as not everyone takes PE in senior years. I think an increased focus on PE would be more useful.	I think that getting new school computers will help everyone's education because the computers we have now are slow, hard to use and die fast. By getting new ones it will help every student be able to learn.
Member of Senior Leadership Team and Kaihāpai Māori	We already have an excess supply so from a financial perspective I don't see this having a great impact.	I think there is the capacity to increase the equipment in this space and that would have a positive impact on the high performance of the Sports Team. However, the impact of this would be on a smaller group of students than the computers, which I find hard to justify.	No particular opinion.
Member of local community and parent	It feels like there are already a lot of other resources available for teaching and learning at school and I don't think this would add much extra to what is going on already.	This would benefit those students who are sporty but not the rest of the community - I think this is a bit of a 'narrow' vision.	No particular opinion.
Mum (parent perspective)	My decision would depend on how efficient it would be to link into existing technology, and I'd want to know more about the value added with the smartboards.	I think good gym equipment would be beneficial if there was an increased focus on every student using the facilities. Otherwise, it would benefit too few students.	New school computers would benefit most students. Although the school has a BYOD policy, it's necessary to have good quality computers available for students to use.

My decision

My first choice is the weights room equipment. My options ranked are:

1. Weights room equipment (gym)
2. New school computers
3. Smartboards

Scarcity dictates the fact that ZHS is unable to have all three options. Scarcity means that we do not have infinite resources available to make all these options possible. The opportunity cost of choosing the weights room equipment means we must forego the two other options.

I chose this option because it is inexpensive, with an initial cost of only \$11,088. The yearly cost calculated is only \$446, making the weights room significantly cheaper than the other options. The weights room is \$40,978 cheaper than the opportunity cost, (new laptops) and that includes the yearly cost.

The weights room will have the potential to make \$14,400 a year, based on an estimate of 60 students paying for a monthly membership. Having a choice where making a profit is possible opens up more future possibilities for the school.

Why the other options were not chosen: ZHS already enforces a strong BYOD policy, so new school laptops will not be highly beneficial in the long run. Although smartboards can be helpful for some students and some subjects, they are not highly necessary. They need to be replaced approximately every 5 years, and the cost adds up to \$68,262. This is not suitable for the school as the price would be recurring every 5 years.

The weights room is the best option as it provides cost benefits, whilst also benefiting students' fitness and wellbeing.

My choice meets ZZZ High school's pūtake as it focuses on physical activity, which can strengthen mental health and therefore help students feel more motivated at school. When students are motivated, they are more likely to be well-rounded and do well academically and in extra-curricular activities. Getting extra funds for the school can also help the school further meet pūtake by providing resources that will help students to get a well-rounded education.

How did stakeholder perspectives inform the decision?

When making informed financial decisions like these, it is important to be aware of the stakeholders' opinions on the matter.

Student perspectives are highly important as their education is in the hands of ZHS. I believe that students deserve a say in this decision, and they should know to a certain extent what will be the most beneficial to them. Student stakeholders are getting affected by these decisions, so their perspectives are highly important.

Stakeholders help identify the main needs and priorities for the school, from non-financial

and financial perspectives.

Consequences for ZHS and stakeholders

One student perspective partially agreed with the decision to have the weights room as the priority. The member of the senior leadership team and member of local community both ranked the gym higher than smart boards, therefore having their needs met. This decision positively impacts students who prioritise physical education. Sporty students will benefit and get the most use out of the weights room. They will also have a cheaper gym option, further benefiting them financially. Parents who prioritise their children's health and fitness should be positively impacted by this decision. Parents may appreciate having a safe workout environment at school.

Which stakeholders' perspectives are not met?

The parent perspective was not met by this decision. The member of local community and member of senior leadership team stated their issues with the weights room however they ranked it higher than smartboards (new computers N/A). Students who do not prioritize fitness and physical activity, (or are unable to) could potentially be negatively impacted by this decision. Teachers that are not involved with physical education will not benefit from this decision, as it does not branch into the learning area that they are familiar with teaching.

When deciding when to allocate the money, it is important to continue to analyse and understand the importance of stakeholder perspectives. These perspectives are important so that ZHS can understand the preferences and priorities of those who will be affected by the decision. The final decision, (weights room) should accurately reflect stakeholder values.

ZHS could prioritise an increased focus on physical education, therefore making the weights room more inclusive and useful. Aside from the final decision, a compromise could include buying 7 extra school computers (\$9190) from the money made from the gym memberships. This purchase may be recurring, however it will still leave money left over (\$5210).

Grade: Merit

For Merit, the student needs to examine an organisation's decision-making.

This involves:

- explaining stakeholder perspectives relevant to the decision-making
- explaining possible consequences of the decision for the organisation and its stakeholders.

The student has identified that the school has an opportunity to use a \$180,000 grant to address the need to improve their pool facilities. Two options, repairing the existing pool or building a new one, are considered by the student. The school has an expectation that the financial decision is cost effective and sustainable in nature.

The decision to build a new pool was supported by data from the financial tool, the cost-benefit analysis.

The standard also requires the student to discuss ABC High School's pūtake in the context of the financial decision made. Despite the decision to build a new pool being considerably more expensive than the repair option, the student has justified the decision in terms of long-term cost effectiveness. The decision to build a new pool better meets the school's commitment to kaitiakitanga than the repair option.

The student has explained the perspectives of stakeholders relevant to the decision about repairing or replacing the school pool.

Possible consequences of the financial decision are explained. For example, the teachers can plan lessons ahead of time because they don't have to worry about issues such as a leaking pool. The pool is available summer and winter, but teachers will now have to compete for spots during school time. The school can host events because they can show off the new pool, and will also have lower maintenance costs because the pool is new.

For Excellence, the student needs to evaluate an organisation's decision-making.

Although the student has analysed how the decision considered stakeholder perspectives, Excellence also requires an explanation of how possible negative consequences would be mitigated. These need to be specific to the new pool. A booking system to mitigate the issue with more teachers competing for the spots, and sponsorships to pay for maintenance, could apply to both the new and the repaired pool.

Merit

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1. In your own words, describe the issue, need or opportunity that ABC has

ABC High School has been given a Lotteries Commission grant of \$180,000 to either upgrade the current pool or install a new sustainable pool. This is an opportunity that can address the need for a pool that is fit-for-purpose.

ABC needs to decide which option suits them best. The decision must be cost effective and sustainable.

2. Describe the organisation – ABC

ABC High School is the only school in ABC and has record high academic achievement and sporting success. The school relies on donations from groups like the Lotteries Commission and fundraising from the PTA for money to improve the learning and facilities in the school.

The school's pūtake includes a focus on kaitiakitanga. ABC High School strives to be an environmentally friendly school.

3. State the two options ABC has and how each option needs to address the need

OPTION ONE - Build a new pool	OPTION TWO - Repair pool
<ul style="list-style-type: none"> Must have low energy use to meet ABC's sustainability goals Must have low maintenance costs so the school doesn't have to charge for use Must have low water wastage to meet ABC's environmental goals 	<ul style="list-style-type: none"> Must be within budget Must meet safety standards Does not need to charge students entry for use

4. Identify internal and external stakeholders

INTERNAL STAKEHOLDERS	EXTERNAL STAKEHOLDERS
Students	Potential students coming to ABC
Teachers	The Lotteries Commission
Board of Trustees	ABC Community pool

5. Explain and identify the different stakeholders' perspectives informed the decision making for each option**OPTION ONE : New Pool****INTERNAL STAKEHOLDERS**

- Students will be concerned that a pool is ready for next year's swimming sports and will want to be able to use the pool for PE and at lunchtimes during summer. They will not want the school to exceed the budget as they don't want anyone (themselves or family members) to have to pay to use the pool during weekends or holidays.
- PE Teachers are interested in how long it will take to build a new pool because at the moment their classes have to walk across town to the community pool. This cuts into

teaching time so the teachers feel they are not delivering the swimming skills part of the curriculum as well as they should be.

- The Board of Trustees need to consider if the new pool is worth the extra cost that exceeds their budget and whether it will meet the school's environmental goals. They also need to consider the duration of construction as they are currently paying \$150 an hour to use the ABC community pool.

EXTERNAL STAKEHOLDERS

- Potential students and their parents will think about whether having a new pool will affect their decision to attend ABC High School, or bus to the school out of town.
- The Lotteries Commission will be interested in the decision because they will want to know their grant is used wisely, and their logo and reputation will be associated with the pool.
- ABC Community pool will be interested in how long the project takes as they currently lose a lot of regular customers due to ABC High School using the community pool.

OPTION TWO : repairing pool

INTERNAL STAKEHOLDERS

- Although building a pool would take longer, students would prefer a new pool because repairs to the old one might not fix all the problems and may need to be repeated in a few years.
- PE teachers need to consider if the repaired pool will be up to standard to allow students to have no risk of danger.
- The Board of Trustees need to consider if the smaller upgrade costs upfront are worth the long-term repair costs. This is because even though the initial costs are low, they will have to repair the pool again in a shorter time compared to having a new pool built.

EXTERNAL STAKEHOLDERS

- Potential students and their parents need to consider how long the pool will last, especially if they are going to be travelling to ABC to use ABC's pool. This is because they will have to take the time switching schools and if the pool needs repairing again it is not worth the time switching schools.
- The Lotteries Commission needs to consider if the pool meets their sustainability goals as the pool will reflect on them as people will visit the pool and see that the Commission supports a sustainable/non sustainable project.
- The ABC community pool will have to consider the loss of revenue within three to six months it will take to repair the school pool.

6. Compare a costs/benefit analysis for the options identified in question 3. Remember to include both financial and non-financial information.

OPTION : Repair pool	
COSTS	BENEFITS
NON-FINANCIAL <ul style="list-style-type: none"> • High water usage, potentially less eco-friendly 	NON-FINANCIAL <ul style="list-style-type: none"> • Short repair time of 3-6 months

<ul style="list-style-type: none"> Limited design due to old pool Requires regular top ups of water 	
FINANCIAL <ul style="list-style-type: none"> High running costs Regular maintenance cost of \$2,000-\$5,000 per year 	FINANCIAL <ul style="list-style-type: none"> Low initial cost of \$50,000-\$150,000

OPTION : New Pool	
COSTS	BENEFITS
NON-FINANCIAL <ul style="list-style-type: none"> Installation time (6 -12 months) Energy efficiency is low because older heating system 	NON-FINANCIAL <ul style="list-style-type: none"> Low environmental impact Low maintenance due to being a strong pool Low water usage
FINANCIAL <ul style="list-style-type: none"> Potentially exceeds budget as initial cost between \$200,000-\$500,000 	FINANCIAL <ul style="list-style-type: none"> Low maintenance costs Ability to apply for potential grants as is sustainable. Low energy costs

7. Which option would you select for ABC?

I believe a new pool is the best option for ABC high school because the benefits outweigh the costs.

Financially the new pool will cost less than renovating the existing pool after time, ranging from \$3,000 to \$8,000 each year. This implies that the higher initial cost (\$200,000-\$500,000) of building the new pool will not matter in the long run because of the old pool's requirement for constant repairs and maintenance. In the end, this results in the new sustainable pool being less expensive than the concrete one. Another financial reason for choosing the new pool is that the new pool has low energy costs when compared to repairing the old pool (\$2,000-\$5,000 compared to \$5,000-\$10,000).

One non-financial reason for building a new pool is that a new pool can be built in a sustainable way which will impact the image of the school. Another non-financial benefit of the new pool is that it will last longer than the old one. Depending on maintenance, the new pool should last at least 20 to 30 years, whereas the concrete pool will only survive 10 to 20 years. This means that people will be able to swim all year without having to deal with major repairs.

ABC takes great pride in being an eco-friendly school. The new pool option meets the school's pūtake value of kaitiakitanga. It is better for the environment because it will be constructed with

sustainable materials and have features like solar panels and rainwater collecting. If we compare its effects on the environment, energy efficiency, durability, and numerous other factors we see that it is better for the school.

8. Analyse how the decision integrates the perspectives of ABC High School and different stakeholders

Teachers will be pleased that the school chose to build a sustainable pool because it will allow them to plan their physical education classes around the pool and swimming without worrying about an unstable pool that might close for upkeep, repairs, or other issues all year round. The new pool has consistent heaters that work in summer and winter.

This means, teachers will be able to plan their PE classes more reliably and won't have to worry about issues like a leaking pool that might prevent them from teaching the lesson. The PE teachers will be able to be far more organised with their work thanks to the new pool, and they won't be as stressed out about having to come up with new ideas all the time if plans have to be altered because of bad weather. The teachers will also not have to worry about booking trips to the community pool in case the pool needs repairing because the design is a stronger and more reliable design.

ABC High School will be proud to host events such as swimming sports and lunch time swims because they can show off their new facilities. This means that ABC High School will be able to gain the interest of more investors because they can show where their money can and will be used. ABC High School will be pleased if they choose to install the new pool, they will have a pool that satisfies their pūtake requirements and will have to pay a lot less for repairs and upkeep. This will make ABC High School look good in front of potential donors and potential students because of their environmental impact.

This means they will have to pay lower costs of running and maintaining the new pool compared to the old pool, meaning ABC High School will have more money in the long term to buy and put towards projects like the new school gym. This also means any new money given to the school will not have to be saved for new classrooms and other equipment for learning. This will also mean ABC High School will be able to host competitions such as regionals and nationals because they have the facilities to host it.

The students will be happy with the new pool because it will be hosting events in the school. The students will also be happy because they can use the pool for more times in a year because of the stronger and more reliable heaters. The students will also be happy about their use time in the pool because they can use it whenever because of the lack of time needed for repairs.

This means that the students will benefit because they are able to use the pools any time within the provided school hours. They will also benefit from not having to travel because the school can now host competitions rather than traveling to [REDACTED] in [REDACTED]. The students' PE classes will now be much more reliable on whether they will be coming to school and using the pool because the chances of needing random repairs are much lower. The students will enjoy the new heating system that is much more efficient, this is because it not only will warm the pool fast but also keep warm for longer months of the year.

9. Analyse how the decision responds to possible consequences

An issue with having a new nice pool is that everyone will want to use it during lunch times and classes. This will put pressure on the classes that need to use it because they cannot get the periods that they need to work in it. This will create a conflict between classes and teachers which may result in an argument creating a stop in ABC High School working together.

This could be fixed by creating a system where you have to book a spot. This means that no one can lose/steal someone else's spot. This will also mean that teachers have no pressure of getting their class changed so they get to the pool first to gain their spot. Because it is a new thing the pool could have a lot of people coming to it and then not continuing going after a bit. The school could slow this rush by having year group days that only let one year group in, this will work because whole friend groups go at once so no one is missing out.

Another issue with the new pool is the cost of maintenance and running costs. ABC High school has spent a lot of money on the pool and gym and so have a tight budget for these extra costs. Because of these costs it can create situations where the pool cannot be used because it is in a situation where it is unsafe/unprepared to be used.

ABC High School could combat these prices by hiring out the pool for events and private use. This would mean that the charged fee could pay for the running costs of the pool. ABC High School can also offer advertisements in exchange for money, this could be in the form of a sign or flags going across the pool with business names on them. ABC High School could also lower the costs by selling half the pool to ABC Primary School meaning that they share a portion of time with them and split the running costs.

Grade: Excellence

For Excellence, the student needs to evaluate an organisation's decision-making.

This involves analysing how the decision considers stakeholder perspectives and how the organisation could respond to possible consequences.

The student has described options to address the organisation's need for a delivery vehicle to transport furniture and other household items for resale. Two possible vehicles were evaluated, and a decision made to purchase an LDV van. The decision is supported by data from the financial tool/s – a comparison of positive and negative features, including the purchase price, and a comparison on finance costs based on a loan calculator.

The standard also requires the student to discuss the organisation's pūtake in the context of the financial decision-making. ■■■'s pūtake emphasises waste reduction, financial viability, and the well-being of its stakeholders. The student has argued that the LDV vehicle better meets ■■■'s pūtake than the Volkswagen alternative.

The perspectives of management, employees/volunteers, and community members were explained. For example, management and community members value environmental sustainability, whereas the employees/volunteers value safety and reliability. One positive and two negative consequences of purchasing the LDV vehicle were explained.

As required for Excellence, the student has analysed how the perspectives of the three stakeholders were considered in reaching the financial decision. While management's wish for financial constraint has been met, the student has acknowledged that some personnel and community interests have been compromised by the financial decision.

The student has considered mitigations to the potential negative consequences of the LDV's environmental impact, and it being a manual transmission vehicle. A response to the positive consequence of the van's low cost has also been suggested.

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.

[REDACTED] 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.