



Submission on the Draft Guideline for the Safe Management of End-of-Life Lithium-Ion Batteries

Submitted by:

Imported Motor Vehicle Industry Association (VIA)

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1. Introduction

The Imported Motor Vehicle Industry Association (VIA) appreciates the opportunity to comment on the draft *Guideline for the Safe Management of End-of-Life Lithium-Ion Batteries*.

VIA represents businesses involved in the importation, preparation, wholesaling, retailing, repair, dismantling and end-of-life management of vehicles imported into New Zealand, primarily from Japan and other Asia-Pacific source markets. Our members are increasingly involved with hybrid, plug-in hybrid and battery electric vehicles and therefore have direct operational exposure to traction-battery handling, transport, storage, repair, reuse and recycling issues.

A core pillar of VIA's policy platform is that Government should approach vehicle regulation from a fleet-management perspective. This means the regulation of the import, use and disposal (including reuse and recycling) of vehicles should take into account the full lifecycle of the vehicle and the practical realities of how the vehicle fleet operates.

Accordingly, when considering the end-of-life segment of a vehicle's journey, VIA supports the Trans-Tasman development of consistent guidance for the safe management of lithium-ion batteries, provided implementation reflects the structure of the New Zealand vehicle market.

We agree there is a need for practical operational guidance addressing:

- fire risk;
- damaged batteries;
- transport;
- quarantine;
- storage;

- repair;
- reuse;
- remanufacturing; and
- end-of-life processing.

Given the close proximity of our markets and the Australia–New Zealand context in which this work is being developed, VIA hopes to see the development of practical, operationally realistic guidance that can support safe outcomes while remaining workable for the New Zealand market.

Although this guideline is not itself a New Zealand regulatory instrument, guidance of this kind can shape operational expectations before formal legislative change occurs. It may become a reference point for regulators, insurers, transport operators, ports, repairers, dismantlers, recyclers and courts assessing responsible practice. It is therefore important that the guideline is fit for the New Zealand market from the outset.

VIA submits that the guideline should be viewed as only one component of a broader battery stewardship and circular-economy framework. Internationally, jurisdictions such as the European Union, China and South Korea are moving beyond simple “waste management” models toward integrated lifecycle frameworks involving:

- traceability;
- second-life assessment;
- repairability;
- reuse pathways;
- remanufacturing;
- material recovery; and
- critical-mineral recovery.

New Zealand and Australia should avoid adopting a narrow disposal-focused model that unintentionally suppresses:

- repair;
- reuse;
- remanufacturing;
- legitimate secondary battery markets; or
- independent recycling pathways.

2. The Structure of the New Zealand Vehicle Market

New Zealand’s vehicle market is structurally different from markets where most vehicles are supplied through OEM-authorized distributors.

Independent imports are a core part of New Zealand's vehicle supply system. Hybrid, plug-in hybrid and battery electric vehicles enter New Zealand through both OEM-authorised and independent import pathways.

Once those vehicles are in New Zealand, they may be:

- sold;
- serviced;
- repaired;
- traded;
- dismantled;
- repurposed;
- recycled; or
- otherwise managed

by businesses that are not part of an OEM-authorised network.

A battery safety or stewardship framework that assumes an OEM-centred market structure will therefore be incomplete for New Zealand.

VIA's central concern is that a legitimate battery safety framework could unintentionally become a mechanism for OEM channel control.

OEMs and their authorised distributors are not neutral gatekeepers for independently imported vehicles. They are commercial competitors to independent importers and may have no commercial incentive to support vehicles they did not supply.

If future requirements depend on OEM-controlled:

- manuals;
- diagnostic tools;
- software access;
- battery data;
- authorisations;
- take-back systems; or
- approved networks,

independent importers and downstream independent operators may be left with obligations they cannot practically fulfil.

OEM information may be relevant to safety, but OEM discretion must not become the practical condition for compliance.

3. Support for a Practical and Risk-Based Framework

VIA supports the development of a practical, risk-based framework addressing:

- safe storage;
- damaged battery isolation;
- transport and packaging;
- thermal-runaway risk management;
- emergency response procedures;
- quarantine arrangements;
- dismantling and depowering procedures; and
- safe recycling and disposal pathways.

We particularly support regionally consistent guidance, as fragmented approaches create uncertainty for:

- importers;
- vehicle dismantlers;
- repairers;
- recyclers;
- transport operators;
- ports;
- insurers; and
- emergency services.

Consistency across jurisdictions is important for:

- operational safety;
- insurance certainty;
- emergency response coordination; and
- efficient battery handling.

However, the framework should remain technology-neutral, proportionate and operationally realistic.

The framework should also avoid creating rules that make:

- repair;
- reuse;
- remanufacturing;
- repurposing; or
- recycling

practically impossible except through OEM-authorised networks.

Circular-economy outcomes require qualified independent operators to be able to assess, repair, remanufacture, repurpose and transfer batteries where this can be done safely.

4. Traction Batteries Must Be Treated Separately from Small Consumer Batteries

The guideline should clearly distinguish automotive traction batteries from smaller consumer batteries.

EV and hybrid traction batteries differ significantly from consumer electronics batteries in terms of:

- voltage;
- mass;
- energy density;
- removal methods;
- lifting requirements;
- packaging requirements;
- fire behaviour;
- transport logistics;
- diagnostic capability;
- second-life potential; and
- residual economic value.

The guideline should therefore establish separate handling and decision-making pathways for:

- automotive traction batteries;
- stationary storage batteries;
- small consumer batteries;
- e-bike and scooter batteries;
- damaged or burnt batteries;
- submerged batteries; and
- batteries of unknown condition.

A “one-size-fits-all” lithium-ion framework is unlikely to provide appropriate operational outcomes.

Controls should also distinguish between:

- intact batteries;
- suspected damaged batteries;
- confirmed damaged batteries;
- removed packs;
- loose modules;
- submerged batteries;
- fire-exposed batteries; and
- batteries of unknown condition.

These categories should not be treated as if they present the same risk.

5. Battery Traceability and Battery Passports

VIA supports battery traceability and lifecycle information systems where these are genuinely directed toward:

- safety;
- stewardship;
- recycling;
- reuse assessment;
- state-of-health reporting; and
- market transparency.

However, VIA has significant concerns that battery passport systems could unintentionally evolve into mechanisms through which OEMs or battery manufacturers assert ongoing control or implied ownership over batteries after the sale of a vehicle.

The fundamental principle should be clearly stated:

The owner of the vehicle in which a traction battery is installed should be presumed to be the lawful owner of that battery, unless there is a separate and explicit leasing or finance arrangement to the contrary.

Battery passport systems must not become:

- ownership instruments;
- restrictions on repair;
- restrictions on dismantling;
- restrictions on second-life use;

- barriers to independent recycling;
- barriers to aftermarket repair; or
- mechanisms for OEM-controlled market dominance.

Battery passport or lifecycle information systems must be accessible to:

- independent importers;
- independent repairers;
- dismantlers;
- recyclers; and
- lawful vehicle owners

on fair and non-discriminatory terms where access is necessary for:

- safety;
- stewardship;
- repair;
- reuse; or
- recycling.

Battery passports should record safety, stewardship and lifecycle information. They should not create or imply ongoing OEM property rights unless a separate legal arrangement, such as battery leasing or finance, expressly provides for that.

VIA supports the recording of information such as:

- battery serial number;
- chemistry type;
- VIN association;
- battery weight;
- state-of-health data where available;
- handling instructions;
- removal status;
- repair status;
- repurposing status; and
- recycling outcomes.

However, such systems must remain informational and safety-focused only.

Any framework adopted should expressly preserve:

- ordinary property rights;
- right-to-repair principles;

- lawful dismantling;
 - competitive recycling markets; and
 - independent reuse and remanufacturing pathways.
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6. Recognition of Different Battery Chemistries

The guideline should recognise that “lithium-ion battery” is not a single chemistry or single-risk category.

Current lithium-ion traction battery chemistries include:

- NMC (Nickel Manganese Cobalt);
- NCA (Nickel Cobalt Aluminium);
- LFP (Lithium Iron Phosphate);
- LMO (Lithium Manganese Oxide); and
- LTO (Lithium Titanate).

Adjacent and emerging battery technologies, including:

- sodium-ion;
- lithium-metal systems; and
- solid-state systems

may require future adaptation of the framework.

These chemistries and technologies have materially different:

- thermal-runaway characteristics;
- volatility profiles;
- fire behaviour;
- energy density;
- storage requirements;
- transport risks;
- repairability;
- reuse potential; and
- recycling value.

For example, nickel-rich chemistries such as NMC and NCA may present different thermal-runaway risks compared with more thermally stable chemistries such as LFP or LTO.

The guideline should therefore require chemistry identification wherever reasonably practicable so that:

- storage;
- transport;
- emergency response; and
- recycling controls

can be appropriately tailored.

Future frameworks should also remain technologically neutral and adaptable as battery technologies evolve.

7. Reuse and Second-Life Pathways

The guideline should avoid assuming that all removed EV batteries are immediately “waste”.

Many batteries removed from vehicles retain substantial residual capacity and may be suitable for:

- repair;
- remanufacture;
- module replacement;
- stationary storage;
- backup power systems; or
- other second-life applications.

VIA recommends a structured decision pathway involving:

1. Safe removal and isolation;
2. Inspection and quarantine;
3. State-of-health assessment;
4. Repair or remanufacture assessment;
5. Second-life suitability assessment; and
6. Recycling only where reuse is unsafe or uneconomic.

Premature destruction of usable batteries would undermine circular-economy objectives and unnecessarily destroy residual value.

The framework should avoid creating rules that make reuse or remanufacturing practically impossible except through OEM-authorised networks.

Circular-economy outcomes require qualified independent operators to be able to:

- assess;

- repair;
- remanufacture;
- repurpose; and
- transfer batteries

where this can be done safely.

8. Allocation of Responsibility

Responsibility for battery stewardship should be shared proportionately across the supply chain.

Obligations should not be placed solely or disproportionately on vehicle importers, particularly within used-import markets where importers often have limited access to OEM battery data systems.

Responsibilities should instead be distributed across:

- OEMs and battery manufacturers;
- importers;
- dismantlers;
- repairers;
- recyclers;
- transport operators;
- insurers; and
- government stewardship bodies.

Responsibilities should be placed on the party that can fulfil them directly.

Where a party cannot fulfil an obligation directly, the framework should ensure that the party has a reliable and enforceable pathway to obtain the:

- information;
- tools;
- services;
- cooperation; or
- scheme access

needed to comply.

If a future New Zealand framework imposes obligations on:

- independent importers;

- dealers;
- repairers;
- dismantlers;
- recyclers; or
- battery assessors,

but those obligations can only be met through discretionary cooperation from an OEM, then the obligation has been misallocated or incompletely designed.

Where safe handling, repair, removal, transport preparation, reuse assessment or recycling depends on manufacturer-held information, the framework should either:

- place the relevant responsibility on the manufacturer; or
- provide qualified independent operators with access to the safety-critical information needed to comply.

Where a regulatory scheme gives:

- rights;
- access;
- privileges;
- compliance pathways;
- stewardship participation;
- exemptions; or
- recognition

to “importers”, those rights should be available to all lawful importers on equivalent terms unless there is a clearly defined, evidence-based and narrowly scoped rationale for distinction.

Independent importers should not be treated as importers for regulatory burden but denied importer status for regulatory access.

VIA recognises that some responsibilities may properly attach to the original designer, manufacturer, certifier or party controlling the original product architecture.

Examples may include:

- original type approval;
- manufacturer recall remedies;
- original pack architecture; and
- proprietary design documentation.

However, design responsibility is not downstream ownership. It should not be used to reserve:

- repair;
- diagnostics;
- reuse;
- remanufacturing;
- repurposing;
- recycling; or
- stewardship pathways

to OEM-controlled channels unless there is a specific, evidence-based safety rationale.

9. Choice of Repairer and Information Access

Australia already has an active motor vehicle choice-of-repairer framework through the Motor Vehicle Information Scheme.

That scheme reflects the policy judgment that independent repairers should be able to access service and repair information needed to repair vehicles safely and competitively.

This is directly relevant in an Australia–New Zealand battery guideline context.

If New Zealand looks to Australian practice for battery safety and end-of-life management, it should not import Australian battery-management expectations while omitting the competition safeguard around repair and service information access.

VIA is not seeking unrestricted access to proprietary design files, source code or trade secrets.

However, qualified independent operators should have access to the safety-critical information reasonably necessary for lawful:

- repair;
 - dismantling;
 - transport preparation;
 - storage;
 - reuse assessment;
 - recycling; and
 - stewardship compliance.
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10. Emergency and Damaged Battery Management

VIA strongly supports inclusion of clear procedures for:

- collision-damaged EVs;
- submerged vehicles;
- fire-exposed vehicles;
- flood-damaged batteries;
- batteries with unknown state of charge;
- storage quarantine;
- transport refusals; and
- emergency isolation procedures.

These areas represent the highest practical safety risks within the sector and require:

- clear;
- operationally realistic; and
- consistently applied

guidance.

11. Requested Changes

VIA recommends that the final guideline or associated implementation material:

- a. explicitly recognise independent importers, independent repairers, dismantlers, battery assessors and recyclers as legitimate participants;
- b. clarify that manufacturer instructions should be used where available but should not be the only recognised compliance pathway;
- c. allow equivalent safety outcomes to be demonstrated through recognised standards, qualified assessment, documented risk controls, approved recyclers, accredited training and neutral stewardship processes;
- d. ensure product stewardship participation is available to all lawful importers on equivalent terms;
- e. ensure safety-critical battery information is available to qualified independent operators where needed for lawful compliance;
- f. distinguish design-origin responsibility from downstream ownership or market control;

- g. support repair, reuse, remanufacturing, repurposing, second-life use, recycling and material recovery where safe and appropriate; and
 - h. adopt risk-tiered controls for different battery conditions and use cases.
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12. Conclusion

VIA supports the development of a Trans-Tasman consistent guideline for the safe management of end-of-life lithium-ion batteries.

However, the framework must remain:

- practical;
- technology-neutral;
- proportionate; and
- operationally realistic.

It should support safety and environmental objectives without unintentionally undermining:

- vehicle ownership rights;
- right-to-repair principles;
- independent dismantling and recycling;
- legitimate second-life battery markets; or
- competitive market participation.

VIA encourages regulators to adopt a balanced lifecycle approach that recognises:

- safety;
- stewardship;
- reuse;
- repairability;
- remanufacturing;
- recycling; and
- circular-economy outcomes

together, rather than treating all traction batteries simply as hazardous waste requiring disposal.

The issue is not whether end-of-life lithium-ion batteries should be managed safely. They should.

The issue is whether the framework gives all lawful and competent parties the practical ability to meet their obligations.

Design responsibility must not become downstream ownership.

Product stewardship must support safety and circularity without becoming a mechanism for restricting independent import competition.

VIA would welcome continued engagement with officials as this framework develops further.

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