

## Govt to quietly scrap looming ban on coal boilers

Marc Daalder, Newsroom, 17 June 2026

***Greenhouse growers complained about a ban on coal boilers from 2037. Now that ban is set to be quietly dismantled.***



Greenhouse growers had previously opposed the Labour-era policy.

The coal boilers of greenhouse growers have received a new lease on life, as ministers move to quietly repeal a scheduled 2037 ban on coal for low-intensity industrial process heat.

As part of the resource management reforms, some national direction under existing law won't be carried into the new system. That includes the National Policy Statement and National Environmental Standards for Greenhouse Gas Emissions from Industrial Process Heat, which implemented the ban.

In a briefing to Climate Change Minister and then-energy minister Simon Watts, received under the Official Information Act, officials advised the policies would "cease to exist" in 2029 when New Zealand had transitioned to the new resource management system.

The previous Labour government issued the coal boiler policy in 2023, immediately barring consents for new low-to-medium temperature coal boilers and preventing discharges of greenhouse gases from existing boilers after 2037.

"Currently, more than half of the heat used to process raw materials into products such as paper and dairy

production comes from fossil fuels", then-energy minister Megan Woods said at the time.

"Switching to cleaner ways of generating process heat presents a huge opportunity to reduce our domestic greenhouse gases and paves the way for greener export products too".

The 2037 deadline aligned with Fonterra's date for ending its own coal use.

Rachel Brooking, Labour's environment and RMA reform spokesperson, said the quiet unwinding of that ban was consistent with the Government's preference not to [manage climate issues through the resource management system](#).

"The Planning Bill and the Natural Environment Bill as introduced by this Government have no interest in reducing climate pollution. It's consistent with the policy as introduced, that the Government would not want to continue with national direction that required a ban on coal boilers", she said.

Minister for Resource Management Act Reform Chris Bishop said climate change shouldn't be addressed through the Resource Management Act or by local councils.

"The new planning system has a deliberately narrower scope than the Resource Management Act and does not manage greenhouse gas emissions. The National Environmental Standards for Greenhouse Gas Emissions from Industrial Process Heat are outside the scope of the new system and are not expected to be carried forward," he said.

"The New Zealand Emissions Trading Scheme is the main tool to reduce net emissions; the Government does not consider councils should be managing emissions locally through the planning system."

In the briefing to Watts, officials noted the move followed concerns raised by greenhouse growers, who had opposed Labour's policy.

Officials also said it was difficult to estimate the impacts of removing the policy.

On the one hand, some coal users would switch away anyway. Fonterra had pledged to get off coal by 2037 and the Labour government's industrial decarbonisation subsidies had invested in converting some small-to-medium-scale businesses to biomass or electricity as well.

"Although further work is needed to better understand emissions reductions for industrial process heat in absence of the national direction, officials expect emissions reductions to occur without the national direction due to other drivers encouraging industrial users to switch to lower-emissions fuels and processes," officials wrote.

"Industrial use of coal is declining due to a range of factors including the Emissions Trading Scheme, cheaper alternative fuels, higher finance and reputational costs, shifting consumer preferences and domestic and international regulations."

However, they went on to note it could lead to higher coal use than otherwise.

"There are wider impacts of a new resource management system not seeking to manage greenhouse gas emissions from industrial process heat. This will reduce consenting costs for industrial process heat users, including gas users. It may also increase the likelihood of coal being used as a long-term fuel source in industrial processes, likely at the expense of alternative fuels including biomass or increased electricity demand."

A more robust estimate of the impact of the move on climate pollution would be included in the greenhouse gas projections released at the end of the year.

Brooking said the move unwound the work Labour had done to help New Zealand decarbonise.

"What a strange policy to have, to say, 'Go for your life and have more coal boilers'. I mean, that seems totally retrograde", she said.

"What we were proud with in our government is that you're looking across all areas of government always to be identifying areas where emissions can be reduced. And this Government's approach has been totally the opposite".

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