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Orana REZ Costs Soar to \$5.5B, Branded Net Zero Disaster

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The Central-West Orana Renewable Energy Zone (REZ) project, backed by the Albanese government, has seen costs balloon from \$650 million to \$5.52 billion, drawing sharp criticism as a net zero policy failure that will burden consumers.

The Central-West Orana Renewable Energy Zone (REZ), a flagship renewable energy project in New South Wales spanning 20,000 square kilometers around Dubbo, has become a lightning rod for criticism as costs have surged to \$5.52 billion, over eight times the original \$650 million estimate from 2020. The Australian Energy Regulator (AER) confirmed on

August 5, 2025, that the escalation, calculated by the Energy Corporation of NSW (EnergyCo), stems from development and construction capital costs, which will ultimately be passed on to consumers through higher electricity bills, according to a RenewEconomy report. Critics have labeled the project a “net zero disaster,” arguing it exemplifies mismanagement in the push for renewable energy.

The Orana REZ, Australia’s first declared renewable energy zone, aims to deliver 4.5 gigawatts of wind, solar, and storage capacity by 2028, powering over two million homes. EnergyCo has contracted ACEREZ, a consortium of ACCIONA, COBRA, and Endeavour Energy, to design, build, and maintain 240 kilometers of transmission lines. While the project is expected to attract \$20 billion in private investment and create 5,000 construction jobs by 2030, the cost blowout has raised concerns about affordability. Ben Fordham, on 2GB, highlighted the \$5.52 billion figure as a “staggering” overrun, questioning the government’s oversight.

NSW Energy Minister Penny Sharpe defended the project, stating it will deliver “reliable, affordable energy” and support regional economies, per a NSW Government release. However, critics argue the Albanese government’s broader net zero agenda, including this REZ, risks financial strain without guaranteed benefits. The AER’s report noted that the cost increase reflects expanded infrastructure needs, including 90 kilometers of 500-kilovolt lines and 150 kilometers of 330-kilovolt lines. Local communities have received \$128 million in grants for infrastructure and jobs, but some residents, called the costs “unacceptable,” demanding greater transparency.

As construction ramps up, the Orana REZ underscores tensions between renewable ambitions and fiscal responsibility, with consumers likely to bear the brunt of the escalating price tag.