Tourism Taskforce
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MEDIA RELEASE

WESTERN SYDNEY HOTEL FORUM

Western Sydney Calls for Smarter Investment to Drive Tourism Growth

Sydney, NSW – 21 May 2026

Western Sydney is rapidly emerging as one of Australia's most significant tourism growth regions, with industry leaders and government stakeholders highlighting both the scale of opportunity and the urgency of addressing accommodation shortages at the **Destination Western Sydney Hotel Forum 2026**.

Hosted by the **Western Sydney Tourism Taskforce at Cabravale Club & Resort,** the forum brought together major Global hotel brands and developers to examine market demand, investor climate, development constraints, and the transformational impact of the upcoming **Western Sydney International Airport (WSI)**.

Chair of the Western Sydney Tourism Taskforce, **Fazila Farhad**, opened the event by emphasising the region's pivotal moment of change's opening is bringing in more travellers; we want them to spend, stay and experience our region," said Ms Farhad. She noted that Western Sydney is entering a significant period of transformation, requiring stronger alignment between infrastructure, tourism, and investment to capture future demand.

Destination NSW CEO Karen Jones reinforced this outlook,

"Western Sydney is no longer just a gateway to Sydney—it is a destination in its own right and one of Australia's fastest-growing visitor economies, with a strong focus on Aboriginal and Torres Strait Islander inclusion at the heart of its identity. The Western Sydney International Airport will be a true game changer, bringing the region to the forefront of international markets, supported by major airlines. As we work towards growing the visitor economy from around $60–61 billion to $91 billion by 2035, increasing aviation capacity will be key. With 28.6 million visitors to NSW last year and a significant share already travelling to Western Sydney, demand is only set to rise. To support this, we need a diverse accommodation pipeline of around 40,000 rooms, backed by initiatives like fast-track investment pathways. Western Sydney is truly on the cusp of remarkable growth and opportunity."

Panel Discussion:

A key theme of the forum was the imbalance between supply and demand. Western Sydney currently has approximately **8,700 hotel rooms compared to 26,000 in Sydney CBD**, despite strong population growth and increasing visitation. While hotel occupancy in the region averages around **75–77%**, panellists noted that demand is uneven, leaving periods of softer performance. At the same time, the development pipeline remains limited, with only **around 1,000 rooms under construction**, far below what is required to meet future demand.

The panel, moderated by Fazila Farhad and featuring senior leaders from IHG, Accor, EVT Hotels, and Holdmark, explored practical solutions to accelerate growth:

- **Demand Creation is Critical:** Events, attractions, and experiences, not just hotels—are essential to increasing visitation and length of stay. **Major events and precinct-based attractions** were identified as proven demand drivers.
- **Pipeline Readiness is Lagging:** The current hotel pipeline is not yet positioned to fully capitalise on WSI-driven demand, highlighting an urgent need for new developments.
- **Experience-Led Development:**
  Future hotel projects must integrate **food, culture, retail, and placemaking**, moving beyond standalone accommodation into mixed-use destinations.
- **Barriers to Investment:**
  The **$200 million fast-track approval threshold** was widely seen as too high. Panellists advised lowering this to **$50–100 million** to enable mid-scale developments and attract a broader range of investors.
- **Local Investment Leading the Market:**
  With limited offshore investment, local developers—particularly clubs and mixed-use operators—are playing a key role in delivering new supply. Offshore investors are focussed on the luxury product in the CBD.

  "There is a clear gap in hotel supply, but also a clear opportunity," said **Western Sydney Tourism Taskforce Chair, Fazila Farhad.**
  "With the right collaboration and streamlined investment pathways, smaller investors can enter the market and help address this shortfall. At the same time, we must maximise occupancy in our existing hotels by creating more events, experiences and place-based activity, travellers need a reason to stay. With this balanced approach, Western Sydney will truly become a destination."

Board of Western Sydney Tourism with Karen Jones , CEO Destination NSW

From left: Christie Wang, Michael Foukles, Michaela Chan ,Paula Martin ,Fazila Farhad , Karen Jones , Belinda Thomson .Top row left : Tom Wang , Ben Atkins , Tony Chiefari, Davy Nguyen , Luke Whalan , Cameron Burke

Western Sydney Hotel Forum Panel

From Left : Natham Cox (Accor), Eliyah El Khoury Holdmark Development group , Brett Barlow (EVT) , Cameron Burke (IHG Hotels) , Fazila Farhad (Chair WSTTF)

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Karen Jones , Destination NSW

Fazila Farhad , Western Sydney Tourism Taskforce

For media inquiries please contact us at: join@wstourism.com.au

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