

# CORRECTED VERSION

## RURAL AND REGIONAL COMMITTEE

### Inquiry into rural and regional tourism

Bright — 29 August 2007

#### Members

Ms. K. Darveniza  
Mr D. Drum  
Ms W. Lovell  
Ms K. Marshall

Mr R. Northe  
Ms G. Tierney  
Mr J. Vogels

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#### Staff

Executive Officer: Ms L. Topic

Research Officer: Dr C. Hercus

#### Witness

Ms H. Sharpley, executive officer, North East Valleys Food and Wine.

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**The CHAIR** — This is an all-party parliamentary committee. This committee is taking evidence today on its inquiry into rural and regional tourism. All evidence given before the committee is protected by parliamentary privilege, which is provided by the Constitution Act 1975, the Parliamentary Committees Act 2003, and the Defamation Act 2005. Whilst everything that is said inside here by the witnesses is granted parliamentary privilege, any comments that are made outside the building are not afforded parliamentary privilege. Before you start, Helen, could you give us your full name and address and the name of the organisation you are representing here today? We will send the transcript to you within a couple of weeks; you can check it only for any typographical or factual errors.

**Ms SHARPLEY** — My full name is Helen Christine Sharpley. I live at [detail removed]. The organisation I represent is North East Valleys Food and Wine.

The reason I am here today is because food and wine is one of the four product strengths of the north-east, and North East Valleys Food and Wine actually represents that product strength. Tourism Victoria has done some analysis recently which has shown that of the tourism dollar, 30 per cent is actually spent on food and wine. It was previously thought to be a bit of, I guess, a side thing or a complementary thing but it is actually quite a significant spend in terms of the tourist dollar.

North East Valleys Food and Wine started as an organisation in 2001, as a result of declining market share for the north-east. It was principally driven by the wine regions — it represents the five wine regions of Rutherglen, King Valley, Alpine Valleys, Glenrowan and Beechworth. Obviously it incorporates the Milawa gourmet region as well. There probably has not been a lot of change in terms of market share. There has been significant focus on the Yarra Valley and the Mornington Peninsula. However, we expect that to change in the future given the product strength for the region.

North East Valleys represents 140 operators — that is how many are listed in the guide. We do not list accommodation operators, the list is only food and wine operators. Our funding is sourced from local government supplied through the three shires of Rural City of Wangaratta, Alpine shire and Indigo shire. That represents about one-third of our funding. The other third comes from stakeholder buy-in and the other third is from grant funding. Obviously we take the money that we get and see how we can get it matched through grant funding programs.

Our role is basically to promote food and wine tourism. We do this through production of a guide known as the *Seasonal Indulgence Food and Wine Guide*, through a website and also through leveraging the media in whichever way we can. We also represent the region from a food and wine perspective at all levels of government and also locally and with other food and wine bodies. We are working quite closely with Upper Goulburn Food, Wine and Culture Group.

Our biggest issue is that funding. If local councils were to withdraw that funding, that would place North East Valleys in, I guess, a much more difficult position. We hope that they will not but it is an ongoing thing to keep the stakeholders from every perspective, whether it be local government or the food and wine stakeholders, on board.

I work four days a week. I was appointed as executive officer in mid-May. My job really has been to build stakeholder confidence in the organisation. I am happy to take any questions.

**Ms LOVELL** — Helen, I am interested in the impact of last summer's horrendous fires. Firstly, when the fires first began and they were fairly isolated, the Premier went on radio and pleaded with people in Melbourne not to come to the north-east. What was the impact of that on other towns such as Beechworth, Myrtleford, Bright and Mount Beauty that were not threatened by fire at that point? Also, what has the impact been of smoke damage on the grapes for the wine industry? And the recovery stage, has the government done enough to assist this area to recover?

**Ms SHARPLEY** — There were three questions in there. The first question was did it impact other towns. I think you listed Mount Beauty as one of them. Mount Beauty, because I live there, was actually quite severely threatened by the fires.

**Ms LOVELL** — Not initially. We are talking about 1 December and the Premier went on radio the next day, saying, 'Please do not go to the north-east', yet at that stage Mount Beauty, Bright, Myrtleford, Beechworth were not even threatened.

**Ms SHARPLEY** — It had a huge impact, as you would expect. I can understand why it was done from a safety perspective but yes, it had a huge impact because the north-east was just blanketed as a region not to go to. The impact of smoke and fire on the wine regions, particularly the King Valley, is significant. The King Valley not only, I guess, was hit by smoke, and a lot of them struggled to get a vintage this year, the issue is also that there were two lots of frost. The vines can survive one lot of frost but two lots of frost means that probably next year's vintage is at risk as well.

The response from the government has been to strongly support King Valley. There is funding that has gone towards new signage for the region. Also, through North East Victoria Tourism, we will be taking up the opportunity to take up some tactical marketing money that is available, pushing obviously the fire-affected regions. I know that Beechworth in particular was quite badly affected as well, despite not being directly under threat — and that was later as well as earlier.

The response was fairly swift. The actual receipt of the money was a bit slow but in terms of being, I guess, the region's response, I sat on the response and recovery committee and we put together a submission based on who was affected and how they were affected and what could be done to address those issues.

That was all done while everything was still under threat, and I think it was unusual that the response was so quick, and we were in recovery and DSE was still responding. Could more be done? Always more could be done. I do not know what you could do apart from the response which is to try to get people back into the region. Tourism Victoria put in an ad — I cannot remember the date, but it was pretty quick. I think just getting out there and saying what regions were able to be visited again had quite an impact early on. I think also by Easter a lot of people seemed to have recovered. I know Bright was fully booked for Easter. I was working at Falls Creek, and at the time Falls Creek suffered for Easter. There were a lot of factors at play.

**Ms LOVELL** — Helen, I met with a lot of the tourism operators quite early on in the piece when the government was formulating that recovery package to attract people back. But a lot of them were saying that unless there was any direct assistance they did not feel that they would survive. Was anything given to operators in the way of direct assistance, low-interest loans or anything like that?

**Ms SHARPLEY** — Not that I am aware of, no. I know Regional Development Victoria has been working with people and looking at their business to see how they can recover. I am not an operator as such, but I know that some areas which were affected by the drought and also by the fires, have got assistance with interest payments, but I could not comment any further.

**Mr VOGELS** — Helen, you said that one of the major challenges is funding, obviously, and you said you get 33 per cent from local government. How do you work with council tourism officers? Do you get very involved with them, because obviously if that is one-third of your income you do not want them pulling out, so you must work very closely with them?

**Ms SHARPLEY** — We have a representative from each shire and the rural city on our board. They attend meetings every month. I also liaise with them, sometimes daily, but at least once a week.

**Mr VOGELS** — That is working well?

**Ms SHARPLEY** — Yes. Obviously I work with the CEOs. I have met with each of the CEOs and I also work with the mayors as well, so there is an awareness of what we are doing.

**Ms TIERNEY** — Helen, you mentioned that you are a member of the committee. What has been the general consensus of that committee in terms of the experiences that you had? I noted that you said that more can be done, as in any case, but on reflection now what are some of the key things that you would do differently as a committee if we unfortunately had a similar set of circumstances this season?

**Ms SHARPLEY** — I think it would be great for the committee to get together now and talk about what it would do if it was to happen, because one of the things we have talked about — or certainly I talked about when we were at Falls Creek — was the fact that bushfires for this region are probably going to become a reality; it is something we are going to have to deal with every year.

The more preparation that can be done in really looking at what infrastructure can be put in place and what the guidelines are, so that if it does happen in any particular region, you know what the climate will be. For a bushfire it will be pretty standard; you could almost put together a checklist. I think it is that preparation for the reality of bushfires and the bushfire season that will come upon us every summer.

**Mr NORTHE** — I have two questions. The first relates to signage, particularly from a food and wine perspective. We have had other public hearings, and we have heard from wine operators and the like that maybe a lack of signage or a lack of detail on signs is an issue for a lot of the food outlets and wineries. We would like some commentary on whether that is an issue.

The second point is that I am just curious to know, again from a food and wine perspective, do you guys have statistics on fluctuations in terms of visitor numbers? Is it really seasonal, with the snow season and the like? Is there much fluctuation?

**Ms SHARPLEY** — I will start with your second question first. Yes, it is seasonal. One of my jobs — and obviously winter is a poorer time for the food and wine operators — is to work with the resorts to try to get them to promote the food and wine offer. People will visit and be aware of what the offer is so they will visit along the way, and we can try to capture some of that market.

They have put together the Mountain Fresh Festival at Falls Creek which promotes regional food and wine. One of the strategies of North East Valleys is actually to promote the products of the north east so there will be an association with the region and then people will come and try it. That is something we are working on. So yes, it is very seasonal.

**Mr NORTHE** — If I may make a comment, one of the other things we are hearing is about the continuity of staff in relation to that. Again, as a food specialist, is continuity of staff in the hospitality sector an issue? You are, I guess, seasonal to some degree.

**Ms SHARPLEY** — Yes, staff are a major issue — an enormous issue. I know I am allowed to sledge but not meaning to slander or anything, but generation Y in particular — I know with my experience at Falls Creek this season people have had enormous problems with staff.

**Mr NORTHE** — Through the Chair, I have a fourth point. Have you any ideas on how we alleviate that problem?

**Ms SHARPLEY** — The way to alleviate the problem is to build an industry that is not so seasonal, and is not subject to fluctuations, and also to promote professionalism in the industry. If you look at food and wine, the role of the sommelier now is such a professional one. The role they play has been recognised in the *Age Good Food Guide*. As a board we have talked about what role we can play in terms of lifting skills and training for the industry because that is what will make and break it.

I know when the minister, Tim Holding, came to Pizzini we were saying that the biggest issue was, 'How am I going to keep my staff because if I lose them, I am not going to get them back?'. I think for this region in particular the quality of the staff really determines how well a business goes, or how well an organisation goes. There was another one in there?

**Mr NORTHE** — The signage.

**Ms SHARPLEY** — The signage. Signage is a really key thing, but you can get to the point where it becomes, I guess, visual almost. There is quite a bit of signage, and I think there is enough directional signage at the moment. North East Valleys has actually put signs on the highway as reminders of the five regions. They say that makes 1 per cent to 2 per cent difference. I think people have already predetermined what their trip will be and which way they will go.

**Ms MARSHALL** — When you are talking about the five regions that you represent, in being able to compare them, is there one region that is statistically doing better than one or all of the others, and what can you attribute that to? Also, what would you consider is necessary to increase visitation to the entire region?

**Ms SHARPLEY** — The region that probably does better in terms of an absolute figure would be Rutherglen, and that is because it has the strength of the Rutherglen brand. With changing preferences and people

not being as keen on fortifieds and full-bodied reds and with the marketing that has been done for the King Valley I guess our role is to encourage people to give referrals.

If you are in Rutherglen and somebody is looking for a sparkling merlot, you would send them to somewhere in the King Valley knowing it has a better product than what might be on offer in Rutherglen. Our role is to build networks so that people get together and understand what other people do in the region, what is good, and what is available. It would be a stretch for you to do the whole region in a day.

What else could be done? More marketing dollars would help. Basically, if you have more money to promote — Tourism Victoria is putting a double-page advertorial in *Gourmet Traveller* in February. If we can back that up with something through North East Valleys, that would be a great thing, but do we have \$20 000? Not sitting by idly waiting to be spent. It is just more marketing money which makes a big difference. Look at the \$4 million that went into the Yarra Valley and what impact that has had. Sure, we will take \$4 million and that would make a huge difference. It really comes down to the resources you have available, both through people and also just the dollars you have to spend.

**The CHAIR** — Helen, approximately how much is your annual budget?

**Ms SHARPLEY** — It is about \$200 000.

**The CHAIR** — Is it 30 per cent of that which comes from councils, or is it more than that?

**Ms SHARPLEY** — It is slightly less than 30 per cent, but it is around that figure.

**The CHAIR** — Does each of the councils in your area effectively contribute roughly the same?

**Ms SHARPLEY** — The Rural City of Wangaratta and Indigo contribute more than the Alpine shire.

**The CHAIR** — But do all the participants within that group seem happy with that arrangement?

**Ms SHARPLEY** — Yes. It is actually part of a three-way arrangement whereby there is money for North East Valleys Food and Wine representing food and wine, the Murray–Mountains Rail Trail and the Great Alpine Road. I think overall they all contribute the same across those three; it is just the way they divide them.

**The CHAIR** — It was interesting that last year in Parliament we received a whole raft of letters from business houses and accommodation houses in this area, and even before the fires many accommodation houses were under severe stress due to the lack of snow.

**Ms SHARPLEY** — Yes.

**The CHAIR** — At that stage they were also stressing about the lack of water. Have there been discussions about increasing the security of water here in Bright?

**Ms SHARPLEY** — There have been. I am privy not to them, though. In all my portfolios I have not picked up that issue.

**The CHAIR** — I understand it is quite fragile and that while the river is running we have water, but when it is not we have to take some extraordinary steps further upstream. Has there been any talk in your work about the opportunity of setting up walking trails that can also link the cellar doors to each other? Has that been done?

**Ms SHARPLEY** — There is the rail trail. There is a bike trail in Rutherglen, and there is talk of a bike trail linking the Milawa region to Beechworth, which would be fantastic. Those trails can also be used as walking trails, but the more infrastructure that you put in to link the wineries, the better; and people are looking for different ways to explore, and when you are talking alcohol you do not particularly want people in cars. Tourists or visitors do not seem to like the structure of being on a bus. They would much prefer to regulate or decide when they want to go somewhere and where they would like to go.

**Ms MARSHALL** — With the rail trails, I have done a couple of them and I have never seen any advertising as to anything that is along the road, so to speak. I noticed the rail trail as I was driving up here. Is there any advertising, direct or otherwise?

**Ms SHARPLEY** — It will point you to what is off the rail trail, if there is a winery that you can visit, an olive plantation, or whatever, but there is not advertising as such.

**Ms MARSHALL** — So, not advertising but directions. Is that uniform specifically for the rail trail, or just locally?

**Ms SHARPLEY** — They are specific signs for the rail trail.

**The CHAIR** — Helen, thank you very much for coming in this afternoon. Again we apologise for delaying you — I know you have to get to Melbourne this afternoon. Thanks again for your time. It was an excellent presentation. We will be in touch with you when we send you the transcript.

**Ms SHARPLEY** — Thank you.

**Witness withdrew.**