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13 February 2003

The Secretary
Senate Employment, Workplace Relations
and Education References Committee
Suite SG .52, Parliament House
CANBERRA ACT 2600

Dear Secretary,

**RE: CURRENT AND FUTURE SKILLS NEEDS INQUIRY -
SMALL ENGINE MECHANICS**

This letter confirms our support of the current Senate Employment, Workplace Relations and Education References Committee inquiry into Current and Future Skills Needs and our interest in continued constructive participation.

STIHL Pty Ltd, Australia's market leader in outdoor power equipment, distributes through a network of 500 STIHL Specialist Dealers across Australia, each of which rely on small engine mechanics to offer complete servicing and maintenance for all product sold. The outdoor power industry covers a wide range of products, both petrol powered and electric and includes chainsaws, lawnmowers, brushcutters, blowers, high pressure cleaners, generators, garden recyclers, ride-on mowers/tractors, power augers, power drills, demolition saws etc.

In accordance with the Australian Workplace National Skills Shortage List, (December, 2002) which identified Trades as a key shortage area, our industry is facing an imminent shortage of small engine mechanics.

There are approximately 600,000 small engine units (eg chainsaws, lawnmowers, blowers etc.) sold in Australia each year and each STIHL Dealer employs between one and three small engine mechanics to maintain product.

The rise in popularity of hardware/outdoor chain stores, which do not offer service or maintenance, has contributed to the increased demand on small engine mechanics.

In addition, our dealerships are now attracting experienced small business operators with little, if any, training in small engine maintenance, rather than the mechanics of yesteryear who progressed from a workshop scenario with the required maintenance skills.



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Our industry body, the Outdoor Power Equipment Association, has 27 members which, in addition to STIHL and companies which are not members, also require the skills of small engine mechanics.

At present, we estimate there are no more than a few thousand small engine mechanics in Australia and current demand exceeds supply.

Factors that we believe have contributed to the decrease in volume of small engine mechanics in Australia include:

- ❑ a decrease in the image/reputation of the profession;
- ❑ limited spaces, resources and technology information in TAFE colleges; and
- ❑ low remuneration.

Subsequently, we would appreciate the opportunity to be involved in the Senate inquiry through assistance with identifying:

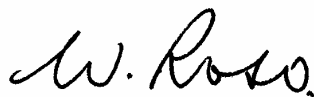
- a) small engine mechanic shortages and demand in different areas and locations, with particular emphasis of projecting future skills requirements;
- b) the effectiveness of current Commonwealth, state and territory education, training and employment policies, and programs and mechanisms for meeting current and future small engine mechanics needs; and
- c) the effectiveness of industry strategies to meet current and emerging small engine mechanics needs.

As an international market leader, we supply to a 30,000 strong dealer network, provide varied training programs in many countries and are eager to incorporate our global experience into finding a solution to the current shortage in Australia.

STIHL's currently invests in dealer and staff training, as well as maintaining relationships with a number of individual TAFE colleges.

We are keen to contribute to the inquiry in a constructive way.

Yours sincerely,
STIHL PTY. LTD.



DR. WALTER ROSO
MANAGING DIRECTOR.