

# Australia: Ex-Boeing workers reduced to half pay

**Mike Head****11 September 2013**

The mood was bitter when most of the remaining workers at Boeing Australia's plant at Milperra in Sydney had their final day on the job at the end of August, just a week before last Saturday's federal election.

About 60 of the 350 workers displaced by the giant aircraft company's closure of the plant have been forced to accept alternative jobs—on pay levels 40 percent to 50 percent lower—with a new aircraft company, Quickstep, which has taken over part of the premises.

When Boeing first announced the closure in 2010, it claimed that up to 300 workers would be offered places at its Fishermans Bend facility in Melbourne. The Labor government and the trade unions cynically promised redundancy, relocation and retraining assistance—all to stifle resistance and secure an “orderly closure.” These pledges soon proved empty for many workers.

Diomedes Angeles, a qualified ground engineer, told the WSWS he was now working for Quickstep. “I took a 40 percent cut to work for this company,” he said with disgust. “I used to be paid \$36 an hour at Boeing and now it is \$23.50 an hour. For the same work and even more! Not only that, they want us to work other jobs that we aren't supposed to do.”

Angeles said the wages were so low and the conditions so poor that some ex-Boeing workers had already quit. “They stayed for two months and then left,” he explained. “The union has done nothing, and here (at Quickstep) there is no union at all.”

Simon, another retrenched Boeing worker hired by Quickstep, said: “I have taken a 50 percent drop in pay to do the same job. It was a very sad day for everyone today. I worked at Boeing for 22 years, and my dad worked there in the 1950s. Corporate greed was the

reason for the shutdown. It was a profitable company.”

What has happened to the Boeing workers is a sharp warning of the wholesale assault being prepared on the living standards and basic rights of the working class as the global economic situation deteriorates. It is in line with the severe cuts to wages and conditions being imposed, with the help of the unions, on the GM Holden workers in Adelaide, the Tleys/Cargill meat workers in Brisbane and the Glencore/Xstrata coal miners at Collinsville in central Queensland.

Boeing is one of the largest aircraft manufacturers in the world, with revenue in 2012 of \$81.7 billion. CEO James McNerney's total compensation in 2010 was \$19.7 million. The Milperra closure is part of an international job-shedding strategy, matching that of GM, Ford and other auto manufacturers. In 2002, Boeing reduced its American workforce by 31,000—the seventh largest layoff in US history. By 2004, the company had eliminated about 40,000 positions since 2001. In 2012, Boeing slashed another 2,160 jobs.

In Australia, the Labor government fully supported Boeing's reorganisation. Not only did it endorse the company's closure announcement in 2010 as a “commercial decision,” it then encouraged, and subsidised, Quickstep to establish a low-wage operation in the vacated plant.

On August 12, Industry Minister Kim Carr officially opened Quickstep's new facility. He told those present that Quickstep represented “all that was good about modern manufacturing in Australia.” He boasted that the Labor government had provided Quickstep with a \$2.52 million Climate Ready grant, and support under the Research and Development Tax Credit scheme, for the development of a technology known as Resin Spray Transfer.

In a media statement featured on the Labor Party's

election web site, Carr declared: “Sydney based advanced manufacturer Quickstep is leading the way in the use of carbon-fibre composites to revolutionise parts for everything from cars to military aircraft... [T]he company’s advanced manufacturing, backed by cutting-edge research and development, sets the benchmark for the future of manufacturing in Australia.”

Carr’s praise for Quickstep’s “benchmark” was in line with Prime Minister Kevin Rudd’s “national productivity agenda” of working with employers and the unions to reduce labour costs and drive up output, in order to compete with the wage-cutting imposed on workers in the US and Europe.

“This company demonstrates that Australian manufacturing can compete at the top, producing parts quickly that are both low cost and high quality,” Carr stated. “What we need is people that have got the right attitude, the entrepreneurial spirit to want to get out there and make a quid, to apply new technologies to develop new industries.”

Quickstep, a company listed on the Australian stock exchange, has also benefitted from military contracts with both Washington and Canberra. Its first major manufacturing agreement was with Lockheed Martin and Northrop Grumman in 2009 for the manufacture of parts for the F-35 Lightning II Joint Strike Fighter (JSF) program. Last year, Quickstep was selected as the sole supplier for tactical transporter wing flaps for C-130J Hercules, 12 of which are operated by the Royal Australian Air Force.

The unions were instrumental in enforcing the Boeing closure and imposing low wages on the Quickstep workers. When the shutdown was announced in 2010, the Australian Manufacturing Workers Union (AMWU) and the Australian Workers Union (AWU), which covered Boeing’s Sydney employees, held redundancy and relocation negotiations with management to ensure an “orderly closure” and suppressed any opposition by workers.

This collaboration had a long history at the Milperra plant, dating back to 1987–88, when the unions ruthlessly enforced the prices and incomes Accord with the Hawke-Keating Labor government (the Milperra facility was then operated by Hawker de Havilland). After mass meetings of workers repeatedly rejected demands to give up conditions in exchange for a wage

rise, five union delegates were bureaucratically removed as shop stewards, and the AMWU pledged to “provide the company with the opportunity to be competitive.” (See: “Boeing unions seek to impose Sydney plant closure”)

These experiences with the unions are international. Earlier this year, as the Milperra closure loomed, Boeing workers in the US state of Washington felt the impact of their unions’ similar collaboration with the company. In March, following several months of joint management-union efforts to impose major cutbacks on them, Boeing technicians accepted a concessions contract. As a result, for the first time in more than 60 years, new Boeing recruits will not have a pension plan. (See: “In second vote, Washington Boeing technicians accept concessions contract”)

In Australia, having enforced an avalanche of job destruction and the erosion of basic conditions under the Labor government for the past six years, the unions will play the same treacherous role under the incoming Abbott Liberal-National government, just as they did for 11 years under the previous Howard Liberal government.



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