Job cuts mount across Australia

Martin Scott
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Reports last week of hundreds of job cuts at two vastly different businesses—Hancock Prospecting and Lincraft—underscore the impact of rising unemployment across the Australian working class.

Hancock sacked between 300 and 500 workers in Western Australia's iron-rich Pilbara region, up to 10 percent of its workforce, according to the *Australian Financial Review* (AFR). The company said this was part of "identifying opportunities to optimise how ore is mined, processed and blended across its operations." In other words, the remaining workers can expect to be hit with demands for stepped-up productivity.

Hancock is the world's fifth-largest iron ore producer, owned by Australia's richest individual, Gina Rinehart, whose net wealth is over $39 billion.

Lincraft, a homewares, fabric and craft retailer, announced it would close all of its 30 brick-and-mortar shopfronts across Australia and New Zealand, destroying some 300 jobs. The company cited changing shopper behaviour, increased operating costs, and growing pressure from low-cost overseas competitors as the reasons behind its move to online-only operations.

The Lincraft closure news came just a week after Barbeques Galore announced it would shutter its 62 Australian shops, eliminating around 500 jobs. The fate of a further 27 locations owned by franchisees, and of their staff, is unclear. The company collapsed into voluntary administration in February and a new buyer could not be found to take over the business.

Financial analyst Roger Montgomery, told the Australian Broadcasting Corporation (ABC), "With post-budget retail spending collapsing at the same time that overseas suppliers are unable to ship stock… a wind-up or liquidation is the only option and the worst case for staff and perhaps franchisees too."

Montgomery's comment refers to some of the broader processes behind the chain's collapse: The federal Labor government's austerity budget, which will only deepen the cost-of-living crisis for the working class, and the US-Israeli war against Iran, which is both driving global inflation and disrupting supply chains worldwide.

A recent survey by Westpac and the Melbourne Institute found consumer sentiment declined 2.9 percent from May to June, to among the lowest levels in half a century, with "inflation" and "international news" major areas of concern. The study noted that "Purchase attitudes remain downbeat," with the willingness of respondents to "buy a major item" at historically low levels.

This points to the likelihood of further job losses and business closures in the retail sector, exacerbating a process that is already underway, highlighted by the collapse last year of Mosaic Brands, owner of chains such as Noni B, Rivers and Millers, resulting in the closure of around 700 stores and the destruction of close to 3,000 jobs.

The impact of job cuts in retail will be most sharply borne by younger workers. While the median age of workers across all industries is 39, in retail it is 23. Already, youth unemployment was at 11.1 percent in April, according to the Australian Bureau of Statistics (ABS). This is more than twice the overall figure, which is itself at an almost five-year high of 4.5 percent.

In reality, the ABS figures are a gross underestimation, primarily because the agency defines anyone working even one hour a week as employed.

Data published by the Roy Morgan survey company, show unemployment at 10.7 percent in May, meaning more than 1.7 million workers were out of a job and looking for employment. A further 1.5 million workers—9.5 percent of the workforce—were underemployed. Overall employment fell by 300,000 from April to May, with full-time jobs accounting for a disproportionate share of the cuts.

In a further indication of a worsening job market, SEEK Employment reported that job advertisements fell 4.5 percent in the year to April, while applications per advertised job increased by 5.5 percent.

SEEK noted the growing impact of artificial intelligence (AI) on the employment market. The number of job ads containing references to AI-related skills was 68.6 percent higher than a year earlier. This is still at an early stage—overall, only 1.9 percent of ads on the site refer to AI skills—but the trend is clear.

SEEK chief economist Dr Blair Chapman noted, "Job ads in high exposure automation occupations, which includes roles in Professional and Consumer Services, are declining. It is unlikely that AI is directly replacing these jobs, but the inclination to do more with less, and general market hesitation due to macro global factors, are likely coming together to put a pause on new hiring for these types of roles."

Similarly, finance, technology and other white-collar professions have featured prominently in recent job cut announcements.

Officeworks, a nationwide office supplies retail chain, is making hundreds of customer service and back-office employees redundant while shifting many functions to offshore hubs in India and the Philippines.

In March, software company Atlassian announced the slashing of 10 percent of its global workforce, around 1,600 jobs, including almost 500 in Australia. Chief executive Mike Cannon-Brookes—number 22 on the AFR's Rich List—bluntly said "it would be disingenuous to pretend AI doesn't change the mix of skills we need or the number of roles required in certain areas."

The previous month, WiseTech Global, one of Australia's largest technology companies, announced it would slash up to 2,000 jobs over the next 18 months. Highlighting the impact of agentic AI, CEO Zubin Appoo declared, "The era of manually writing code as the core act of engineering is over."

Last month, Westpac announced that 94 jobs would be cut from its investment platform BT Panorama, part of the bank's plan, leaked last September, to cull 1,500 jobs. According to the Finance Sector Union (FSU), at least some of this work will be outsourced to Concentrix and Genpact, contractors heavily focused on the use of agentic—that is, autonomous—AI.

Commonwealth Bank of Australia (CBA) announced in April that 119 jobs would be eliminated, on top of 400 previously announced sackings. Threatening further cuts, CBA boss Matt Comyn wrote in the AFR in May, "AI will have workforce consequences throughout the economy, and they should be faced directly.… At CBA, as in many large organisations, some work will be done by smaller teams."

Similar processes are underway at all of Australia's "big four" banks. In September last year, ANZ announced it would cut 3,500 permanent staff and 1,000 contractors. The last of the culled staff will reportedly finish at the end of July. NAB slashed over 400 jobs in October, before cutting a further 447 in March.

Also in April, Bendigo Bank announced AI-centric deals with Genpact and Infosys, linked to an unspecified number of redundancies. The FSU said the cuts would impact a broad cross-section of the bank's operations and could number as many as 1,000 jobs.

The AI rollout in Australia has accelerated since being given the green light by Labor and the Australian Council Trade Unions (ACTU). In January, the ACTU struck a deal with Microsoft incorporating the unions into the AI-driven destruction of jobs. This followed the release of the federal Labor government's National AI Plan in December, which emphasised tripartite collaboration between governments, big business and the union apparatus.

The wholesale slashing of jobs is being directly spearheaded by the federal Labor government, which is set to axe some 28,000 public sector roles over the next four years, after Treasurer Jim Chalmers vowed in December to "unlock the full potential of AI in public service delivery." Numerous government departments and agencies are already trying to push staff out through "voluntary" redundancies, while others have imposed hiring freezes.

The $38 billion in cuts to the National Disability Insurance Scheme (NDIS) contained in last month's budget will mean the destruction of vast numbers of jobs in the care sector, as hundreds of thousands of people with disabilities are deprived of funding for essential day-to-day support.

The response of the unions to Labor's austerity budget—celebration of its less than meagre cost-of-living relief and minor, since-abandoned, tax changes, and silence on its brutal social spending cuts—underscores that these organisations cannot be relied upon to defend a single job or social program.

Instead, workers will have to take matters into their own hands and build independent rank-and-file committees, as part of the fight to mobilise the working class in a political struggle against Labor and the capitalist system itself.