



True Issues® Special Release: Household affordability and the policy response

February 2026

Food and grocery prices is the leading cost of living pressure creating stress for Australians

In February 2026, cost of living continues to be the single most important issue for Australians (as noted in True Issues® released alongside this special report). This ongoing struggle, together with the horrific events at Bondi and on Australia Day in Perth, arguably contributes to a sense of a divided nation. Indeed, two in five people (41%) think we are ‘extremely’ or ‘very divided’ on key political, economic and social issues. This has increased from 27% in July 2024 and 35% in November 2025. A further 45% think we are ‘somewhat divided’, with only 7% saying we are ‘not that divided’ or ‘not at all divided’.

In this special report we examined those aspects of the cost of living crisis that are creating the most stress for Australians, with people able to select up to five items. Over nine in ten people (94%) named an item, with only 6% saying they do not experience cost of living stress.

Food and groceries is the number one item causing cost of living stress for Australians. Two in three (65%) rate it as one of the top five cost of living pressures that make them most stressed. This positions the shopping trolley well above electricity (48%), health and medical costs (including insurance) (42%), home and car insurance (40%) and fuel (32%). Home mortgage repayments (29%) and rent (24%) are just outside the top-five pressures but jump to second place if combined into a single item, i.e. 50% of Australians say housing is one of the most stressful cost of living pressures they face.

Food and groceries is a higher cause of stress than average among those who rank cost of living as the number one issue the Australian Government should focus on (78% versus 65%), which reinforces the central role it has on affordability pressures. It is also a higher cause of stress for One Nation voters (76%), non-university graduates (73%), those on annual household incomes of less than \$50,000 (73%) and Queenslanders (72%). Women (71%) also typically feel the stress of food and grocery prices more than men (58%).

Another pressure that creates greater stress for women than men is health and medical costs (48% versus 35%). Age also impacts the pressures that Australians face, with those aged 55 years and over more likely than average to say home and vehicle insurance is a key stressor (55% versus 40%), while those aged 18 to 34 years over-index on rent (42% versus 24%).

Finally, given the upcoming state election, it is noteworthy that South Australians are more likely than average to rate electricity as a top five cost of living stress (67% versus 48%).

There is growing concern that public spending is fuelling inflation and growing support for tax reform

Australians increasingly feel Federal Government spending is placing pressure on future generations, 65% of the population now agree versus 55% in May 2024. Only one in ten Australians disagree (10%) with this statement about the sustainability of public spending levels.

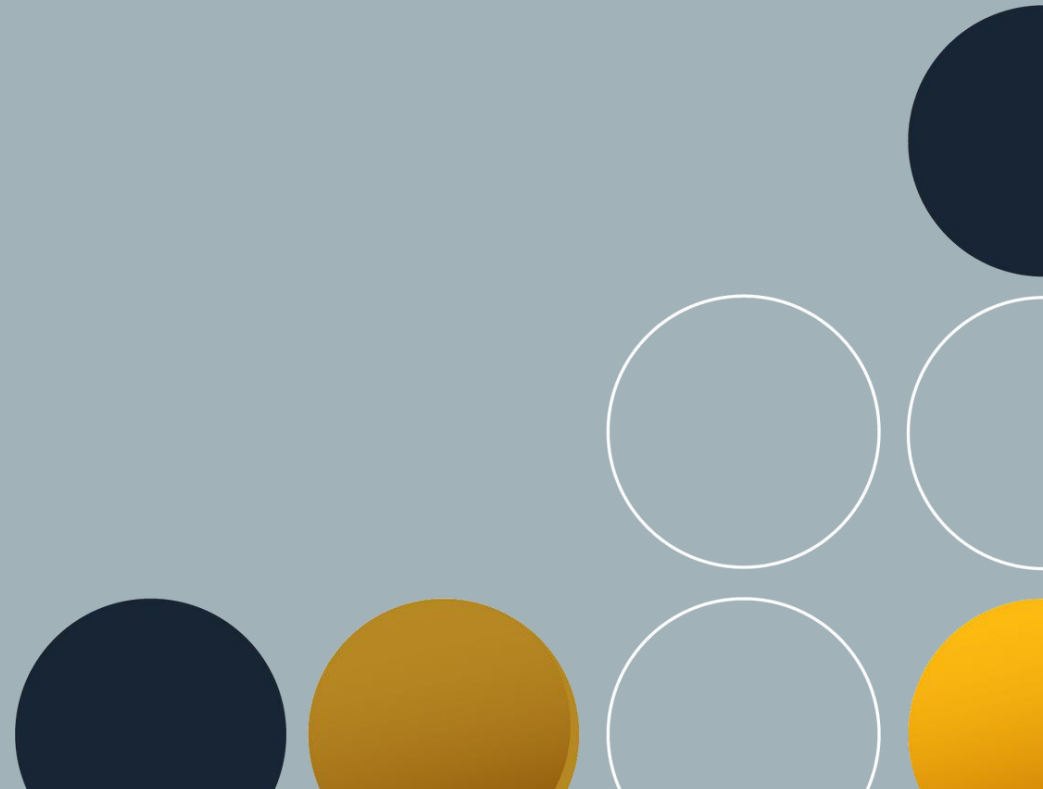
There is evidence of growing concern at the role of public spending in fueling inflation (and as a result cost of living). Asked if Federal Government spending is well targeted and generally not contributing to inflation and cost of living pressures – a question we have deliberately asked in the positive given considerations of confirmation bias – only 17% of people agree with this proposition. This low number is down ten points from 27% in May 2024. Today a majority (52%) of the community actively disagree that public spending is well targeted, compared to 34% in May 2024.

Meanwhile a majority (56%) see fighting inflation as the single most important thing the Government can do to ease cost of living pressures. In addition, the proportion of the population who would rather see (potential) Government surpluses used to pay down national debt (42%) continues to be higher than those who think it should be used to help Australians with the cost of living (26%). These findings indicate that while cost of living remains front and centre for most Australians, public budget deficits are a concern for a notable proportion of the population.

There is growing support for reforming the tax system. Only 15% agree that the system is working well and not in need of substantial reform (again the proposition was phrased in the positive). This is lower than 24% in May 2024. At the same time, those who disagree the tax system is working well and not in need of reform has increased from 41% in May 2024 to a majority (56%) in February 2026.

All this said, Australians are yet to make up their minds on whether they are willing to accept some economic pain to help fund economic reforms that improve our national budget and reduce debt. One in three (34%) continue to agree they are willing to do so, while a similar proportion disagree (37%). This leaves 30% who are conflicted or unsure and who might be persuadable.

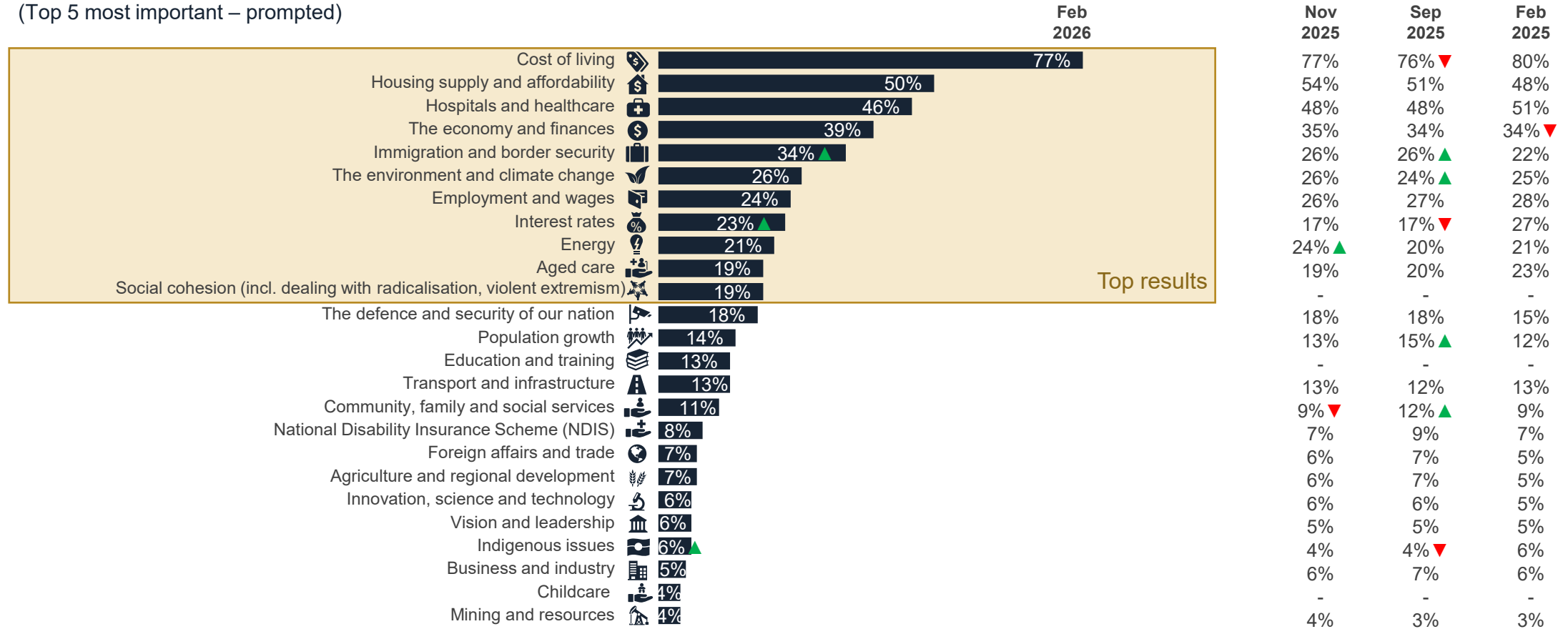
How the community views cost of living



Cost of living remains the key issue Australians want the Government to focus on

Most important issues the Australian Government should focus on

(Top 5 most important – prompted)



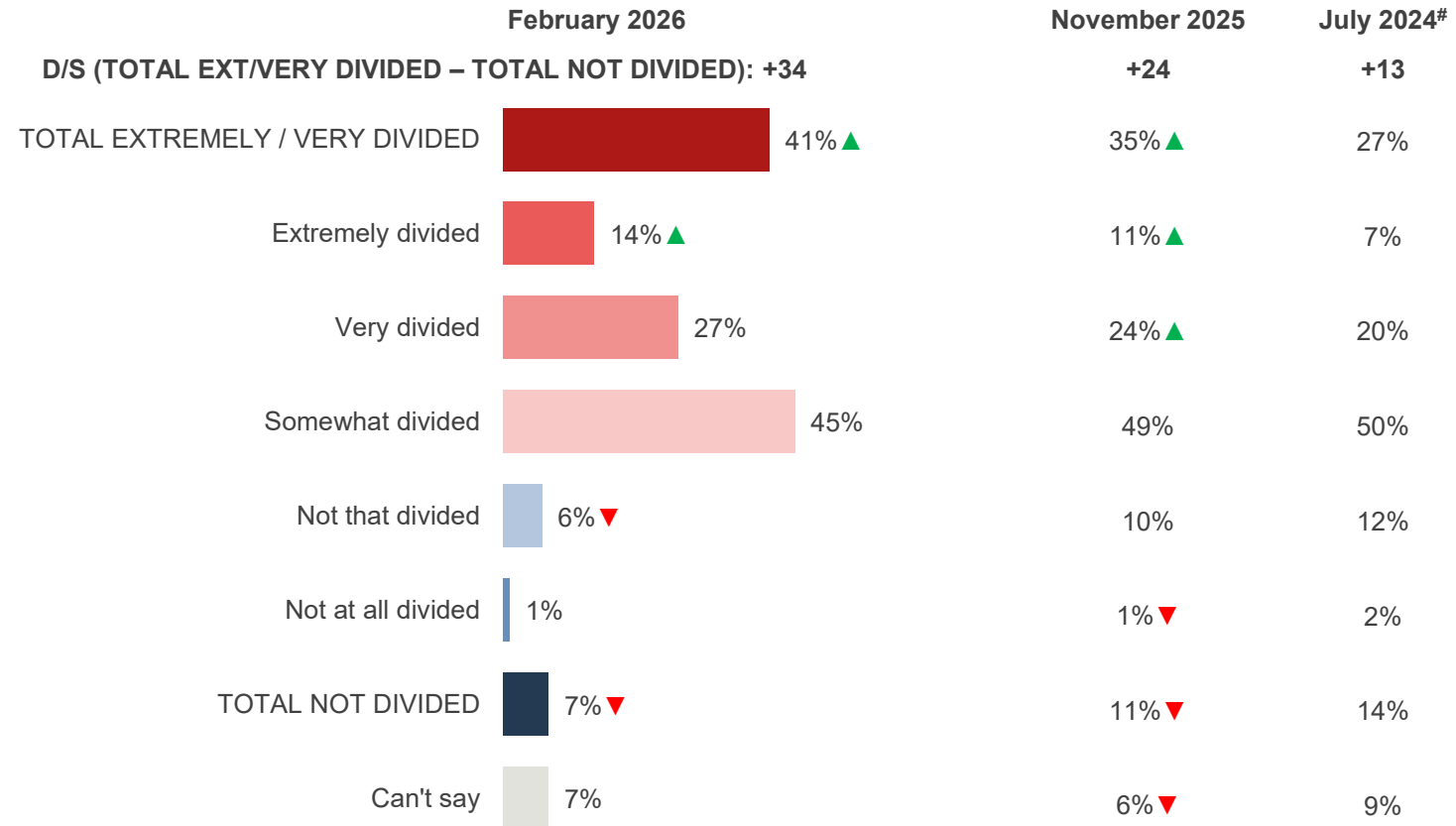
Significantly ▲ higher / ▼ lower than the previous wave at the 95% confidence level.

Q. From the following list, please select the five most important issues you think the Australian Government should focus on.

Base: All respondents (n=1,000 per wave).

Australian society is becoming more divided, not less

Perceived level of division between Australians on key political, economic and social issues



[#] McKinnon Poll: Understanding partisanship, polarisation and social cohesion in Australia 2024 (November 2024).

Significantly ▲ higher / ▼ lower than the previous result at the 95% confidence level.

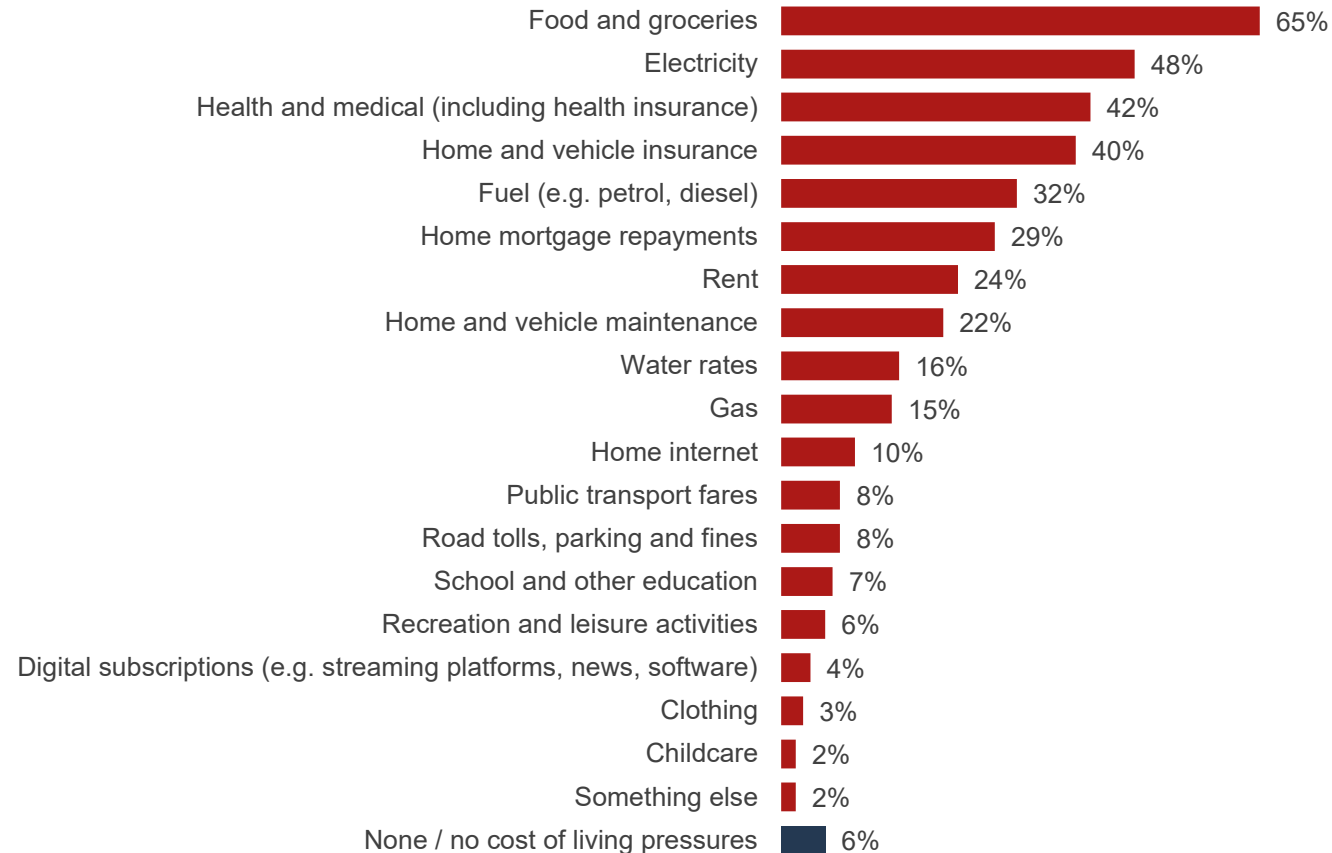
Q. Overall, how divided do you think Australians are on key political, economic and social issues?

Base: All respondents – February 2026 (n=1,000); November 2025 (n=1,000); July 2024 (n=3,000).

Food and groceries is the most stressful living pressure for Australians, along with electricity, health costs and insurances

Most stressful cost of living pressures

Multiple response – up to five responses allowed



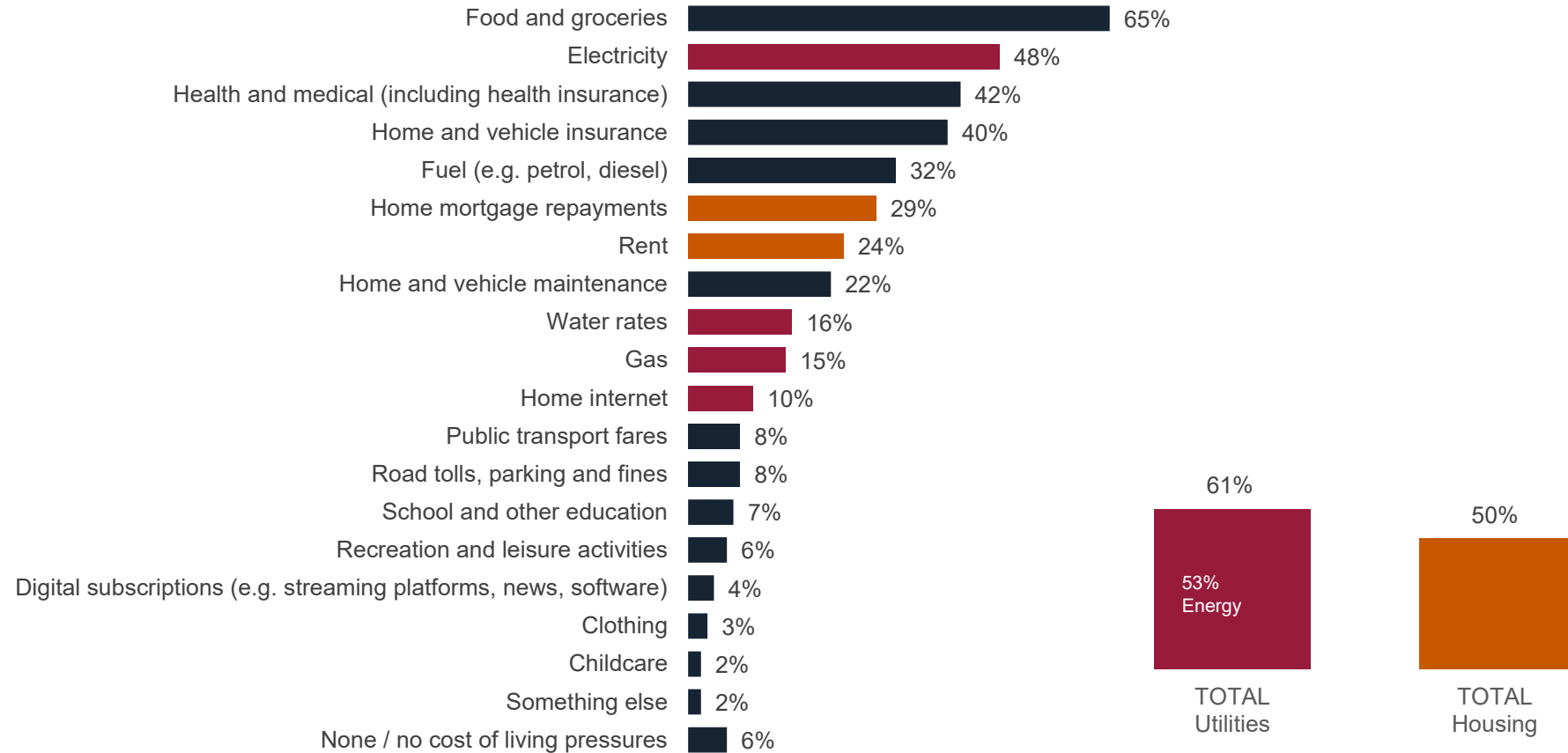
Q. Which of the following cost of living pressures is **most** stressful for you, if any? Please select up to five.

Base: All respondents (n=1,000).

Food and grocery prices the most stressful living pressure for Australians, followed by electricity, health and insurance costs

Most stressful cost of living pressures

Multiple response – up to five responses allowed



Q. Which of the following cost of living pressures is **most** stressful for you, if any? Please select up to five.

Base: All respondents (n=1,000).

Food prices are the most stressful pressure across all groups, with housing costs a key stressor among under 55s

Most stressful cost of living pressures

Multiple response – up to five responses allowed

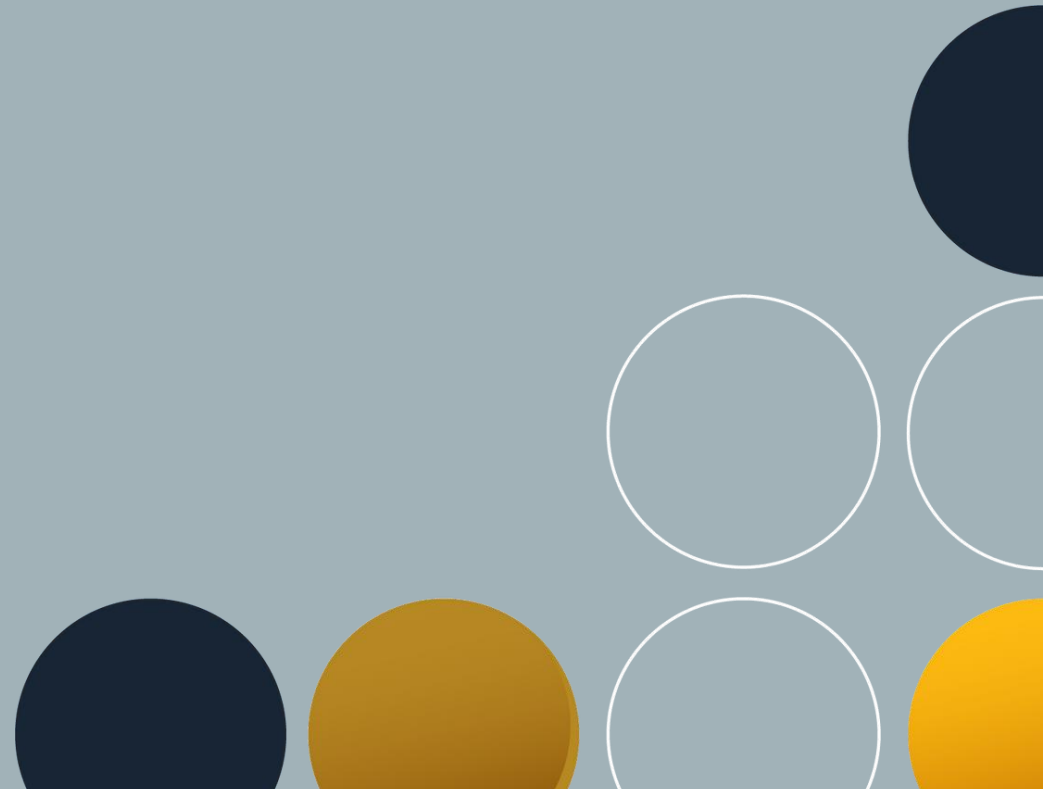
| | Total | Men | Women | 18-34 yrs | 35-54 yrs | 55+ yrs | Families | Metro | Regions | HHI <\$50K | HHI \$50K - \$75K | HHI \$75K - \$100K | HHI \$100K-\$200K | HHI \$200K+ | ALP voters | LNP voters | Greens voters | One Nation voters |
|------------------------------------|-------|-----|-------|-----------|-----------|---------|----------|-------|---------|------------|-------------------|--------------------|-------------------|-------------|------------|------------|---------------|-------------------|
| Food and groceries | 65% | 58% | 71% | 65% | 67% | 63% | 70% | 62% | 70% | 73% | 68% | 69% | 61% | 56% | 61% | 65% | 71% | 76% |
| Electricity | 48% | 49% | 48% | 38% | 49% | 56% | 48% | 47% | 50% | 57% | 46% | 51% | 48% | 44% | 49% | 51% | 39% | 58% |
| Health and medical | 42% | 35% | 48% | 34% | 41% | 48% | 36% | 39% | 47% | 36% | 45% | 41% | 39% | 43% | 35% | 41% | 37% | 48% |
| Home and vehicle insurance | 40% | 36% | 44% | 26% | 36% | 55% | 32% | 34% | 52% | 44% | 48% | 31% | 40% | 35% | 39% | 39% | 31% | 51% |
| Fuel | 32% | 32% | 33% | 35% | 25% | 37% | 30% | 28% | 41% | 36% | 34% | 38% | 30% | 25% | 27% | 33% | 33% | 44% |
| Home mortgage repayments | 29% | 29% | 28% | 33% | 45% | 11% | 50% | 33% | 21% | 8% | 14% | 29% | 38% | 45% | 32% | 26% | 29% | 28% |
| Rent | 24% | 22% | 26% | 42% | 19% | 14% | 22% | 27% | 18% | 31% | 29% | 30% | 21% | 14% | 17% | 21% | 43% | 16% |
| Home and vehicle maintenance | 22% | 18% | 25% | 19% | 20% | 26% | 22% | 19% | 27% | 22% | 31% | 19% | 21% | 15% | 23% | 19% | 17% | 21% |
| Water rates | 16% | 15% | 17% | 11% | 16% | 20% | 16% | 16% | 17% | 18% | 22% | 16% | 16% | 12% | 20% | 16% | 9% | 20% |
| Gas | 15% | 17% | 14% | 12% | 17% | 17% | 14% | 18% | 11% | 18% | 18% | 15% | 15% | 15% | 16% | 15% | 17% | 16% |
| Home internet | 10% | 8% | 11% | 11% | 9% | 9% | 11% | 9% | 10% | 16% | 5% | 15% | 9% | 4% | 12% | 4% | 11% | 8% |
| Public transport fares | 8% | 9% | 8% | 16% | 9% | 2% | 7% | 12% | 2% | 2% | 4% | 15% | 9% | 8% | 9% | 3% | 21% | 4% |
| Road tolls, parking and fines | 8% | 10% | 6% | 11% | 8% | 5% | 9% | 10% | 4% | 5% | 5% | 4% | 11% | 9% | 7% | 7% | 13% | 5% |
| School and other education | 7% | 6% | 7% | 11% | 8% | 2% | 16% | 8% | 4% | 5% | 4% | 10% | 8% | 7% | 9% | 3% | 11% | 2% |
| Recreation and leisure activities | 6% | 6% | 5% | 9% | 6% | 3% | 6% | 6% | 4% | 6% | 2% | 7% | 6% | 6% | 6% | 6% | 6% | 5% |
| Digital subscriptions | 4% | 5% | 3% | 8% | 3% | 2% | 3% | 5% | 2% | 3% | 4% | 3% | 5% | 3% | 6% | 3% | 4% | 3% |
| Clothing | 3% | 3% | 4% | 8% | 2% | 1% | 4% | 3% | 3% | 2% | 3% | 5% | 5% | 2% | 2% | 5% | 7% | 2% |
| Childcare | 2% | 2% | 2% | 4% | 3% | 0% | 8% | 2% | 2% | 0% | 2% | 1% | 3% | 4% | 4% | 3% | 4% | 0% |
| Something else | 2% | 2% | 1% | 1% | 2% | 2% | 3% | 2% | 2% | 1% | 2% | 1% | 1% | 2% | 2% | 1% | 1% | 4% |
| None / no cost of living pressures | 6% | 9% | 4% | 4% | 4% | 10% | 3% | 6% | 7% | 7% | 9% | 3% | 5% | 9% | 6% | 8% | 5% | 3% |

Significantly higher / lower than the national total at the 95% confidence level.

Q. Which of the following cost of living pressures is **most** stressful for you, if any? Please select up to five.

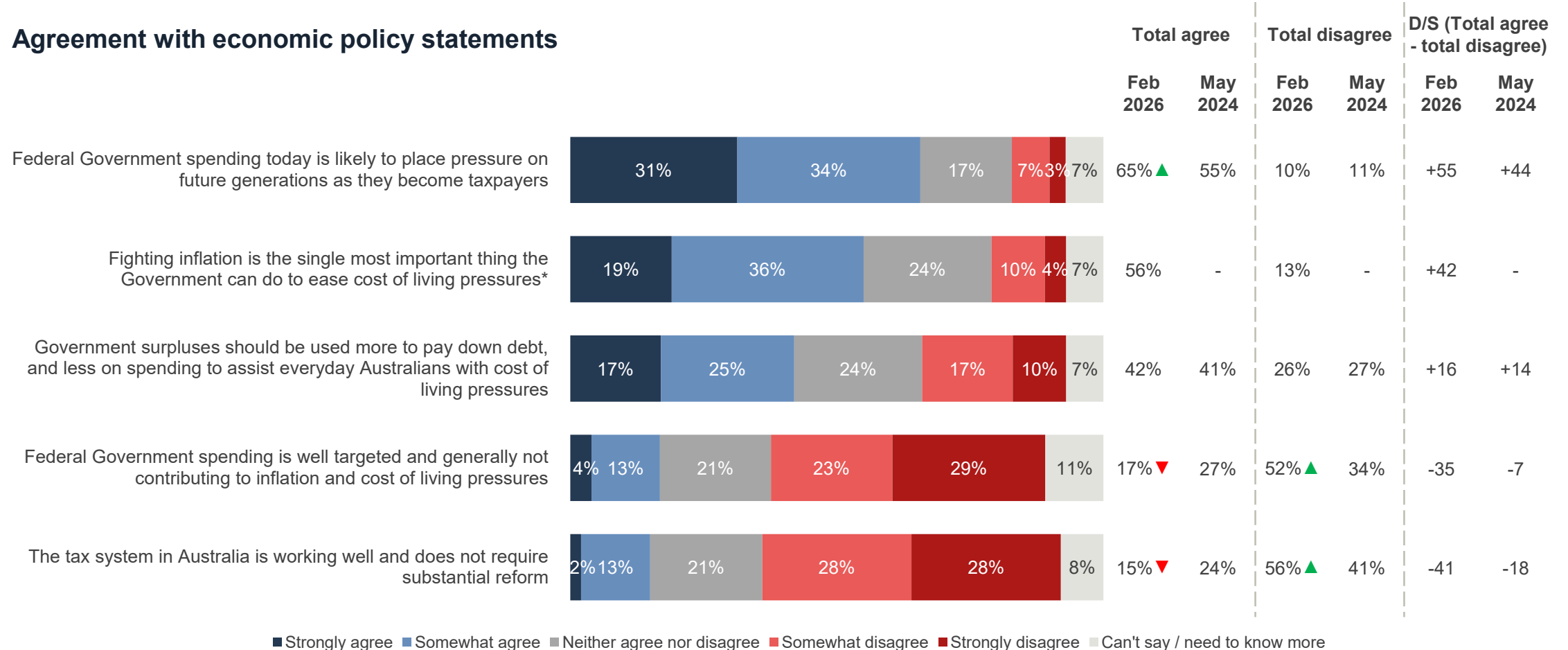
Base: All respondents (n=1,000).

Public perceptions on economic policy



A majority of Australians now disagree that Government spending is well targeted and not contributing to inflation

Agreement with economic policy statements



* Added in February 2026.

Significantly ▲ higher / ▼ lower than the May 2024 result at the 95% confidence level.

Q. To what extent do you agree or disagree with these statements?

Base: All respondents (n=1,000).

Across all demographic groups, only a minority feel Federal spending is well targeted and not contributing to inflation

Agreement with statements

'Strongly' + 'somewhat' agree

| | Total | Men | Women | 18-34 yrs | 35-54 yrs | 55+ yrs | Families | Metro | Regions | HHI <\$50K | HHI \$50K - \$75K | HHI \$75K - \$100K | HHI \$100K-\$200K | HHI \$200K+ | ALP voters | LNP voters | Greens voters | One Nation voters |
|--|-------|-----|-------|-----------|-----------|---------|----------|-------|---------|------------|-------------------|--------------------|-------------------|-------------|------------|------------|---------------|-------------------|
| Federal Government spending today is likely to place pressure on future generations as they become taxpayers | 65% | 66% | 65% | 67% | 59% | 70% | 61% | 64% | 68% | 66% | 65% | 69% | 60% | 68% | 50% | 78% | 56% | 83% |
| Fighting inflation is the single most important thing the Government can do to ease cost of living pressures | 56% | 57% | 54% | 61% | 50% | 57% | 51% | 54% | 59% | 57% | 56% | 55% | 57% | 57% | 57% | 58% | 51% | 67% |
| Government surpluses should be used more to pay down debt, and less on spending to assist everyday Australians with cost of living pressures | 42% | 48% | 37% | 38% | 40% | 48% | 40% | 42% | 43% | 41% | 49% | 42% | 40% | 43% | 37% | 53% | 27% | 55% |
| Everyday Australians should be prepared to accept some financial pain to help fund economic reforms that improve our national budget and reduce debt | 34% | 40% | 28% | 29% | 35% | 36% | 36% | 34% | 33% | 29% | 42% | 28% | 34% | 39% | 42% | 36% | 24% | 30% |
| Federal Government spending is well targeted and generally not contributing to inflation and cost of living pressures | 17% | 21% | 13% | 20% | 17% | 15% | 20% | 18% | 15% | 18% | 23% | 15% | 18% | 16% | 33% | 12% | 17% | 5% |
| The tax system in Australia is working well and does not require substantial reform | 15% | 17% | 13% | 13% | 17% | 15% | 16% | 16% | 12% | 10% | 21% | 16% | 16% | 17% | 18% | 18% | 14% | 14% |

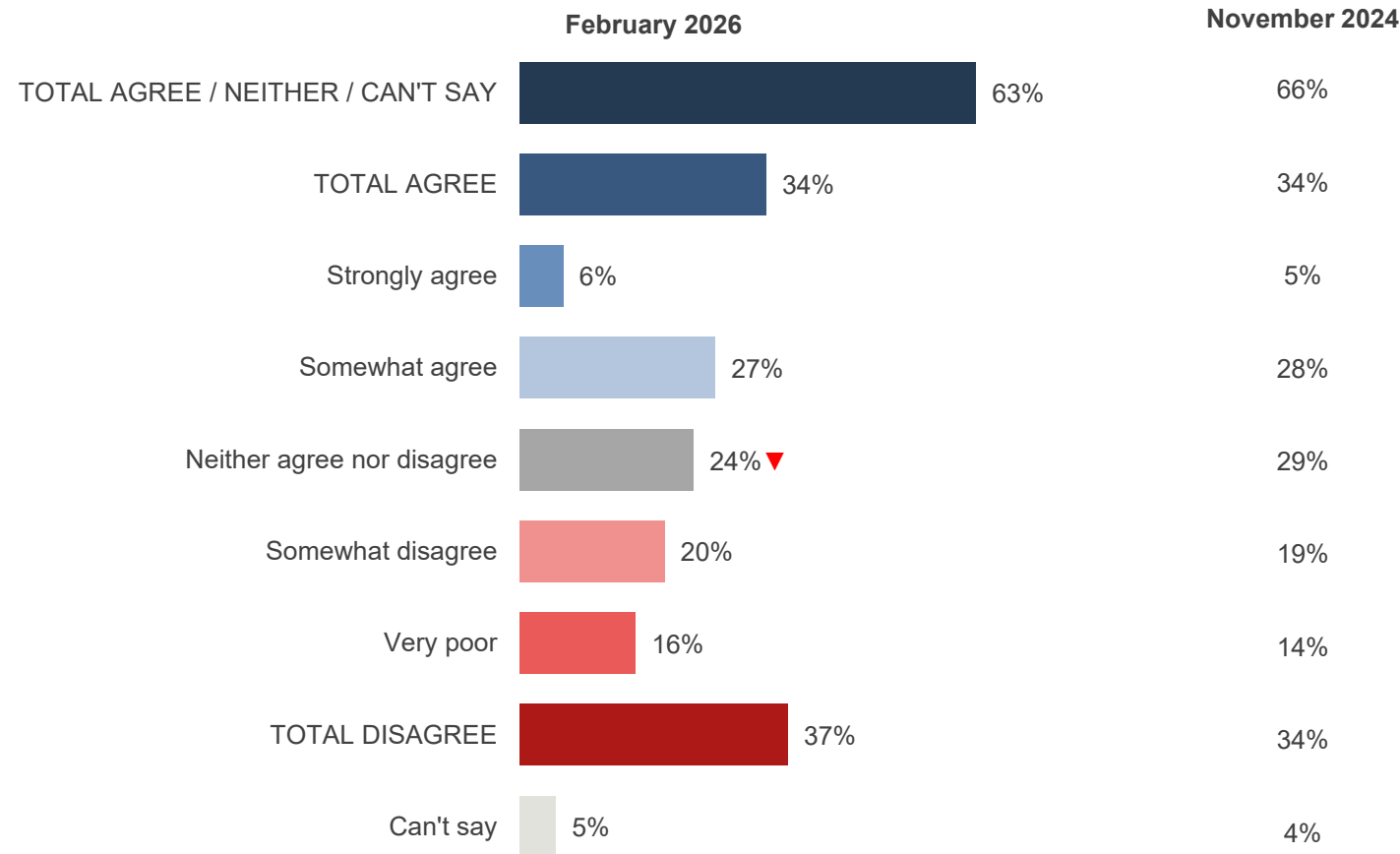
Significantly higher / lower than the national total at the 95% confidence level.

Q. To what extent do you agree or disagree with these statements?

Base: All respondents (n=1,000).

People are divided on their willingness to accept financial pain to help fund economic reform, but many remain undecided

Agreement that ‘Everyday Australians should be prepared to accept some financial pain to help fund economic reforms that improve our national budget and reduce debt’



Significantly ▼ lower than the November 2024 result at the 95% confidence level.

Q. Do you agree or disagree with each of the following in relation to politics and government in Australia?

Base: All respondents (n=1,000 per wave).

Survey methodology

National Online Survey

n=1,000 Australian adults

- Conducted Thursday 5th to Sunday 8th February 2026.
- Sample quotas on age, gender and location with post-survey weighting to actual age / gender / location proportions from Census data.
- Maximum margin of error on n=1,000 is +/-3.1% at the 95% confidence level.
- Differences of +/-1% for net scores are due to rounding.





The research was conducted in compliance with AS-ISO 20252.



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in Australia...

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