

Australia's Disadvantaged Face Crushing Weight of Rising Inflation

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The release of today's inflation figures has sparked renewed commentary, but while much of the focus remains on monetary policy, it is vital to recognise the immediate and severe impact rising prices have on Australia's most vulnerable communities.

"Inflation is more than just an economic statistic – it is a relentless and crushing burden weighing down on those already struggling to get by," said Dr Jerry Nockles, CEO of Catholic Social Services Australia.

The Consumer Price Index (CPI), which measures the average change in prices paid by consumers for goods and services, rose by 3.8 per cent in the year to December 2025, according to data released today by the Australian Bureau of Statistics (ABS). This increase was driven mainly by soaring housing and electricity costs. For many Australians, these numbers translate into real and painful challenges: higher rent, bigger electricity bills, and tougher choices about daily essentials.

As schools reopen across the country, families face additional expenses that add to their financial strain. Catholic social service providers see these struggles firsthand and work tirelessly to support those in need. "Behind every percentage point is a family trying to keep food on the table and a roof over their heads," Dr Nockles said.

Housing affordability continues to worsen, with over 1.2 million low-income households spending more than 30 per cent of their disposable income on housing. Electricity prices have surged sharply over the past year, hitting those least able to absorb the shock the hardest.

Inflation's impact is not evenly spread. "Those already facing financial hardship bear the heaviest burden," Dr Nockles explained. "Without urgent support, the gap between survival and despair grows wider every day."

Food insecurity affects more than one in three Australian households, placing extra pressure on community services and support networks. Many families are forced to make difficult choices between essential needs such as heating, food, and other basic living expenses – a reality that is becoming all too common.

MEDIA RELEASE



The Reserve Bank of Australia is set to meet on Tuesday, 3 February 2026, amid widespread expectations of an interest rate increase. The trimmed mean CPI, a key measure of underlying inflation, rose around 3.3 to 3.4 per cent over the year to December, above the RBA's 2–3 per cent target range. Economists widely anticipate a quarter-point rate hike aimed at cooling the economy and easing price pressures.

Dr Nockles acknowledged the difficult balance: "Interest rate increases are undeniably a serious challenge for many households, often forcing tough financial decisions. Yet, it is inflation that hits the most vulnerable cruelly and relentlessly every day, deepening hardship and threatening their very ability to survive"

"If inflation is not effectively managed, the consequences risk deepening economic hardship for individuals and families, while also exacerbating broader social inequalities and undermining economic stability," said Dr Nockles. "Addressing this requires complementary fiscal and monetary policies that work together to support vulnerable Australians and stabilise the economy."

As Parliament resumes next week, we urge the Government to confront the cost-of-living crisis head-on by prioritising policies that ease the burden on vulnerable families and uphold the dignity and security of all Australians.

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About CSSA

Catholic Social Services Australia is the national peak body for Catholic social service providers. CSSA's network of forty-one member agencies runs across all Australian States and Territories with a combined total of over seven hundred sites, delivering essential services to vulnerable and disadvantaged Australians.

Media Contact | Neha Shetty | 02 6285 1366 | neha.shetty@cssa.org.au

Catholic Social Services Australia (CSSA) advocates for the Church's social service ministry. It is the national peak body for Catholic social service providers. The CSSA's network operates across all Australian States and Territories and has a combined total of over seven hundred sites.