CHAPTER 1

# Chapter 1: Why the Bill Keeps Winning

The grocery docket in my hand was thirty-eight dollars for what used to cost twenty-six. I hadn't bought anything different. Same tin of coffee, same bag of flour, same block of cheese. I stood in the car park and did the sum twice because I didn't trust the first answer, and the second answer was the same as the first.

That is the moment this book starts from. Not a theory, not a lecture from an economist on the news. A docket in your hand, a pension or a super balance that isn't moving, and a gap between the two that keeps getting wider no matter how carefully you shop.

## The arithmetic nobody explained to you: fixed income against rising prices

Here is the sum nobody sat you down and explained, not in school, not at retirement, not anywhere. Your income is largely fixed. Your costs are not. When those two lines are drawn on the same graph, one is flat and the other climbs, and every month the gap between them is money that has to come from somewhere in your life.

For most of us that "somewhere" has been the small joys first: the extra pack of biscuits, the second coffee, the meal out. Then it becomes the fridge running less full, and eventually decisions about heating in winter or cooling in summer. None of this is because you spent foolishly. It's because the arithmetic was never explained to you as arithmetic. It was explained to you as bad luck, or belt-tightening, or "the cost of living," phrases vague enough that you could never quite fight back against them.

Let's make it concrete. Wages across 2025 grew by 3.4%, but prices rose 3.8% over the same period, meaning real, inflation-adjusted income actually fell for ordinary households even while their pay packets looked bigger on paper[1]. If wages, which at least move each year, couldn't keep pace with prices, think about what that means for a pension or a super drawdown that moves far more slowly, if it moves at all.

And the squeeze doesn't stop at the checkout. In August 2026 the Reserve Bank held the cash rate at 4.35%, with underlying inflation sitting at 3.6%, well above the 2 to 3% target band the Bank is meant to keep it in, and forecasts showing it staying elevated until at least mid-2027[2]. That single number, the cash rate, ripples into everything: the interest cost embedded in the products you buy, the return on modest savings, the pressure on anyone with a mortgage passing costs down the chain.

If you draw an income from superannuation, there's a second, quieter mechanism working against you. In March 2026 the deeming rates used to calculate how much of your Age Pension you're entitled to were increased, the lower rate lifting from 0.75% to 1.25% and the upper rate from 2.75% to 3.25%[3]. Deeming rates assume you're earning a certain return on your savings whether you actually are or not, and when the government raises that assumption, your pension can shrink even though nothing in your own bank account has changed. You did nothing wrong. The rule moved under you.

## Why supermarket loyalty and bigger fridges never fixed the problem

I want to be honest about something most books in this space won't say plainly: the loyalty card in your wallet was never designed to protect you. It was designed to study you.

Australia's grocery sector is not a wide-open marketplace with dozens of competitors fighting on price. The ACCC's supermarkets inquiry found that Woolworths holds roughly 38% of grocery sales and Coles about 29%, meaning two companies control close to two-thirds of what Australians spend on food, with the inquiry concluding both majors were able to lift retail margins on packaged groceries by more than was needed to cover their own rising wholesale costs[5]. That is not a conspiracy theory. That is a government inquiry's own finding.

The same inquiry documented something many of us had felt but couldn't prove: store-brand cereal shrinking by 65 grams at the same shelf price, an effective 14% price rise disguised as no price rise at all, and Coles-brand rocky road losing 60 grams while its price rose 50 cents, a 42% jump in the true price per 100 grams compared with 2023[5, 6]. The box looked the same. The price sticker looked almost the same. What was inside had quietly shrunk.

> **A typical case:** picture a couple in their late sixties who trust their supermarket loyalty app to flag good deals. Over a year, without noticing, the cereal box gets lighter, the biscuit packet gets thinner, and their "same" weekly shop costs 15% more for less food, while the app keeps congratulating them on points earned.

This is why loyalty cards and bigger fridges were never going to fix the underlying problem. A loyalty card rewards you for shopping at the same one or two chains more often, it does not change the two-player market those chains operate in. A bigger fridge just gives you more room to store food bought at the same inflated, shrinking-portion prices. Neither one touches the actual mechanism working against your household: a concentrated market with the power to lift margins, operating in a system where your income barely moves and prices, quietly, keep climbing.

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> The problem was never how much fridge space you had. It was that nobody taught you to read what was actually happening on the shelf.

### The single habit your grandparents had that you were never taught

My grandmother kept a coolgardie safe on the back verandah long after she could have afforded a proper fridge. I used to think it was because she grew up poor and never quite trusted abundance. I understand it differently now. She kept it because she never fully trusted the system that abundance depended on, and she was right not to.

That generation, the ones who came through genuine scarcity, had one habit almost none of us inherited: **provisioning**. Not stockpiling out of panic, not hoarding, but the quiet, weekly discipline of keeping a household stocked, cooled, baked and prepared, independent of whether this week's prices or this week's supply chain behaved themselves. They didn't ask a supermarket or a power company to guarantee their comfort. They built a small buffer of self-reliance into the walls of their own kitchen.

We lost that habit somewhere between the arrival of the reliable fridge and the arrival of the twenty-four-hour supermarket. Both felt like progress, and in most ways they were. But they also taught two generations to stop keeping their own household stocked, because the system would always be there to do it for them. The system is still mostly there. It is just no longer cheap, no longer predictable, and no longer entirely on your side.

> Provisioning isn't about fear of the future. It's about refusing to let a shrinking box, a deeming rate change, or a rate hold decide what your household eats this month.

That single habit, provisioning, is what the rest of this book rebuilds, piece by piece, starting with a framework so simple you can audit your own home against it in fifteen minutes.

### KEY TAKEAWAYS

- Your income is fixed while grocery, housing and utility costs are not; treat that gap as arithmetic to manage, not bad luck to absorb.
- Shrinkflation is documented and real: some products have carried price rises of over 40% per 100 grams while looking almost unchanged on the shelf, so check unit prices, not packet prices.
- Two supermarket chains control close to two-thirds of Australian grocery sales; loyalty programs work for their margins first, not your household budget.
- Pension and super income can shrink through rule changes, like deeming rate rises, even when your own savings haven't moved.
- Provisioning, the weekly habit of keeping your household stocked and self-sufficient, is the discipline this book will rebuild, starting with the four-pillar framework in the next chapter.

Right now, before you read further, pull out your last grocery docket and find one item you buy every week. Check its weight against what you remember buying a year ago. If it's shrunk, you've just done your first piece of provisioning: you've seen the mechanism instead of just feeling its effect.

But knowing the arithmetic is only the first step. The next question is harder: what actually protects a household against it, when you have no acreage, no big budget, and maybe just a kitchen and a single window? That's where the four pillars come in.