

MONEY PLANNING & BUDGETING CASH ECONOMY

In case of emergency, 'cash is gold'

By Emily Chantiri

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It's a horrific scenario; a bushfire is raging, the power is down and you need to evacuate.

Many petrol stations and retailers are only accepting cash because [EFTPOS machines and Automatic Teller Machines are down](#). Your pockets are empty, except for a smartphone.



Traffic queues for petrol at a service station in Batemans Bay during the fires. KATE GERAGHTY

Many Australians found themselves in this unhappy predicament in bushfire-ravaged regions of NSW, Victoria and South Australia over the past few weeks. During the emergency, the case for having some cash on hand was never more apparent.

Doreen Brown, her husband and two children were stranded in Sussex Inlet, NSW, during the fires.

While enjoying some time at a local lake, things turned sour when they found themselves surrounded by fire trucks and water-bombing helicopters.

“We didn’t realise how close we were to the fires,” she said. “Suddenly, the lake became engulfed with smoke. We quickly went back to our caravan park only to find the power and mobile services were down.”

The family decided to evacuate the town the following morning but the roads were closed. The only form of receiving communication was by car radio.

“We couldn’t use our phones because networks were down. The car had less than a quarter of a tank of diesel – not enough to get us home. We were completely cut-off; it was like being in a horror movie,” Brown said.

Once they were eventually able to get on the road, the two nearest petrol stations only accepted cash due to the power outage. With only \$12 in her wallet, Brown decided to use the money to buy food.

“We had no food and the petrol warning light was on by the time we arrived in Nowra. This was so scary; had my car run out of fuel, it would have caused more problems.”

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Once in Nowra, Brown used her debit card to buy petrol.

“I lost it and started to cry from relief. I never carry cash but, now, I won't go anywhere without some on me, a full tank of fuel and an esky.”

Brown said when everything goes down, a smartphone and debit or credit cards become useless.

“We need to go back to some of the old-school things, like having cash, a radio and being better prepared,” she said.

That may be difficult, as most people today often prefer digital payment methods.

A recent report commissioned by Suncorp entitled *Attitudes towards Money and Food* found most people use debit or credit cards to pay for the vast majority of their food expenses.

The most popular choice of payment for groceries is a debit card attached to a savings account. Most 18-34-year-olds were likely to use this method by tapping their smartphone.

In emergencies, banks can deploy mobile ATMs to provide cash. However, that usually takes time – something those fleeing a bushfire often don't have.

The Bank of Melbourne uses a mobile branch van for ongoing emergencies with a fee-free ATM where customers of any financial institution can withdraw cash.

St George Bank adopts similar procedures, too.

During the NSW bushfires in Batemans Bay, St George Bank general manager, Ross Miller, said access to cash became vital.

“Once emergency services allow access into an affected area, we’re able to deploy options such as mobile ATMs,” he said. “We are continually on standby and monitoring the situation.”

He said the bank's aim was to have branches up and running as soon as it was safe to do so.

We rely on ATMs and auto-payments as an essential part of infrastructure but, when the power goes down, cash is gold

“We have generators and mobile ATMs ready to go should there be lengthy power outages.

“We worked hard to keep our branches open in bushfire affected areas. Branches at Bega and Batemans Bay have been opened through much of the crisis,” he said.

In emergencies such as the recent bushfires, the first thing is to get out quickly, says Dr Paul Barnes, head of the Risk and Resilience Program at Australian Strategic Policy Institute.

When power is down and communications are out, having cash at hand becomes critical, he said.

Risk management

“We rely on ATMs and auto-payments as an essential part of infrastructure but, when the power goes down, cash is gold,” he said.

“If you can’t get a hold of cash, some retailers in community towns have an understanding, in that they’ll provide promissory notes; it’s built on trust.”

Dr Barnes said it was important to factor in access to cash in any family emergency plan.

“Have a risk-management plan in place well before the emergency happens,” he said.

As for retailers and petrol suppliers, Dr Barnes said back-up generators and solar power can play a large part in keeping businesses running until regular power returns.

“It could take days for rescue to come to town. There should be plenty of water supplies, dry and tin foods that don’t perish. Another helpful aid is to have a few centrally located communal generators for all to use,” he said.

