

Australia investigates blockchain as a platform

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The Australian government is considering using blockchain to power electronic voting by 2017, according to ZDNet.

A recent submission by Australia Post, the government-owned postal service, to the Victorian Electoral Matters Committee, noted that community expectations were driving a push toward digital voting, and blockchain is the ideal tech to help respond to this push while maintaining security.

Blockchain is in essence a shared database, populated with entries that must be confirmed and encrypted, notes a report from [BI Intelligence](#), Business Insider's premium research service. It provides a means of securely and efficiently creating a tamper-proof log of sensitive activity, which can run the gamut from cross-border money transfers to a record of shareholding.

Moreso, the submission highlights one way in which blockchain could provide opportunities for businesses that want to take advantage of the scalability of the cloud but are concerned over the security of data. The use of blockchain as the underlying technology for crypto currency acts as a proof of concept to its potential to capture all kinds of digital transactions in absolute, dispersed, and secure ways, according to the submission.

Nevertheless, concerns over the technology's security remain. As secure as blockchain is in theory, it still hasn't been put to the test for real-time, large-scale transactions. Moreover, the technology remains largely unregulated in many countries globally. However, agencies in the US, Australia, Singapore, and the UK have teamed up to form the Global Blockchain Forum, aimed at influencing policy development surrounding blockchain, BI Intelligence notes.

Blockchain technology, which is best known for powering Bitcoin and other cryptocurrencies, is gaining steam among finance firms because of its potential to streamline processes and increase efficiency. The technology could cut costs by up to \$20 billion annually by 2022, according to [Santander](#).

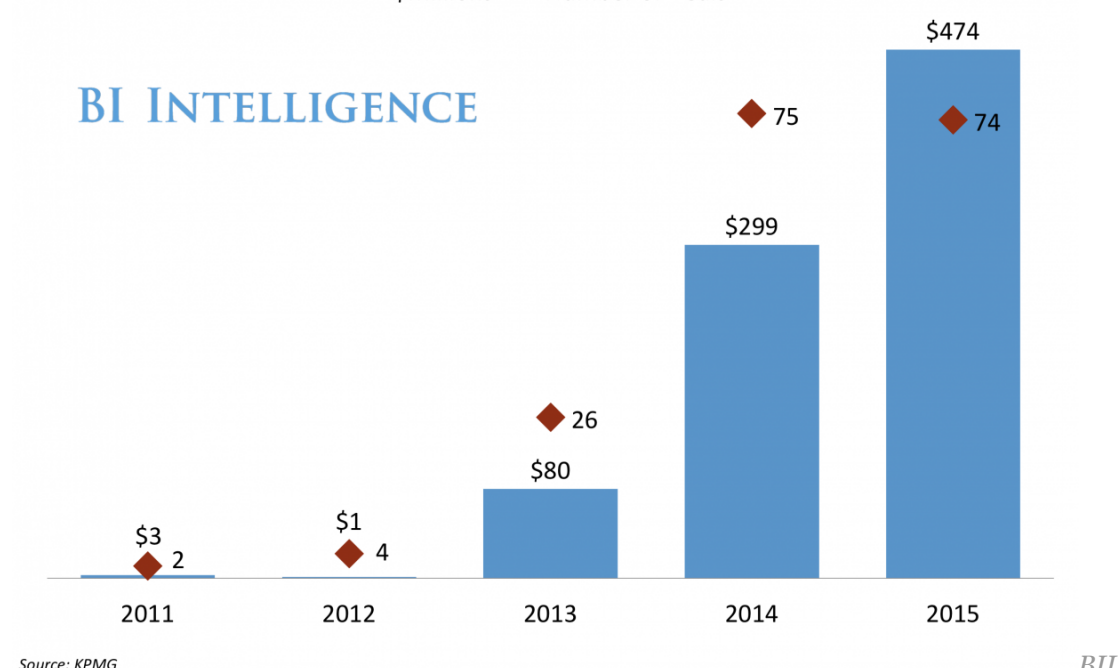
That's because blockchain, which operates as a distributed ledger, has the ability to allow multiple parties to transfer and store sensitive information in a space that's secure, permanent, anonymous, and easily accessible. That could simplify paper-heavy, expensive, or logistically complicated financial systems, like remittances and cross-border transfer, shareholder management and ownership exchange, and securities trading, to name a few. And outside of finance, governments and the music industry are investigating the technology's potential to simplify record-keeping.

As a result, venture capital firms and financial institutions alike are pouring investment into finding, developing, and testing blockchain use cases. Over 50 major financial institutions are involved with collaborative blockchain startups, have begun researching the technology in-house, or have helped fund startups with products rooted in

Bitcoin And Blockchain Investment Activity

Among venture capital-backed companies

■ \$Millions ◆ Number of Deals



Source: KPMG

BII

blockchain.

Jaime Toplin, research associate for BI Intelligence, has compiled [a detailed report on blockchain technology](#) that explains how blockchain works, why it has the potential to provide a watershed moment for the financial industry, and the different ways it could be put into practice in the coming years.

Here are some key takeaways from the report:

- Spending on capital markets applications of blockchain is expected to grow at a 52% compound annual growth rate (CAGR) through 2019, according to Aite Group, to reach \$400 million that year.
- Banks and major financial institutions are working both collaboratively and independently to develop blockchain tech. Over 50 major financial institutions are involved with collaborative blockchain startups, like R3 CEV or Chain. And many are investing in the technology on their own as well.
- Putting blockchain to use for real-world transactions is likely not that far off. If working groups' tests are successful, firms could be using it to transact real value as early as the end of this year and we could see widespread industry application within the next few years.

In full, the report:

- Examines the funding increases that are pouring into blockchain
- Assesses why blockchain is becoming so popular and what factors are driving up increased research and development
- Explains in full how blockchain technology work and what assets make it valuable and vulnerable
- Identifies pain points in the financial industry and profiles how various firms are using blockchain to solve them
- Demonstrates the challenges to mainstream adoption and their potential solutions

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