

## **“Blockchain, Bubbles and Bull...”**

*Article from the AICC(WA)'s Cisco Technology Series Sundowner featuring "the AICC(WA)'s In-Resident Expert on Blockchain & Cryptocurrency" Mr Ian Love, Founder of Australia's first Crypto Asset Fund, the Blockchain Early Opportunities Fund.*

*This event was held at the UWA Club, Crawley, on Wednesday 28 March 2018.*



Mr Mark Stickells, Director, Innovation and Industry Engagement, The University of Western Australia provided the host introduction to one of the most disruptive technologies around, impacting every major industry sector, and an area in which technical skills are in great demand. UWA is approaching the world of blockchain by looking at the technology impact on financial markets, the ethics of its anonymity, and more practically by supporting Asset Management, application development and student start-ups such as the University's [Bloom Lab](#).



**Mr Mark Stickells, Director, Business Development and Innovation, The University of Western Australia**

Although commonly associated with Bitcoin, blockchain technology has many other applications that go way beyond digital currencies. In fact, Bitcoin is only one of several hundred applications that use blockchain technology today.

Giving context to the blockchain technology, Mr Love opened his presentation by providing a live example of a bitcoin transaction. He proceeded to share context from the [evolution of the internet](#) and proceeded to describe the sequencing and function of blockchain.

Blockchain was invented by Satoshi Nakamoto in 2008 for use in the cryptocurrency bitcoin, as its public transaction ledger. The invention of the blockchain for bitcoin made it the first digital currency to solve the double spending problem without the need of a trusted authority or central server. The bitcoin design has been the inspiration for other applications.

The blockchain, Mr Love described, is a continuously growing list of records, called blocks, which are linked and secured using cryptography. “Each block typically contains a cryptographic hash of the previous block, a timestamp and transaction data. By design, a blockchain is secure and inherently resistant to modification of the data. This makes blockchains potentially suitable for the recording of events, medical records, and other records management activities, such as identity management, transaction processing, documenting provenance, food traceability or voting.”

The major benefits of blockchain were outlined as;

- No need for a ‘middleman’ in most processes/transactions
- Transactions cannot be reversed, amended or censored in any way
- Transactions can be transparent while maintaining the confidentiality of parties
- Assets (like title deeds) can be transferred person to person over the internet



**From L to Right - Mr Tom Goerke, Innovation Centre Director Australia, Cisco Systems Australia Pty Ltd, Mr John Cluer, Chief Executive, Australia-Israel Chamber of Commerce (WA), Ms Kerryl Bradshaw, APAC Regional Director, Advisian, Mr Ian Love, Founder and CEO, Blockchain Assets Pty Ltd and Mr Mark Stickells, Director, Business Development and Innovation, The University of Western Australia**

Further evolution of blockchain beyond the product of a currency is best represented by the Ethereum case study. Mr Love shared the story of Vitalik Buterin, who founded Ethereum at the age of 19 in 2014. Ethereum is an open software platform based on blockchain technology that enables developers to build and deploy decentralised applications. The value of the Ethereum currency grew over 13,000 percent in 2017.

The role of Crypto Capital Markets was further described by Mr Love using the formula;

$$\text{Cryptoassets} = \text{Cryptocurrencies} + \text{Cryptocommodities} + \text{Cryptosecurities}$$

Looking into the future, Mr Love mapped the anticipated emergence of distributed global capital markets, and how Nation States would regulate and control market breadth. Mr Love referred to his blog "[Blockchain Legal](#)" which focuses on stories and developments that meet at the intersection of law, commerce and blockchain technology.



**Mr Ian Love, Founder and CEO, Blockchain Assets Pty Ltd**

Mr Love was interviewed by Mr Tom Goerke, Director, Cisco IoE Innovation Centre. The issue of data privacy was discussed, with Mr Love noting "Privacy is one the most important variables of cryptocurrency. Under a traditional model we give data away and rely in recipient to protect the security of the data. The is overlaid with privacy law. The model is expensive and high risk. With blockchain the data is the property of the 'self-sovereign owner' and remains in their control, therefore the model is reversed."

Mr Goerke also facilitated discussion on the value proposition of crypto-currencies. It was noted that many of the products in the market are not robust or sustainable, but where value is identified it can rapidly accrue. The advantage wits within complete visibility within the transaction record. "Hopefully there is no equity involved. Ethereum is a great example of this."

On the topic of fraud, Mr Love noted there is fraud in the traditional banking system as much as there is within the crypto-currency world. He cautioned not to use criminal activity as an excuse not to understand the technology and its opportunity.



**Mr Ian Love, Founder and CEO, Blockchain Assets Pty Ltd and Mr Tom Goerke, Innovation Centre Director Australia, Cisco Systems Australia Pty Ltd**

Mr John Cluer, AICC(WA) Chief Executive provided information about the forthcoming Blockchain Immersion Series

Ms Kerryl Bradshaw, Principal and APAC Regional Director, Advisian presented a vote of thanks, noting the passion that Mr Love has for his research and reaffirming the challenge and opportunity that blockchain provides.



**Ms Kerryl Bradshaw, APAC Regional Director, Advisian**



**Mr Tom Goerke, Innovation Centre Director Australia, Cisco Systems Australia Pty Ltd**

### **About Ian Love**

Mr Love grew up and went to school in Perth, Western Australia.

After qualifying as a Chartered Accountant he moved to Hong Kong with PricewaterhouseCoopers. His role included advising clients on all aspects of doing business across the Asia Pacific Region. At this time he also helped PwC establish businesses in Cambodia.

He joined Credit Suisse in 1999 to establish an internal governance, compliance and control function. The function dealt with all aspects of executive remuneration structures and payments across the Asia Pacific Region.

In 2013 he left Credit Suisse and started a boutique corporate governance practice in Perth (Sherwood Love & Associates). In 2016 he founded and became CEO of tech-start-up FairPay. His developing interest in technology led him to blockchain in late 2016. In 2017 he founded and became CEO of Australia's first Digital Asset management firm, Blockchain Assets Pty Ltd.

As the Founder and Chairman of [The Mandalay Projects](#) (an anti-human trafficking organisation) he is often in Myanmar checking on projects and looking for new ones to begin.



**From Top Left clockwise - The Honourable Bill Marmion MLA, Shadow Minister for Innovation & Disruptive Technologies, Parliament of Western Australia, Mr Andrew Whitehead, Director, AS Whitehead Pty Ltd, Ms Marylyn New, Founder, Flockstock, Mr David Lake, Deputy BM/GM Business Development & Iron Ore Division Head, Mitsubishi Australia Ltd, Mr Jon Wilson, Director, 3Pillars Asia Pacific and Mr Paul Fong, Principal, Patent & Trade Marks Attorney, Watermark**



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