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Managing Editor**

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**The HILDA survey: What's in it for finance  
researchers and practitioners?**

ROGER WILKINS

The HILDA Survey is a nationally representative longitudinal study of Australian households, which provides household wealth and other financial data. It represents a rich resource for empirical household finance researchers and many empirical studies in recent years have used the HILDA wealth data to examine household financial decision making and outcomes. However, there remain significant unexploited opportunities to use this longitudinal data to explore the causal pathways to wealth accumulation.

**Papers from the Melbourne Money  
& Finance Conference 2016**

Finsia acknowledges the contribution of the papers from the 21st Melbourne Money and Finance Conference to this issue of JASSA. The conference — Fintech and Financial Innovation — was held in July 2016 by the Australian Centre for Financial Studies.

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**The rise of fintech opportunities and  
challenges**

IAN POLLARI F Fin

Financial technology (fintech) is experiencing rapid growth internationally. This paper examines the key drivers of the growth of fintech, its role in redefining the financial services industry, and the likely impact on industry business models. The paper also analyses the trends in fintech investment in global and regional markets and Australia's alternative finance market, and highlights a series of strategic challenges and opportunities for incumbent financial institutions.

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**150 years of fintech:  
An evolutionary analysis**

DOUGLAS W ARNER, JÁNOS BARBERIS and  
ROSS P BUCKLEY

Now in its third major era, the fintech sector is attracting growing interest from regulators as it evolves, both in developed markets and developing countries. The regulatory challenge lies in resolving the tension between a forward-looking framework that promotes innovation, and a sufficiently rigorous framework that maintains market confidence. We argue that more experimentation and innovation in regulatory approaches is needed, and that it is too early yet to seek international regulatory harmonisation in this space.

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**Distributed ledger technology in securities  
clearing and settlement: Some issues**

MARK MANNING, MAXWELL SUTTON and  
JUSTIN ZHU

This paper explores the potential role of distributed ledger technology (DLT) in securities markets, using the equity market as an example. The paper discusses potential benefits and costs, drawing out limitations and challenges in the adoption of the new technology, as well as regulatory considerations. Despite the heightened interest in DLT, the paper concludes that the likely path is incremental adoption of the technology rather than wholesale replacement of the existing infrastructure.

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**Peer-to-peer lending: Structures, risks and  
regulation**

KEVIN DAVIS SF Fin and JACOB MURPHY

In this paper we outline the key characteristics of peer-to-peer (P2P) lending, the risks involved and alternative approaches to regulating P2P platforms. We argue that P2P lending is an example of how modern technology enables the integration of a range of economic functions, including market operator, financial services provider and credit broker. This removes the basis for separate legislative treatment of financial products and credit, and existing regulatory distinctions between different types of financial service providers. Arguably, a new approach to market regulation is warranted which is more consistent with emerging institutional arrangements.

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### **The paradigm shift in consumer credit data**

STEVE JOHNSON and LISA SCHUTZ

In Australia, National Consumer Credit Protection (NCCP) and Consumer Credit Reporting (CCR) legislation have attempted to ensure better use of credit data in the financial services industry, and address the issues of willingness and capacity. However, the legislation has not solved the problems identified without unintended consequences. This paper examines the challenges involved in managing the market for credit data. It proposes a new approach to data access and usage and a regulatory mandate which combines aspects of prudential, consumer and privacy regulation.

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### **Prediction markets on crowdsourcing platforms: Potential gains for corporate governance and current case studies**

KARL MATTINGLY and  
ANNE-LOUISE PONSOBY

Crowdsourcing platforms can enhance an organisation's management decisions and governance, by harnessing the 'wisdom of the crowds'. Prediction markets go one step further: to also provide an iterative summary signal of the crowd estimate back to participants. Evidence is accumulating that prediction markets can perform better than opinion experts, management consultants and surveys under specific conditions. Multinational and other companies are currently using prediction markets predominantly for improved information delivery, and adopting reward structures to induce informed participation by employees.