RESEARCH SUMMARY

RegData Australia:
Taking an Inventory of Australian Regulations

RegData Australia 1.0 (RDAU1.0) is the first comprehensive inventory of Australian regulation. It applies the RegData methodology first developed at the Mercatus Center at George Mason University to quantify US federal regulations. Using text analysis to quantify restrictions in the legislative instruments that contain Australia's regulations, RDAU1.0 counts words such as *shall*, *must*, *may not*, *prohibited*, and *required*. This method gives more precise information than page counts, file sizes, and word counts for studying the effects of regulation on an economy.

Patrick McLaughlin, Jason Potts, and Oliver Sherouse introduce RDAU1.0 in their paper "RegData: Australia." Their key findings follow.

MEASURING THE COSTS, COMPARING THE RESULTS

There have been high-level acknowledgements of the significant cost of the regulatory burden in Australia over the past decade or so—but only very approximate measurements of this cost. With a unique Australian database covering the years 1997 through 2012 (earlier data are available but of uncertain quality), RDAU1.0 is the first comprehensive inventory of Australian regulation. It offers researchers the ability to delve into the causes and effects of various regulatory trends and policies.

RDAU1.0 reveals broad patterns in Australian regulation and allows comparisons with RegData findings from other regulatory jurisdictions, such as the US government and various US state governments.

WHAT THE EVIDENCE SHOWS

- A preliminary analysis yields relational evidence consistent with previous researchers' hypotheses: because regulation has fixed costs, the extent of regulation will be determined by the size of the market.

- This hypothesis suggests that regulatory volume in a specific jurisdiction will be a function of the jurisdiction's population. A larger population can afford more regulation because it can spread the fixed cost over a larger market.

- The authors identify similar growth rate trends in regulation in the United States and in Australia.

A NEW FIELD OF COMPARATIVE REGULATORY ECONOMICS

RDAU1.0 joins the RegData family, which includes data on Canada in addition to the United States. The authors expect RDAU1.0 to contribute to a burgeoning global open-access database of comparable regulatory measures. From this database may grow a new analytic field of historical and comparative regulatory economics that considers the effect of regulation on global patterns of trade, production, and growth.

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