



AUSTRALIA – 2023

Key findings

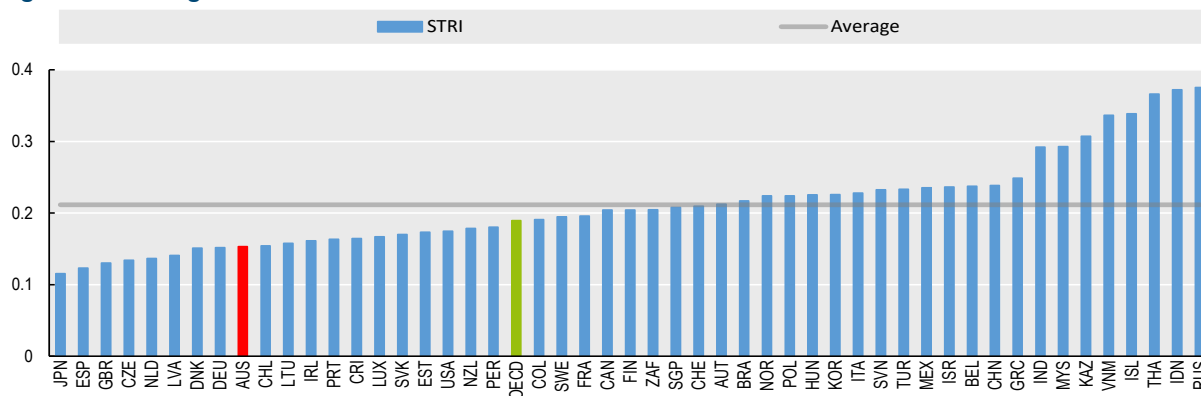
- The 2023 STRI of Australia is below the OECD average and low compared to all countries in the STRI sample.
- In 2023, the STRI scores decreased due to easing visa conditions for business travel after the pandemic.
- Legal services are the most open sector in Australia while courier and postal services are the most restricted relative to the average across all countries.
- Despite the overall favourable environment for services trade, restrictions remain related to the movement of people. Australia applies labour market tests for groups of services providers (although some waivers may apply) and has relatively burdensome procedures for obtaining a business visa.

Recommendation

- Trade in services strengthens resilience across supply chains, facilitating environmental sustainability and promoting greater inclusiveness. To ensure the benefits of open markets and a rules-based international trading system, national and multilateral action is needed to lower barriers and reduce trade costs, promote greater regulatory interoperability, and facilitate the digital transformation of economies.

The 2023 STRI of Australia is below the OECD average, and relatively low compared to other countries in the STRI sample (Figure 1).

Figure 1. Average STRI across countries, 2023ⁱ



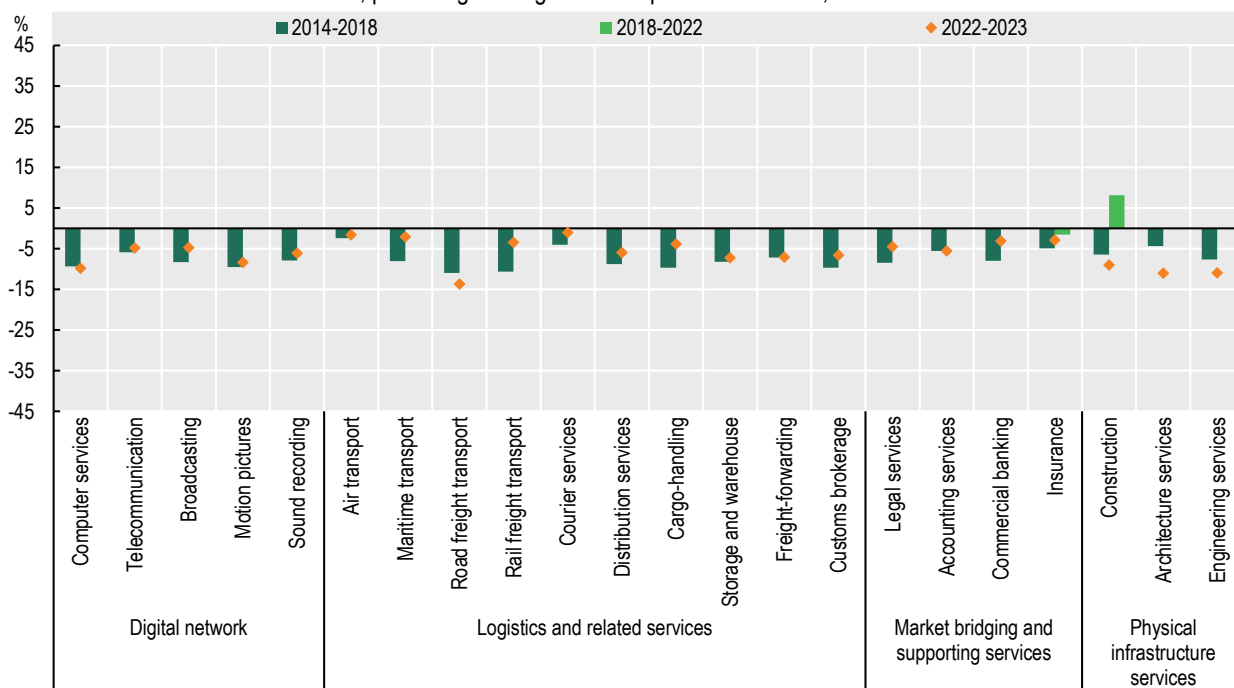
OECD (2023). STRI and TiVA databases.

The index is explained in large part by a favourable general regulatory environment, but restrictions remain related to the movement of natural persons. Australia applies labour market tests for workers seeking to provide services in the country on a temporary basis as intra-corporate transferees, contractual services suppliers, or independent services suppliers. The corporate act requires that a least one board member must be a resident in Australia. Finally, Australia has burdensome procedures related to obtaining a business visa, compared to best practice in the STRI database.

Australia's regulatory environment for services saw significant liberalisation in recent years (Figure 2). Some liberalisation was mostly horizontal across sectors and driven by the introduction of the Temporary Skill Shortage visa (TSS; subclass 482) in March 2018, allowing foreign services providers to stay in the country for up to four years, compared to three years with the old 457 visa. In the context of the pandemic, business travel was suspended for an extended period but re-opened progressively after 2021.

Figure 2. Evolution of STRI indices by sector in Australia

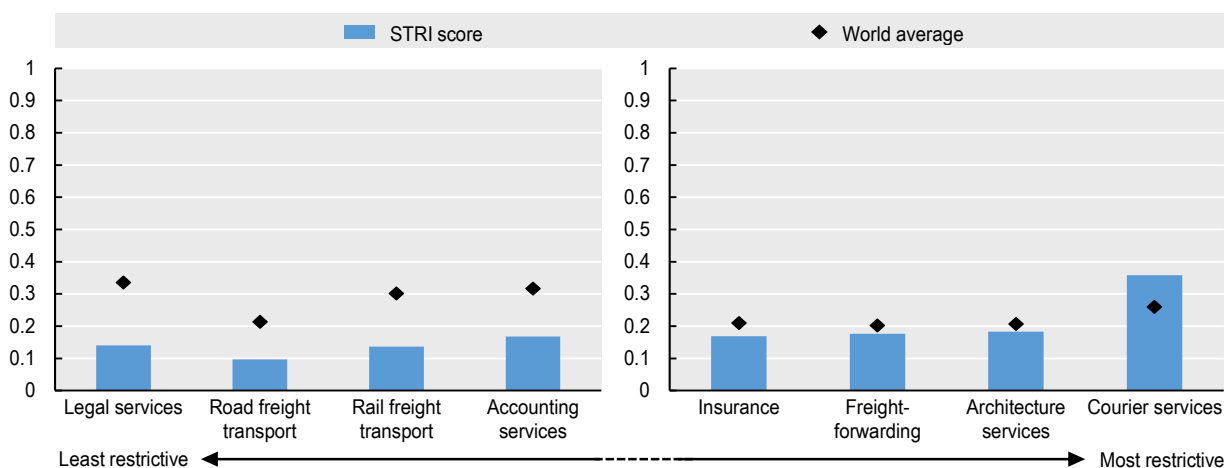
Services Trade Restrictiveness Index, percentage change over the period 2014-2018, 2018-2022 and 2022-2023



OECD (2023). STRI database.

Figure 3 ranks Australia's sectors relative to the respective sector's world average. Legal services, road freight transport, rail freight transport and accounting services are the sectors with the relatively lowest scores. Conversely, insurance, logistics freight-forwarding, architecture services and courier services are the sectors with the relatively highest score.

Figure 3. Sectoral breakdown - The least and most restricted sectors in Australia compared to world average



Note: Selection was made based on how far the sectors' score were from the world average score, as a percentage difference

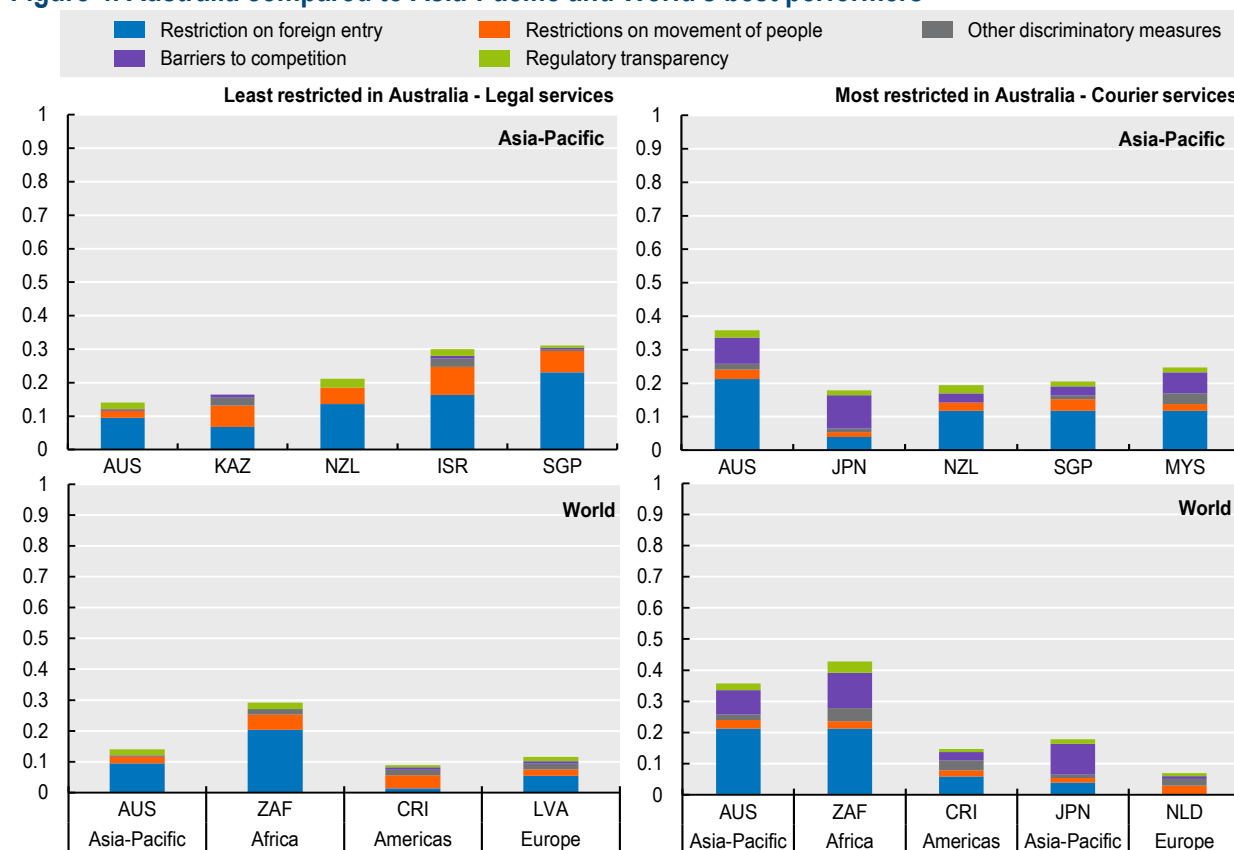
i.e. $(STR I_{country, sector} - STR I_{world average, sector}) / STR I_{world average, sector}$

Source: OECD (2023). STRI database.

Legal services are the least restricted in Australia compared to the Asia-Pacific region. The composition of the indices suggests that restrictions on foreign entry and restrictions to the movement of people have had an impact compared to other countries. The policies that contributed to this score include the absence of equity restrictions applying to individuals who are not licensed lawyers and a favourable regime regarding the recognition of foreign qualifications. Courier services are the most restricted

services sector in Australia. Restrictions on foreign entry are significant compared to best performers. The difference is primarily driven by the monopoly of Australia Post on the carriage of addressed letters weighing up to 250g (Figure 4).

Figure 4. Australia compared to Asia-Pacific and World's best performers



Source: OECD (2023). STRI database.

Recent policy changes

The Design and Building Practitioners Regulation 2021 under the Design and Building Practitioners Act 2020 regulates the registration of design practitioners, building practitioners and professional engineers in the construction sector and establishes a process for the recognition of foreign qualifications. Moreover, the number of documents required for business visa applications was reduced in 2021. Previously, Australia improved conditions for the recognition of professional qualifications gained abroad as actuaries. With the introduction of the Temporary Skill Shortage visa (TSS; subclass 482) in March 2018, foreign services providers are allowed to stay in the country for up to four years, compared to three years with the old 457 visa. Certain occupations are exempt from the direct employer requirement and specified TSS visa holders may work as independent contractors

More information

- » Access all country notes, sector notes, and interactive STRI tools at <http://oe.cd/stri>
- » OECD (2018), *Australian Services Trade in the Global Economy*, OECD Publishing, Paris, <https://doi.org/10.1787/9789264303911-en>
- » Read more about [Services Trade Policies and the Global Economy](#)
- » More information about measuring the regulatory environment for services trade in the APEC region: <https://apecservicesindex.org/>
- » Contact the OECD Trade and Agriculture Directorate with your questions at stri.contact@oecd.org

ⁱNote: The STRI indices take values between zero and one, one being the most restrictive. The STRI database records measures on a Most Favoured Nation basis. Air transport and road freight cover only commercial establishment (with accompanying movement of people). The indices are based on laws and regulations in force on 31 October 2023. The STRI regulatory database covers the 38 OECD Members, Brazil, China, India, Indonesia, Kazakhstan, Malaysia, Peru, Russia, Singapore, South Africa, Thailand and Viet Nam. The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.