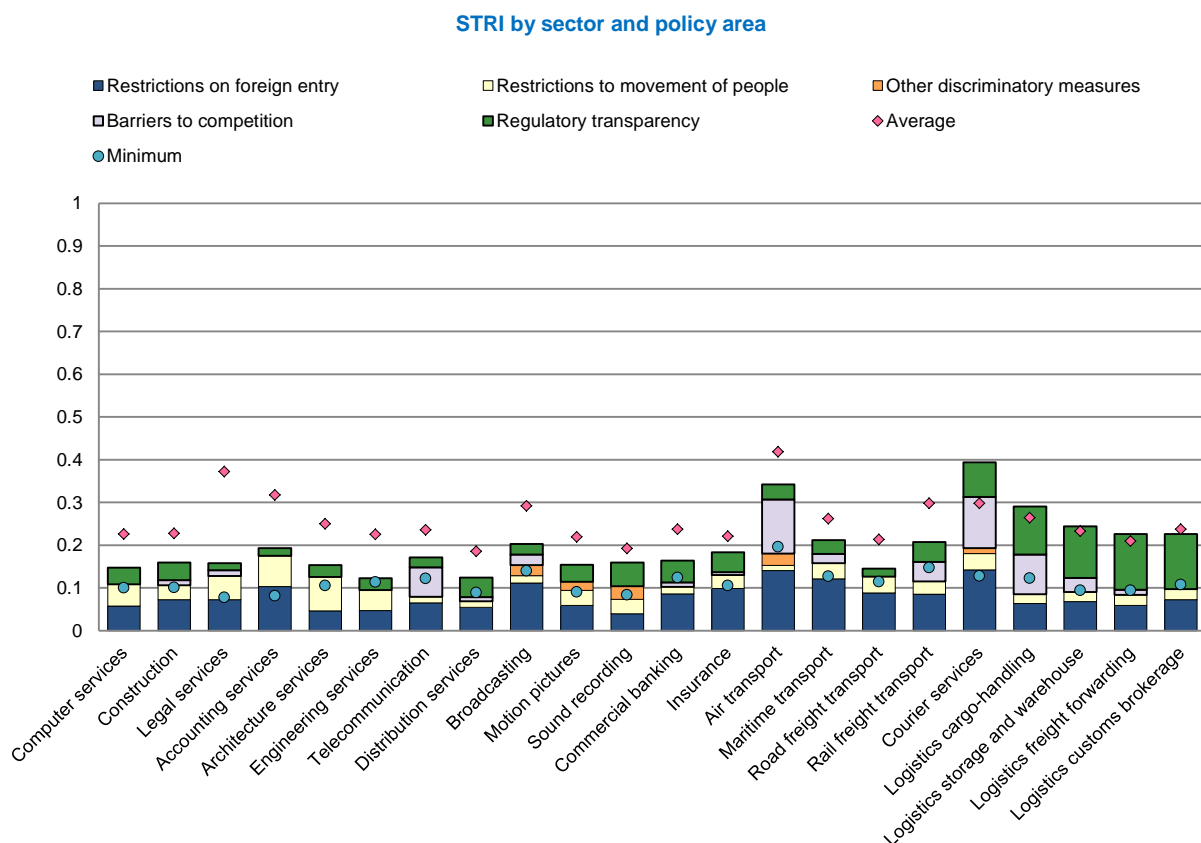


OECD Services Trade Restrictiveness Index (STRI): Australia

Australia exported services worth USD 49.7 billion and its services imports amounted to USD 57.3 billion in 2015. Travel and personal services are the two largest services exporting and importing. Australia's score on the STRI in the 22 sectors is shown below, along with the average and the lowest score among the 44 countries included in the STRI database for each sector.



Note: The STRI indices take values between zero and one, one being the most restrictive. They are calculated on the basis of the STRI regulatory database which contains information on regulation for the 35 OECD Members, Brazil, China, Colombia, Costa Rica, India, Indonesia, Lithuania, Russia and South Africa. The STRI database records measures on a Most Favoured Nations basis. Preferential trade agreements are not taken into account. Air transport and road freight cover only commercial establishment (with accompanying movement of people).

Horizontal policy measures

Australia has a lower score on the STRI than the average in 18 out of 22 sectors, a fact explained in large part by a favourable general regulatory environment. 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 for some occupations; principally trades and technical roles, administrative workers and engineers. Acquisition of land or real estate by foreigners is subject to authorisation. The corporate act requires that a least one board member must be resident in Australia. Finally, Australia has relatively costly procedures related to obtaining a business visa.

The sectors with the relatively lowest STRI scores

Legal services, engineering services and architecture services are the three sectors with the lowest score relative to the average in Australia. Engineering is not a regulated profession (except in Queensland) and is subject to the general horizontal regulatory framework. Legal services and architecture are regulated professional services for which a license is required to operate. A local exam and local practice are required to obtain a license in architecture, and there are clear and transparent criteria for recognition of foreign qualifications. Foreign professionals may also provide services on the basis of a temporary license in both architecture and legal services. Finally, fees are regulated in legal services.

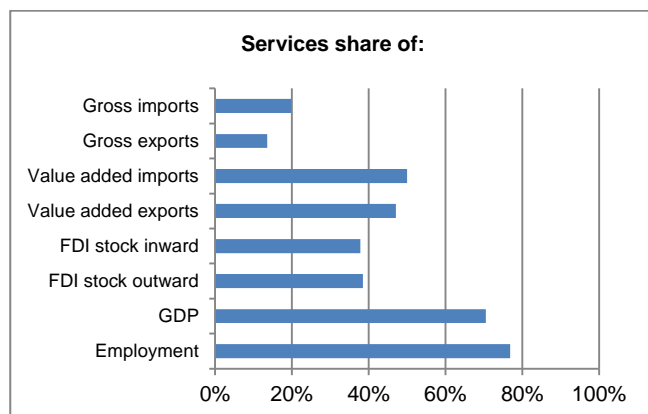
The sectors with the relatively highest STRI scores

Logistics freight forwarding, logistics cargo handling and courier services are the three sectors with the highest score relative to the average in Australia. Logistics services are affected by a number of administrative procedures related to obtaining a license and to obtain a business visa. A state owned enterprise contributes to the index in cargo handling. In courier services, Australia maintains a state-owned postal service monopoly on letters weighing up to 250g and costing less than four times the basic postage rate. The postal services are also partly exempted from the application of the competition law.

Recent policy changes

There are no policy changes that affect the score on the STRI during the period 2014-2016.

Efficient services sectors matter



Services account for 14% of Australia's gross exports, but 47% of its value added exports, indicating that Australia's exports of goods rely intensively on services inputs. Cost effective state of the art services are therefore of utmost importance for the competitiveness of the Australian industrial sector. The STRI profile suggests that Australia could further improve the efficiency of its economy by prioritising reforms that enhance competition in services markets, particularly by focusing on the few sectors where a higher STRI is observed.

More information

- » Access all of the country notes, sector notes and interactive STRI tools on the OECD website at <http://oe.cd/stri>
- » Contact the OECD Trade and Agriculture Directorate with your questions at stri.contact@oecd.org