AUSTRALIA – 2021

Key findings

- The 2021 STRI of Australia is below the OECD average and low compared to all countries in the STRI sample. The indices have decreased slightly compared to 2020.
- Relevant reforms in 2021 include the entry into force of the Design and Building Practitioners Act, which regulates registration of practitioners in the construction sector and establishes a process for the recognition of foreign qualifications.
- Australia’s regulatory environment for services was relatively stable over the past years.
- 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

- Innovation and adoption of technology relies on access to knowledge and to the networks, people, goods and services that carry the knowledge around the world. In this context, Australia could benefit from more open markets for services trade, for example, through a reduction of restrictions to the movement of natural persons for the provision of services.

The 2021 STRI of Australia is relatively low compared to other countries in the STRI sample (Figure 1).

Figure 1. Average STRI across countries, 2021

Note: 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 2021. The STRI regulatory database covers the 38 OECD countries, 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. Source: OECD STRI and TiVA databases (2021).

The 2021 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.¹ The corporate act requires that at 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 was relatively stable over the past years (Figure 2) with minor liberalisation related to the movement of people. In 2021, Australia reduced the number of documents required for business visa applications, leading to a reduction of services restrictiveness.

Figure 2. Evolution of STRI indices by sector in Australia

Services Trade Restrictiveness Index, percentage change over the period 2014-2017, 2017-2020 and 2020-2021

Legal services, rail freight transport, accounting services and engineering services are the sectors with the lowest score relative to the average STRI across all countries (Figure 3). Computer services, logistics cargo-handling, logistics freight-forwarding and courier services are the sectors with the highest score relative to the average STRI across all countries.

¹ Waivers to LMT requirements for certain categories of persons may apply subject to Australia’s commitments in the WTO General Agreement on Trade in Services (GATS) and trade agreements to which Australia is a party.
Figure 3. Sectoral breakdown - The least and most restricted sectors in Australia

Note: Selection was made based on how far the sectors’ score were from the world average score, as a percentage difference i.e. (STRIcountry, sector - STRIworld average, sector) / STRIworld average, sector


Legal services are the least restricted service sectors in Australia compared to Asia Pacific and compared to global best performers, while courier services are the most restricted (Figure 4).

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

Key reforms

Most recently, 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


» Read more about services trade policies and their impacts in Services Trade Policies and the Global Economy

» Contact the OECD Trade and Agriculture Directorate with your questions at stri.contact@oecd.org