

# OECD Services Trade Restrictiveness Index (STRI)

## AUSTRALIA – 2020

### Key findings

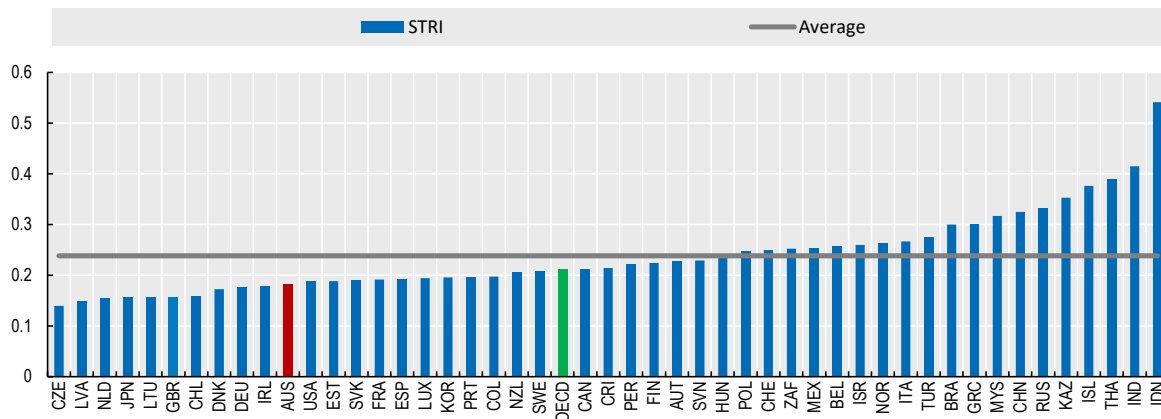
- The 2020 STRI of Australia is below the OECD average and low compared to other countries. The indices have decreased slightly compared to 2019.
- Australia’s regulatory environment for services was relatively stable over the past years.
- Despite the overall favourable environment for services trade, restrictions remain related to the movement of people. Australia applies labour market tests for groups of services providers 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.

The 2020 STRI of Australia is relatively low compared to other countries in the STRI sample (Figure 1).

Figure 1. Average STRI across countries, 2020

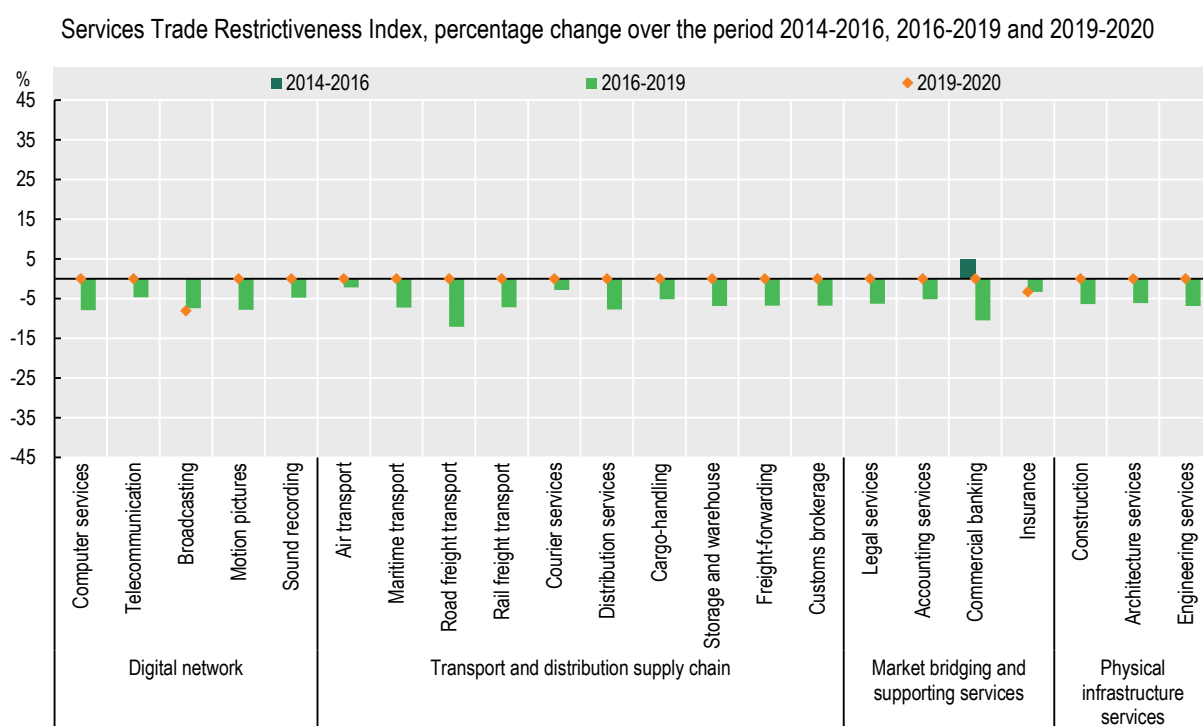


Note: The STRI indices take values between zero and one, one being the most restrictive. The STRI database records measures on a Most Favoured Nations basis. Air transport and road freight cover only commercial establishment (with accompanying movement of people). The indices are based on laws and regulations in force on 31 October 2020. The STRI regulatory database covers the 37 OECD countries, Brazil, China, Costa Rica, India, Indonesia, Kazakhstan, Malaysia, Peru, Russia, South Africa, and Thailand.  
Source: OECD STRI and TIVA databases (2020).

The 2020 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 for some occupations. The corporate act requires that a least one board member must be resident in Australia. Finally, Australia has relatively burdensome procedures related to obtaining a business visa.

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 2016. By contrast, most other countries reveal an increasing shift toward most restrictive measures since 2016.

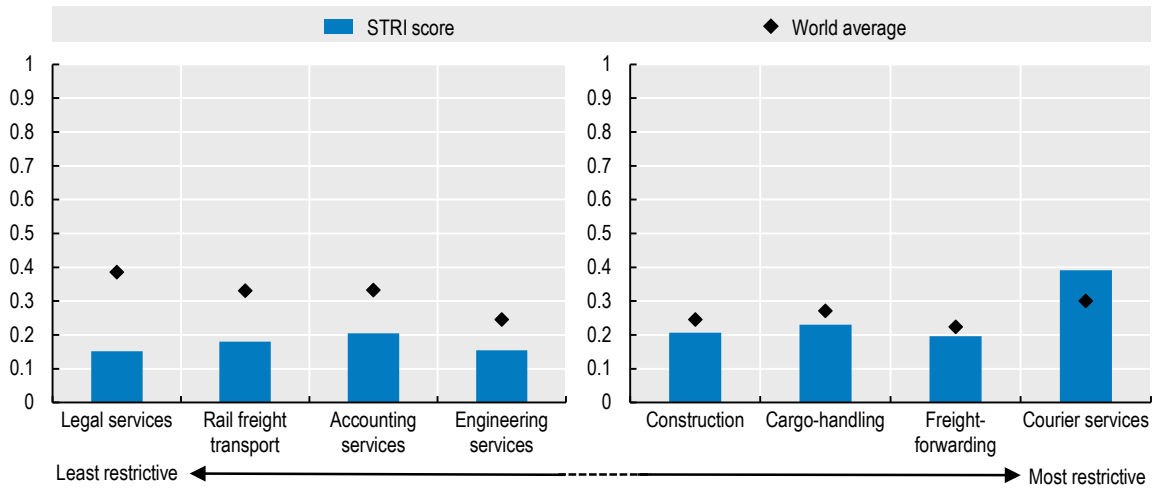
**Figure 2. Evolution of STRI scores by sector in Australia**



Source: OECD STRI database (2020).

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). Construction, logistics cargo-handling, logistics freight-forwarding and courier services are the sectors with the highest score relative to the average STRI across all countries.

**Figure 3. Sectoral breakdown – The least and most restricted sectors in Australia**



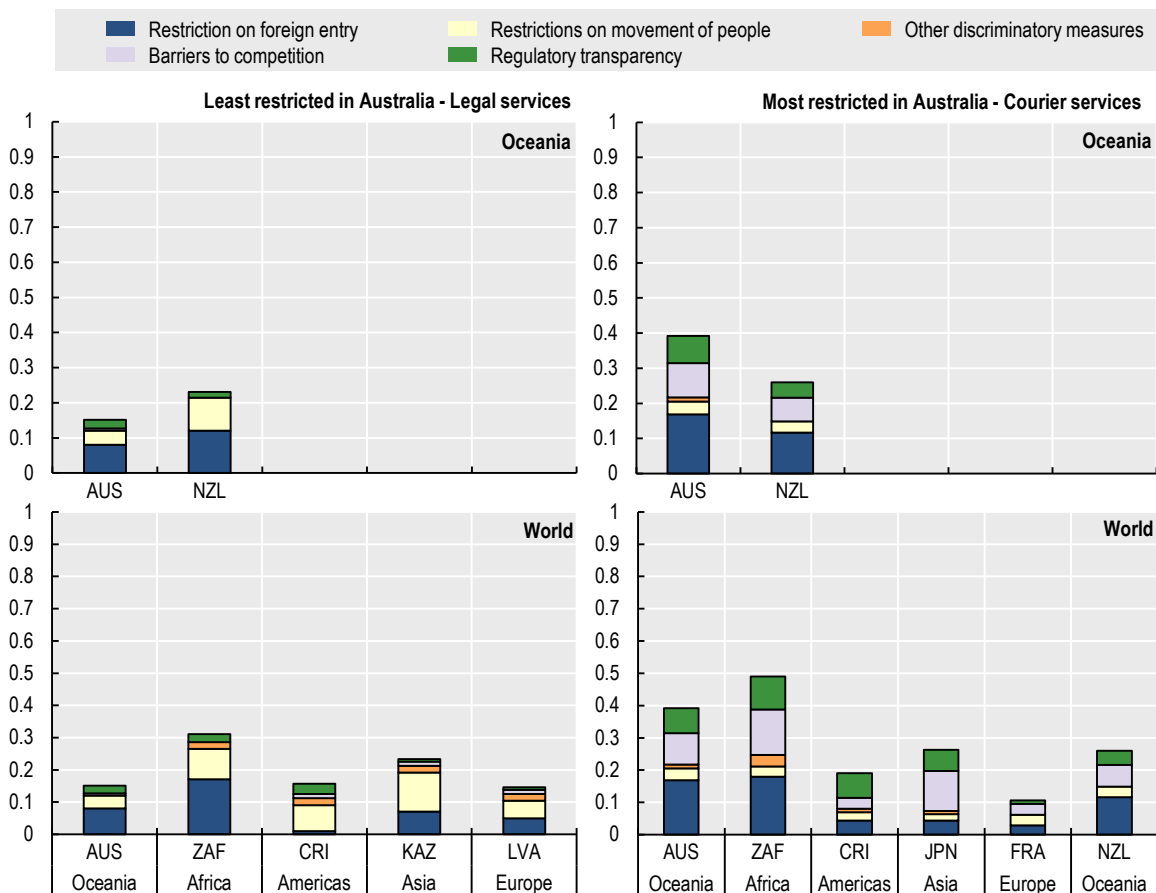
Note: Selection was made based on how far the sectors' score were from the world average score, as a percentage difference

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

Source: OECD STRI database (2020).

Legal services are the least restricted service sectors in Australia compared to Oceania and the other best performers elsewhere while courier services are the most restricted (Figure 4).

**Figure 4. Australia compared to Oceania and World's best performers**

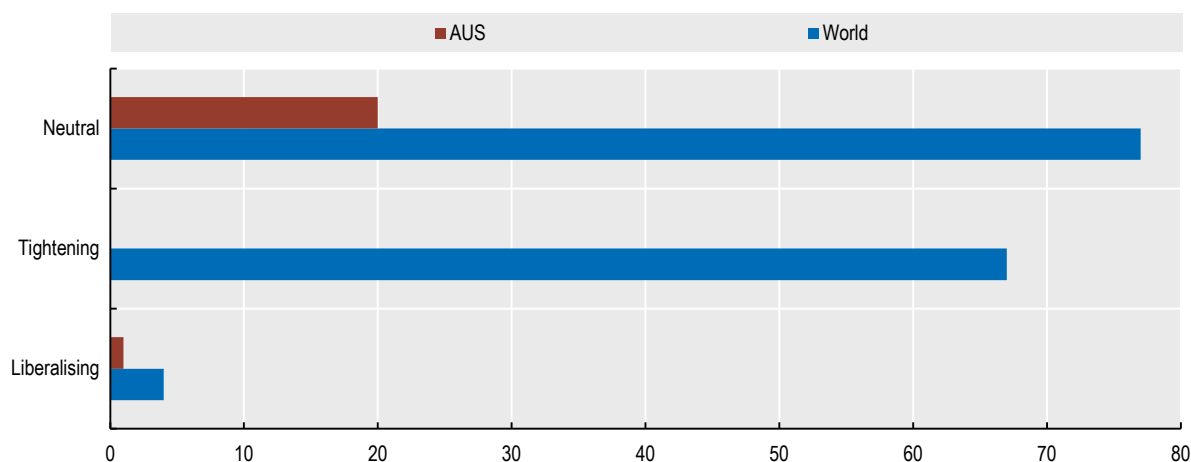


Source: OECD STRI database (2020).

## Special focus: Impact of COVID-19-related measures on the stringency of services regulations

While Australia has adopted several measures in response to the COVID-19 crisis, these were mostly either temporary in nature or not directly relevant for the measures considered in the STRI database. Australia temporarily reduced all monetary thresholds for screening of foreign invest projects to zero. Moreover, Australia suspended an obligation of 55% Australian content on free-to-air and subscription television for Australian drama, children's and documentary content on a temporary basis. Many countries have tightened their regulatory framework following the COVID-19 shock, by tightening their investment screening process or their visas requirements (Figure 5).

Figure 5. COVID-19 related measures in Australia and in the world



Source: OECD STRI database (2020).

## Key reforms

In response to COVID-19, an obligation of 55% Australian content on free-to-air and subscription television was suspended for 2020 for Australian drama, children's and documentary content. Moreover, Australia improved conditions for the recognition of professional qualifications gained abroad as actuaries. With the introduction of the Temporary Skill Shortage visa (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. In June 2016, New South Wales introduced a 4% surcharge for foreign persons (including foreign corporations) in addition to the duty payable on the purchase of residential property. Furthermore, foreigners are also subject to a land tax surcharge of 0.75% (in 2017) for residential property.

## More information

- » Access all country and sector notes, and interactive STRI tools on the OECD website at <http://oe.cd/stri>
- » Read more about services trade policies and their impact in [Services Trade Policies and the Global Economy](#)
- » Contact the OECD Trade and Agriculture Directorate with your questions at [stri.contact@oecd.org](mailto:stri.contact@oecd.org)