

**COMMUNICATION FROM AUSTRALIA**

Negotiating Proposal for Architectural Services

The following communication has been received from the delegation of Australia with the request that it be circulated to the Members of the Council for Trade in Services.

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1. This paper sets out a negotiating proposal from Australia for the architectural services sector. Australia reserves the right to submit further and more detailed proposals on this sector at a later date.

**I. IMPORTANCE OF TRADE LIBERALISATION IN THE SECTOR**

2. Architectural services are a vital element of the economic infrastructure of all WTO members. As noted by the WTO (S/C/W/44), measurement of the economic importance of architectural (and engineering) services output is not straightforward; in official statistics, it is most often absorbed in the broader categories of services output such as business services or construction activity. However, there is no doubt that architectural services is one of the larger professional services sectors in most WTO member economies. In many countries, exports of architectural and engineering services earn greater foreign income than the construction and related engineering services sector. Architectural service suppliers may be characterised by the dominance of small businesses whose main costs are the salaries of their highly qualified personnel.

3. Architectural services are traded internationally, mainly through the establishment of commercial presence by the foreign supplier in the host country, and usually involve temporary movements of skilled personnel.

4. Further progressive trade liberalisation of architectural services through the GATS negotiations offers members the prospect of a greater range and depth of architectural services in their local markets, higher operating standards, technology and skills transfer, and downward pressure on costs.

**II. IMPEDIMENTS TO FURTHER LIBERALISATION**

5. Australian exporters have identified a number of impediments to further liberalisation of the architectural services sector. These include:

- restrictions on establishing a commercial presence
- restrictions on repatriation of profits

- discriminatory taxation practices
- unduly onerous and and/or non-transparent temporary visa procedures
- citizenship or residency requirements to practice
- limited or no recognition of foreign qualifications
- compulsory membership of professional associations
- non-transparent regulatory environment.

### **III. PROPOSALS**

6. Australia proposes that:

- Members review any limitations on commercial presence with a view to eliminating barriers that cannot be justified.
  - Licensing requirements and administrative processes relating to the registration of foreign architects for practice in the host country should be subject to a necessity test, as formulated in Australia's paper of 15 September 2000 (S/WPDR/W/8). This would require that any domestic regulation adopted meet a legitimate policy objective to be the least trade restrictive possible.
  - Members take stock of measures to fully implement GATS Article VII, paragraphs 3 and 5, and undertake best endeavours to participate in and extend the membership of Agreements that enable mutual recognition of architectural qualifications.
  - Members examine rules relating to the movement of natural persons to ensure that visas for architects who have approval to operate in another member country are processed efficiently and expeditiously.
  - Disciplines be developed for the architectural services sector, building on those developed for the accountancy profession (see WTO document S/L/64), strengthening and tailoring them to meet the needs of architectural services exporters.
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