



Department for
Business & Trade

Doing Business with the UK

A Guide for Victorian Companies

2023



We acknowledge and respect the Traditional Custodians of country throughout Australia and their connections to land, sea and community. We pay our respect to their Elders past and present, and extend that respect to all Aboriginal and Torres Strait Islander peoples today.



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Treasurer of Victoria's Foreword



The United Kingdom is one of Victoria's longest-standing trading partners – a country with which we share a common history and a connected future.

Today, with over 210,000 UK born Victorians – the largest of any overseas-born community in the state, we are rediscovering many new and exciting possibilities for increased trade and investment in each other's markets.

With such strong people-to-people links, together we are establishing a modern, dynamic and complementary economic relationship founded on common values.

The UK is a growing export partner for Victoria, with Victorian merchandise exports to the UK growing by 12% in the 2022 calendar year, following an increase of 26% the year prior.

The UK is also Victoria's second largest foreign direct investor, as measured by the number of projects and jobs created since 2017. British companies continue to contribute a significant and welcome economic contribution to our economy.

With this already strong starting point, exciting developments between Australia and the UK provide Victorian companies with even better opportunities to grow their business.

On 31 May 2023, the Australia-United Kingdom Free Trade Agreement came into force. This exciting new chapter in our relationship with the UK eliminates tariffs on 99 per cent of Victorian goods exports, streamlines customs procedures, benefits services firms and provides a framework for greater mobility and mutual recognition of professional qualifications.

At this exciting time and with growing interest in the UK amongst Victorian companies, this guide provides a "go-to" resource for Victorian companies interested in exporting to or investing in the UK. It provides Victorian companies with valuable insights into the UK's regional and sectoral strengths and useful tips to support the export journey.

Through Global Victoria and Victoria's Trade and Investment Office in London, the Victorian Government stands ready to provide continuing and meaningful support to Victorian companies on this journey.

Thank you to our partners, including the Australian British Chamber of Commerce, for bringing together this important resource.

To the many Victorian companies interested in bringing our world-class goods and services to the UK, I am proud to support you and wish you all the very best.

Tim Pallas MP

Treasurer of Victoria
Minister for Trade and Investment
Minister for Industrial Relations



Consul-General and UK Trade Envoy Forewords



If you are a Victorian company looking to sell goods and services, raise capital or open an office, the UK has plenty to offer. Some markets may be closer. A small number may be larger. But there are few better.

The UK is home to the global financial hub of London, hosts a US\$1 trillion technology sector, offers high value advanced manufacturing capabilities and world class creative industries.

With over 60 million consumers and a highly skilled workforce, it's also about relationships and confidence. When Victorian companies do business with the UK, they can be confident of the deep levels of affinity in business relationships. They can be confident in a shared approach to the rule of law, protection of intellectual property rights and a common language. They will follow the footsteps of huge numbers of companies have been successful over many years. They can also be confident that we have a plan for growing those relationships and confidence.

Our Free Trade Agreement will reduce tariffs, increase investment and improve the flow of people and skills between our countries. AUKUS will see us collaborate on the future technologies which will shape the future. And UK accession to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) will help companies with a regional vision and footprint. Therefore, I can say with confidence that there's not been a better time to think about Victorian companies growing their trade and investment with the UK.

Steph Lysaght

British Consul-General, Victoria

As the UK Prime Minister's Trade Envoy to Australia, my message to Victorian businesses is that there's never been a better time to grow your business links with the UK.

The UK's relationship with Australia is a top priority. We know and understand Victoria. The UK's a big and open economy. Our FTA is a win-win deal. Our AUKUS agreement is historic. And this booklet is here to help guide you with your plans to grow into the dynamic UK market.

Lord Ian Botham OBE

UK Prime Minister's Trade Envoy to Australia



Why the United Kingdom is an attractive destination for Victorian businesses

The UK is a huge and dynamic market. It has a prosperous and highly skilled/educated population of 67 million and an economy of over AUD\$4.7 trillion¹ – the world's 6th largest. It is globally acknowledged as an open economy, with a business friendly approach to regulation and tax - the lowest company tax of all the G7 countries.

It is also a major overseas investor – the second largest in Australia.² It has excellent infrastructure including ports, attracts top talent and is home to the City of London's world leading financial sector. The UK also hosts many of the world's best universities, making it one of the leading countries for research and innovation. There is much to be favoured on national and regional level to invest and set up in the UK.

There are specific elements that favour relations, trade and investment between the UK and Australia. The UK - Australia Free Trade Agreement (FTA) will reduce tariffs, increase mobility and improve regulatory alignment. The AUKUS Agreement and unique technology partnership this represents will spur collaboration across the defence, technology and cyber sectors.

There is a common language, legal framework, protection of IP, common values and institutions plus generations of people to people links that ensure strong brand awareness and affinity.

There is a clear national and political imperative from all levels of government to encourage excellent relations, trade and investment with Australia.

The UK has a large team in the UK and across Australia promoting trade and investment. There are a range of sectoral initiatives such as the UK Australia Fintech Bridge and the Space Bridge.

Of course, the UK has specific rules and requirements including licensing and labelling as well as its own tax regime. This guide can help you efficiently identify these issues and find resources to navigate them.

For the wide range of political, legal, sectoral, cultural and economic reasons, now is the right time to be taking another look at the UK market.

This document is intended to be a useful guide outlining practical issues to consider for businesses looking to enter the UK. That said, this content is for general information purposes only, and should not be used as a substitute for consultation with professional advisors.



The Australia-UK Free Trade Agreement at a glance

On 31 May 2023, the new Australia-UK Free Trade Agreement (the FTA) came into force. For some industries, the FTA will make it possible for Victorian businesses to enter the UK market for the first time. For others, it will simply make exporting to the UK or establishing a local presence there cheaper and easier.

Top Benefits for Goods Exporters

- Eliminates tariffs on over 99 per cent of Australian goods exports to the UK, including:
 - Almost all goods, from wine to honey, processed foods, auto parts, electrical equipment and fashion goods.
- Reduces red tape - aligning standards, requirements and paperwork
- Customs processing for imports to the UK will be faster, particularly for perishable goods, and cheaper

Top Benefits for Services Firms

- Opens up industries previously protected from competition from Australian businesses. Greater access has been secured for sectors such as:
 - Professional services, including legal, accounting, architectural, engineering and more;
 - Business services, including IT, R&D, real estate services, advertising, management consulting, publishing and more; and
 - Financial services, including insurance, portfolio management and FinTech.
- Makes it easier for Australian companies to operate in the UK market by supporting the mutual recognition of professional qualifications
- Offers enhanced opportunities to live and work temporarily in each other's country.



Overview of the United Kingdom

The United Kingdom is made up of four constituent countries: England, Wales, Scotland, and Northern Ireland.

England is the largest and most populous country of the United Kingdom. Scotland, Wales, and Northern Ireland have various degrees of home rule, meaning that they have some control over their domestic affairs.

The UK's regions offer a mix of opportunities for Victorian businesses to set up and then expand. Some sectors are a truly UK-wide strength, such as universities, which are centres of excellence in many different fields.

Key Sectors by Region

Scotland

Snapshot:

- \$158B AUD exports beyond Scotland (60% UK, 21% Rest of World, 19% Euro Union)
- Most attractive Country or Region for investment outside London for 7 consecutive years at 2021
- Top 10 in FDI European regions, 50% of population have gone through higher education

Key sectors: Data, Digital and Technology, Clean Technology and Renewables, Oil and Gas, Healthcare and Life Sciences, and Medtech

Northern Ireland

Snapshot:

- Population: 1.9M
- 1,100 international companies
- 30% lower operating costs than UK or other European locations
- 70% of new companies choose to re-invest

Key sectors: Technology, Life and Health Sciences, and Advanced Manufacturing

Wales

Snapshot:

- Population: 3M+
- \$214B AUD in exports from Wales Less than 2hrs from London via rail
- \$1.5B AUD in R&D
- 3,600 tech businesses employing 45,000 people

Key sectors: Creative and Digital, Clean Growth, and Tourism

South of England

Snapshot:

- Population: 31M
- \$223B AUD in exports from South of England
- \$1.1T AUD in Gross Value Added (GVA) (30.6% of total UK Economy)
- 5 major airports, 5 seaports, 4 freeports & 4 life science zones

Key sectors: Advanced Engineering, Life Sciences, Capital Investment, and Defence

North of England

Snapshot:

- Population: 15.5M
- \$94B AUD in exports from North of England
- 17% of UK Economy
- 24,400 foreign-owned businesses
- 5 of UK's 10 Largest Cities (Liverpool, Manchester, Leeds, Newcastle & Sheffield)

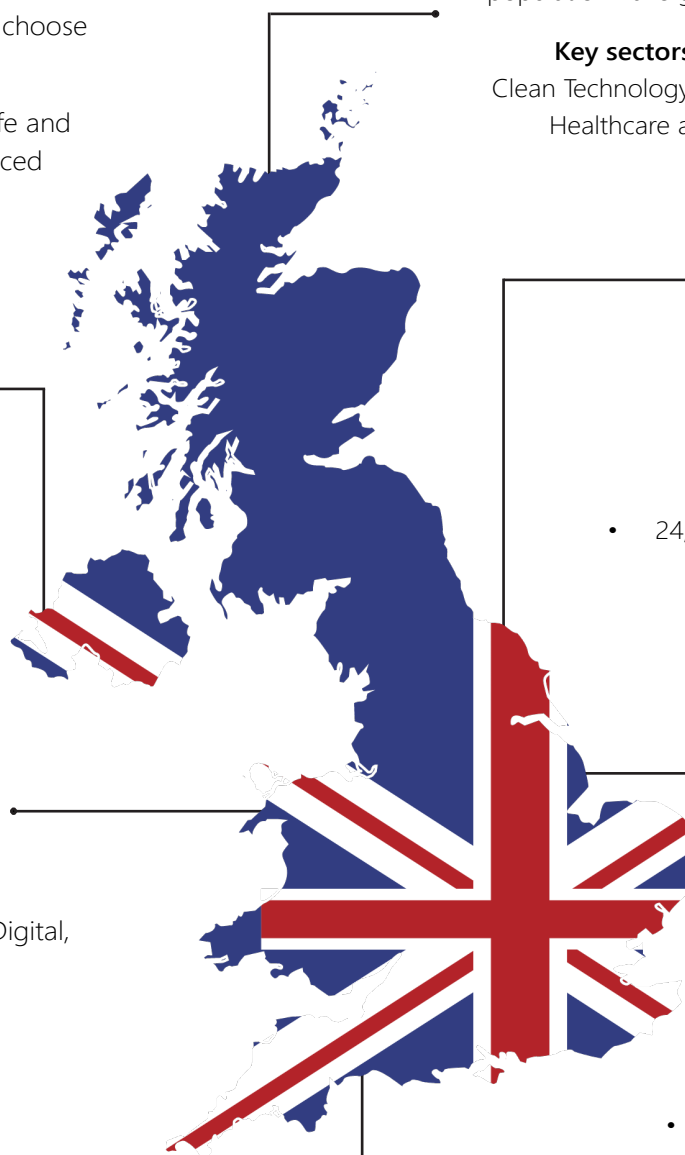
Key sectors: Science and Manufacturing, Property Investment, and Finance and Business

Midlands

Snapshot:

- \$73B AUD GVA (14% of total UK Economy)
- 850,000 businesses in region
- 600,000 new homes needed in the next 15 years
- 20 universities in the region with 100,000 graduates p/a

Key sectors: Future Mobility (autonomous vehicles), Food and Drink; Life Sciences



Connecting Victoria's strengths with the UK

Victoria has earned a global reputation for its premium goods and trusted services. The Victorian Government is committed to working with and building the capability of Victorian exporters to strengthen partnerships with industry and global markets.

Captured below is a small sample of the sectors which highlight the emerging opportunities for Victorians in the UK. For each sector, we have identified key practical considerations for exporters across 6 categories:

Practicality	Explanation	Example
Regulatory Registrations and Approvals	Exporters may need to be registered with a particular regulator in the UK or secure approvals, in order to conduct business in certain industries, to sell certain products, or to provide certain services there.	All cosmetic products available to consumers must have a registered 'Responsible Person' in the UK who makes sure safety measures are followed and legal obligations are met.
Standards and Technical Barriers	The UK enacts regulations to ensure goods sold there are safe, will not harm the environment, and are consistent with other public policy objectives.	The permitted residue levels of certain pesticides on foods may be lower in the UK than in Australia.
Export Restrictions	Some goods and services cannot be exported from Australia unless prior approval has been obtained.	High-tech equipment which could be put to military purposes, such as advanced drones, require approval prior to export.
Import permits, licenses and certificates	Certain products require documentation on a transaction-by-transaction basis for each importation to ensure compliance with UK laws.	Live animals and plants may need health certificates to confirm they are free of disease.
Import Tariffs, Taxes and Charges	Some goods are subject to significant taxes on import to the UK, though the effect of this will be mitigated through the A-UKFTA.	UK tariffs on cheese were as high as GBP185 for every 100kgs prior to the A-UKFTA.
Market access Restrictions	Certain professional services and other industries are prevented from operating freely in the UK, to protect local industries or legitimate national interests.	Australian lawyers are not able to provide advocacy in courts or tribunals in the UK.



The following tables are only an indication of the practicalities for each sector.

Laws and requirements will differ between businesses and products, so it is important to understand your obligations as they relate to your specific circumstances.

The entry into force of the A-UKFTA will unlock growth in these sectors, through reduced red tape, enhanced market access and increased bilateral economic cooperation between the two governments.

Technology

Why is Technology a priority sector?

Victorian businesses have been revolutionising the tech world with inventions, algorithms, software and games that are used every day to make people's life easier or more enjoyable.

Melbourne is a talent magnet with a growing tech sector, great institutions, international connectivity, plenty of complementary industries and a vibrant sustainability slant with lower tech costs than other larger cities. Our local tech community — from start-ups to established household names — is engaged, progressive and competitive.

We have one of the largest R&D clusters in the Southern Hemisphere and when it comes to collaborative research services, data analytics, software development, delivery and support.

What opportunities exist for Victorian Technology companies in the UK?

FinTech: The UK-Australia FinTech Bridge, signed in 2018, creates valuable opportunities for expansion and collaboration by facilitating regulatory alignment and access to domestic UK incentives. By virtue of this agreement, Australian firms will find in the UK a welcoming environment in which to develop and grow their business.

Cyber Security: A global leader in cyber security with the largest market in Europe, the UK provides an exceptional pipeline of projects and opportunities. The market is diverse, with provisions ranging from cyber professional services to endpoint and mobile security. There's also government support for growth of early-stage companies and funding for collaborative R&D.

Artificial Intelligence: The UK offers a rich and growing ecosystem of AI companies, attracting customers and investors. The UK boasts a third of Europe's AI start-up companies, twice as many as any other European country, offering opportunities to collaborate and partner.

UK Hot spot for Technology: Northern Ireland

One of the fastest growing tech sectors in the UK, Northern Ireland boasts a vibrant and innovative local industry. A strong local base of software engineering skills underpins a rich variety of business clusters including cyber security; telecom, mobile & data networks; AI & data analytics; IT & cloud services; fintech, govtech, and sports tech.

Practical Considerations for Exporters

Industry	Regulatory Registrations and Approvals	Standards and Technical Barriers	Export Restrictions	Import Permits, Licenses and Certificates	Import Tariffs, Taxes and Charges	Market Access Restrictions
Technology	X	X	X			X

Prudential Regulation for Financial Services: Like Australia, the UK fintech sector is underpinned by a regulatory approach that strikes the right balance between ensuring that innovation is not stifled, while maintaining trust in the financial system.

This can help companies to grow and develop their fintech business in the UK. The relevant regulatory bodies are the Financial Conduct Authority (FCA) and the Prudential Regulation Authority (PRA).

Export restrictions: Many technologies that are developed for commercial or industrial purposes, can also be used or be modified to be used as military components or in the development of military systems or weapons.

There are 10 categories of technology that are controlled for export under Australia's prohibited export legislation, including seemingly innocuous commercial technology areas such as electronics, computers, information security, navigation and propulsion systems. For this reason, export restrictions are a key practical consideration that Victorian exporters need to consider when exporting their technology products to the UK.

Data Protection (GDPR): Victorian technology companies seeking to operate in the UK are required to comply with data protection laws, to ensure personal data of people in the UK is handled appropriately. It also applies to Victorian businesses that offer goods or services to individuals in the UK. The core principles are that businesses have a lawful and transparent basis for processing personal data with appropriate security measure in place to protect them.

Unlocking the opportunity

For the first time in an Australian FTAs, the A-UKFTA includes a specific chapter addressing innovation. The chapter establishes mechanisms to build shared governance frameworks for emerging tech, such as AI, to prevent unnecessary barriers to trade related to standards and technical barriers from ever developing.

The FTA also opens up new market access for new technology services, such as FinTech, to be provided in the UK while still adhering to domestic regulatory constraints. Namely, the provision and transfer of financial information, and financial data processing and related software.

Law Squared expands internationally

A diverse network of trusted partners, prospects and recommended local suppliers is enormously powerful to support your business' growth aspirations and realise your market entry investment.

For Law Squared, the launch of their London office in 2022, was a significant step towards the Melbourne-founded firm's vision to provide a more human centred alternative to traditional law firms for companies in Australia and the UK.

Founded in Melbourne in 2016, Law Squared has established a trusted reputation for providing specialist Commercial, Corporate, Disputes + Litigation and Employment + Workplace Relations support to in-house legal teams, and business leaders across Australia and the UK.

Reflecting on the firm's own expansion to the UK, Law Squared Founder + Director, Demetrio Zema says: "Providing a single point of legal contact and offering dual jurisdictional support in relevant time zones has come as a welcome offering for those businesses who have previously been frustrated by the logistical and conflict of interest challenges that arise working with large global law firms."

Demetrio explains: "Traditionally, these global firms operate under a partnership model, often acting as separate firms in each country despite sharing a brand name."

Entering an entirely new market is not without its challenges; from the strategic (corporate structuring, data compliance and contract localisation) to the mundane (navigating time zones, establishing local banking facilitates and securing office space).

Law Squared received invaluable advice and support through Global Victoria, the Department for Business and Trade (DBT), and the Australian British Chamber of Commerce as pivotal players in building connections, expanding networks and making appropriate introductions and support in navigating a new market.

"Global Victoria, DBT and the Chamber have been enormously supportive of our global aspirations, offering pragmatic assistance and relevant introductions, long before the London office officially opened," says Demetrio.

Other businesses can now benefit from Law Squared's learning and experience via trade missions hosted by Global Victoria and DBT. The firm's UK and Australian lawyers regularly provide first-hand perspectives on UK market entry to trade delegations, sharing legal and commercial advice on a range of frequently reported market entry challenges, including:

- Structuring and incorporation advice
- Localisation of Agreements to UK/AU standards, compliance and general contract drafting
- Employment law support and contracts
- GDPR (Privacy/Data) audits, data compliance, and breach management services

Whether your business has already launched in the UK, or is considering its expansion options, Global Victoria, and its network of partners, are a powerful source of support for businesses aspiring to grow in the UK.

"Global Victoria, The Department for Business and Trade, and the Australian British Chamber of Commerce have been enormously supportive of our global aspirations, offering pragmatic assistance and relevant introductions, long before the London office officially opened," says Demetrio.



Food & Beverage

Why is Food & Beverage a priority sector?

Victoria is Australia's largest food and fibre exporter by value, accounting for 26 per cent of the national total.

Key strengths of the Victorian food and fibre export sector include the diversity and premium quality of its commodities and food products.

What opportunities exist for Victorian Food & Beverage companies in the UK?

Beef, Lamb, Chicken: Due to its sizable population of consumers who enjoy red meat, the UK market has a good growth potential for Victorian beef, lamb and mutton exports. Meat is Victoria's second largest export industry with lamb and mutton exports growing by 44% year-on-year.

Wine and Spirits: Victorian wine exporters will now be able to compete on an equal footing with Chilean and South African wines, which have enjoyed duty-free access under their FTAs for years.

This competitive edge will be most important for low margin wines, such as those sold in bulk to supermarket chains. The elimination of tariffs enables them to save customs duties worth an equivalent of around 10 percent of the wine's value. It should be noted, however, that Victorian exporters should consider the net impact of the changes to alcohol taxes outlined below when assessing the viability of the UK as an export market.

UK Hot spots for Food & Beverage: The Midlands

The Midlands are home to a large number of food processing and manufacturing plants creating opportunities for Victorian businesses to feed into value chains. Located at the heart of the UK, transport and logistics networks are easily accessed to enable rapid distribution.

Practical Considerations for Exporters

Industry	Regulatory Registrations and Approvals	Standards and Technical Barriers	Export Restrictions	Import Permits, Licenses and Certificates	Import Tariffs, Taxes and Charges	Market Access Restrictions
Food & Beverage	X	X		X	X	

Food Standards: The UK's agricultural sector has been heavily influenced by EU approaches, and some farming practices which are common in Australia (such as the use of certain herbicides and animal health treatments) are not permitted there. Victorian farmers looking to export their goods to the UK must meet a set of requirements governed by the **Food Standards Agency** (FSA). It is therefore vital to remain up-to-date with FSA's guidelines and regulations.

Alcohol Tax: From August 1, 2023, the taxation of alcohol in the UK will change. Broadly, alcohol tax rates on stronger drinks will be increased. Offsetting these increases, a new 'Draught Relief' measure will reduce Alcohol Tax for drinks served in pubs and hospitality venues. Despite these changes, alcohol duty remains non-discriminatory across domestic and international suppliers - so Victorian exporters can expect minimal change relative to their competitors. More important will be the reductions in tariffs stemming from the FTA, which will help Australian products match or beat their rivals on price.

Also worth noting is that in Scotland, as a public health measure, alcohol must be sold at a minimum price of 50p per unit.

Unlocking the opportunity

The FTA will give Victorian farmers better and more secure access to the UK market, primarily by reducing tariffs. Key product categories to benefit include beef, lamb and mutton, cheese and dairy, horticulture and wheat. Australian exporters will now compete on an equal footing with major competitors such as the EU, Canada and South and Central America, and enjoy a comparative advantage against countries without an FTA such as the US and China.

An example of this is citrus, which due to protectionist EU trade policy, was subject to a 12% duty rate even though the UK climate is too cool to support a domestic industry. Victorian citrus exporters will now have the opportunity to compete on an even footing with European and Central American farmers for this market.

The FTA means the UK is now more open to food produced using different practices and standards than their own. While the importers for both countries must continue to adhere to the current food safety and biosecurity standards of their respective countries, Victorian exporters can expect more.

Life Sciences & Healthcare

Why is Life Sciences & Healthcare a priority sector?

Victoria is at the forefront of the medtech and pharmaceutical industry for Australia.

It is home to one of the world's highest ranked life science hubs and home to global firms and local companies known for their excellence and innovation in the development of products. Over 70 per cent of Australia's top 25 MedTech and Pharma companies are based in Victoria with the sector generating \$3.5 billion in exports including 56 per cent of Australia's pharma products.

What opportunities exist for Victorian Life Science & Healthcare companies in the UK?

Vaccines: The UK is a vital market for global vaccine R&D and manufacturing with significant expertise in immunology, vaccinology, novel trials and delivery of vaccination programmes. The industry has benefited from significant investments over the last few years. The UK Vaccine Taskforce, established at the start of the COVID-19 pandemic, has left a legacy of investment and capability for wider vaccine development, manufacturing, and delivery.

Biologics: The UK leads biologics development globally, having discovered a number of the top selling biologics medicines and developed platforms for antibody discovery. The Centre for Process Innovation, National Biologics Manufacturing Centre and National Horizons Centre help solve industry production challenges, improve efficiency, and offer high quality training for the workforce. The sector has experienced a 1,000% increase in life sciences investment since 2012.

Small molecules: With a global reputation of making complex medicines at high quality, supported by a strong annual turnover, reaching £31.7 billion in 2019, the UK demonstrates strength in this sector.

National government funded infrastructure has been established to work with businesses in this sector, such as the Medicines Manufacturing Innovation Centre.

Cell and Gene therapies: The UK hosts 12% of the world's cell and gene therapy clinical trials, and manufacturing capacity has also expanded by 25% in the last year alone, particularly in Scotland and the North of England. The UK government established the Cell and Gene Therapy Catapult, an independent Centre of Excellence to support industry growth. Between 2012 to 2019, the industry more than tripled in size.

Precision medicine: UK-led technological breakthroughs in genomics are accelerating cost reductions and expanding methods of applications which offer tremendous opportunities. The Industrial Strategy Challenge Fund invested £210 million into the sector via the Data to Early Diagnosis and Precision Medicine Challenge theme, and the NHS is the first in the world to introduce a genomic medicine service at scale and to apply whole genome sequencing in routine clinical care.

UK life sciences vision: The UK Life Sciences Vision sets a 10-year strategy for the sector to build on the successes of the COVID-19 response and accelerate delivery of innovations to patients. The vision outlines seven critical Healthcare Missions that government, industry, the NHS, academia and medical research charities will work together on at speed to solve.

UK Hot spots for Life Sciences & Healthcare: Northern Ireland & Scotland

The A-UKFTA opens the door for Victorian businesses in this domain to collaborate with the precision medicine industry in Scotland that is home to one of the most productive health life sciences industries globally, employing over 41,000 people across 770 organisations.

Practical Considerations for Exporters

Industry	Regulatory Registrations and Approvals	Standards and Technical Barriers	Export Restrictions	Import Permits, Licenses and Certificates	Import Tarrifs, Taxes and Charges	Market Access Restrictions
Life Sciences & Healthcare	X	X	X	X	X	X

Regulatory registrations and approvals: Victorian businesses' therapeutic goods and medicines must be registered or listed in the Australian Register of Therapeutic Goods (ARTG) by the Therapeutic Goods Administration (TGA) before they can be exported to the UK, unless the goods are subject of an exemption. Subsequently, the goods must be assessed by the **Medicines and Healthcare products Regulatory Agency** (MHRA) to ensure that the goods meet the applicable standards. After the completing the assessment for export, the businesses must also obtain import permit the MHRA for importing them into the country by the UK counterpart.

Unlocking the opportunity

Regulatory alignment: The FTA commits to establish cooperation on technical regulations, standards and conformity assessments for trade of medical equipment, pharmaceutical and life-sciences products. This enables Victorian businesses to meet statutory obligations (e.g. obtaining certifications and licence) to market their products in the UK.

Skilled Workforce Movement: The FTA will enable Australian businesses to recruit a range of UK service suppliers including architects, scientists, researchers, lawyers and accountants without being subject to Australia's changing skilled occupation list. This arrangement allows Australian employers to access UK-based talent and expertise with confidence to deal with the issue of skill shortage and fuel growth.

"The job is not over by just getting into these retailers, you really have to make it work by building the right infrastructure around the brand and people in-market by supporting retail operations, inventory, supply chain and local marketing."



Ultra Violette goes global

How did Ultra Violette co-founders, Bec Jefferd and Ava Matthews, start their journey to launching a global Skinscreen brand?

Bec & Ava, while both holding leading roles in product development for a local prestige beauty retailer, recognised an opportunity within the skin protection market to develop a product that looked and felt more like a cosmetic than sunscreen, however importantly, also provided high performance sun protection.

Noting it would take more time than they both could find, Rebecca & Ava made the bold decision to depart their roles with the local beauty retailer and soon got to work developing what would become their first SKINSCREEN product – a combination of skincare & sunscreen!

More than 2 years after the initial concept was created, Ultra Violette was born in 2019. Bec & Ava initially launched 3 facial SPF products and 2 lip balms into the Australian market and sold directly to the consumer. Ultra Violette was an immediate hit in the local Australian market, and it soon expanded onto Australian shelves of global beauty retailer, Sephora.

On the back of this success, the duo looked to overseas expansion and wanted to test whether international markets would have the same appetite as the market here in Australia did. Enter Global Victoria!

The team at Global Victoria worked very closely with the Ultra Violette founders to provide insights into growth markets, helped to facilitate relevant

introductions & connections to retailers through Global Victoria's trade missions, while also using their in-market teams in Victorian Government Trade and Investment offices throughout the United Kingdom and Europe.

The brand now employs 17 staff, mostly female, and in 2022 received the Governor of Victoria Export Award: 2022 Global Victoria Women's Award.

As Ultra Violette's International expansion continues, they now have 26 products in their range, their range is now available throughout 20 countries including some of the UK & Europe's leading retailers including Cult Beauty, SpaceNK, Net-a-porter & Harrods as well as having launched and being available in a number of markets throughout Europe and South East Asia via Sephora.

"The job is not over by just getting into these retailers, you really have to make it work by building the right infrastructure around the brand and people in-market by supporting retail operations, inventory, supply chain and local marketing," said Bec.

The job is certainly not over yet as Bec & Ava aspire to become the biggest Skinscreen brand globally.

Renewable Energy

Why is Renewable Energy a priority sector?

With the highest wind and solar capacity per capita across developed nations, Victoria has a natural advantage in the deployment of Renewable Energy projects.

Victorians have the expertise, knowhow and cutting-edge innovations to drive the transition to renewable energy at home and abroad.

What opportunities exist for Victorian Renewable Energy companies in the UK?

Wind Energy: The UK has committed to generate enough electricity through wind technology to power every home in the UK by 2030. As wind energy is an essential element of Victoria's renewable energy future, businesses in this sector will find a ready market in the UK. In particular, there is strong demand for Victorian businesses to export wind turbine components, such as blades, towers and nacelles to the UK.

Solar Energy: In order to increase renewable energy generation and reduce carbon emission, the UK government has recognised that solar energy development is inevitable. Such support mechanisms are driving interest from the UK household to switch to renewable forms of electricity and increase market demand.

This enables Victorian manufacturing businesses of solar equipment to supply their solar panels, inverters, batteries and other solar-related equipment to the UK market.

Energy Storage: The growing renewable energy sector in the UK is set to increase the energy storage market. The energy storage systems prevent waste of energy that are produced when they are not required for consumption due to fluctuating speed and velocity of wind. This is further supported by the UK government's green industrial revolution plan released in 2020 to increase adoption of Electric Vehicles (EVs). This Victorian businesses which sell batteries and associated components, as well as offer services such as system design, installation and maintenance.

UK Hot spots for Renewable Energy: Scotland and South of England

Scotland is a frontrunner in renewable energy with emphasis on wind energy generation. It is home to numerous wind farms and has significant wind resources. The strong winds blowing off its coasts over its hills generates 78% of all renewable electricity output in Scotland. Similarly, according to data from the Met office, the South of England is the sunniest region in the UK with average of 1550 to 1600 hours of sunshine per year. The South of England is home to a number of solar power projects.

Practical Considerations for Exporters

Industry	Regulatory Registrations and Approvals	Standards and Technical Barriers	Export Restrictions	Import Permits, Licenses and Certificates	Import Tariffs, Taxes and Charges	Market Access Restrictions
Renewable Energy	X	X	X	X	X	X

Ofgem Licencing: Victorian businesses seeking to enter the UK renewable energy sector must meet a set of standard licence requirements governed by the **Office of Gas and Electricity Markets** (Ofgem). It is important for potential developers and operators of renewable energy projects in the UK to stay updated with Ofgem’s guidelines and regulations.

Export Controls: Many technologies and production components for renewable energy can also be used or be modified to be used as military components or in the development of military systems or weapons like gas turbines for military aircraft, space and nuclear applications. For example, certain types and specifications of fibreglass, the material that makes up blades, and mechanical components such as rotors which is a key input to wind technology, is controlled because of its inherent material durability and applicability in military aircraft. The equipment for testing solar cells is also subject to export controls, as they are considered “discrete semiconductor devices.

Product Safety or Certification: In addition, the **electrical equipment (safety) regulations 2016** (EE regulation) enforced by the Office for Product Safety and Standards is also applicable. The EE regulation requires that all electrical equipment used in renewable energy projects must be designed and manufactured in accordance with safety standards published by the British Standards Institution.

Unlocking the opportunity

The FTA promotes bilateral cooperation on ways to enhance trade and investment in environmental goods and services between two countries. Prior to implementation of the A-UKFTA, the UK and Australia imposed tariffs on 165 and 204 tariff lines products respectively that fall under the list of environmental commodities released by the Organisation of Economic Co-operation and Development (OECD). Over the course of five years, all products on the OECD’s list of environmental commodities will be tariff-free in trade between the UK and Australia.

Advanced Manufacturing, Infrastructure & Defence

Why is Advanced Manufacturing, Infrastructure & Defence a priority sector?

The rise of global manufacturing has given Victorian businesses new chances to innovate creatively, utilise cutting-edge technology, increase their research and development efforts, and establish new international partnerships.

Manufacturing is the cornerstone of the Victorian economy, providing a diverse range of jobs, high quality exports and substantial economic growth. Manufacturing in Victoria supports more than 246,000 jobs and contributes close to \$31 billion to the local economy each year.

What opportunities exist for Victorian Advanced Manufacturing, Infrastructure & Defence companies in the UK?

Defence and Aerospace: Victoria has Australia's highest concentration of advanced defence technology capability, with 36,600 people and 6,300 businesses working in the supply chain to make equipment and provide services for defence activities.

The UK's Ministry of Defence reported a total defence spending GBP£45.9 billion in 2021-22, presenting tremendous opportunities for Victorian exporters to tender for procurement opportunities in the defence supply chain.

Zero and Low Emission Technologies: The Victorian Government is supporting manufacturers to thrive in a zero emissions economy, through the Victorian Industry Fund. Manufacturing businesses are being supported to invest in renewable energy and zero emissions component manufacturing, which will accelerate

The number of Victorians currently employed in zero emissions industries such as wind and solar is expected to increase 500%, to 30,000 people by 2030. Manufacturing businesses are being supported to transition to producing components crucial to zero emissions value chains, targeting technologies such as advanced materials, green steel and heat pumps.

UK Hot spots for Advanced Manufacturing, Infrastructure and Defence: Wales, Northern England and Teesside

In recent years, Wales have become an attractive destination for businesses looking at the manufacturing sector. The region provides competitiveness for business in terms of cost of operation with a skilled workforce and sound infrastructure as well as the prime location allowing travel time between Cardiff and London under 2 hours.

The North of England is leveraging its storied history of heavy industry to pivot into the cutting edge of carbon capture and storage, lithium processing, low-carbon energy production and energy storage.

Practical Considerations for Exporters

Industry	Regulatory Registrations and Approvals	Standards and Technical Barriers	Export Restrictions	Import Permits, Licenses and Certificates	Import Tariffs, Taxes and Charges	Market Access Restrictions
Advanced Manufacturing, Infrastructure & Defence	X	X	X	X	X	X

Product Conformity Markings: Businesses intending to export goods in the UK market must comply with the revised requirements for product conformity, and in most cases demonstrate this via the new **UK Conformity Assessed (UKCA)** marking. UKCA is a conformity mark that denotes compliance with the relevant criteria for goods supplied in Great Britain (England, Wales and Scotland, excludes Northern Ireland). Manufacturers are only permitted to apply the UKCA marking once all applicable UK product supply regulations have been complied with.

Unlocking the opportunity

The FTA will enable Victorian manufacturing businesses to enter the supply chain for major projects in the UK.

Victorian businesses will benefit from the access to market and commitment between the UK and Australia to promote technology transfer and innovation exchanges between governments, business and academia, including through enhanced skilled migration and talent attraction.

AUKUS and Defence Manufacturing: The AUKUS Pact, announced in 2021, consists of two related “Pillars” of cooperation in the security and defence sphere.

Under Pillar 1, the UK and the United States will support Australia in acquiring conventionally-armed, nuclear-powered submarines.

The Defence Strategic Review highlights the need to leverage the workforce, skills and capabilities of firms outside the traditional Defence supply chain to achieve this ambitious goal.

Under Pillar 2, the three countries will cooperate in advanced capabilities, which includes defence-adjacent industries in which “dual-use” technologies (those suitable for both civilian and military applications). Many of the advanced capabilities identified for rapid and priority development under AUKUS are non-traditional defence technologies - for example, undersea technologies, quantum, AI, and cyber - in which Victoria excels. Those fields that are military-specific, such as hypersonic missiles and electronic warfare, will still benefit from the ingenuity and skill-base Victoria commands.

AUKUS will open global defence and defence-adjacent supply chains to Australians, providing exposure to industrial collaboration and new overseas markets. Adopting shared platforms with the UK, such as the Hunter-class frigates, drives collaboration, knowledge-exchange and integration of industries to mutual benefit.

Victorian small businesses are now poised to successfully diversify into Defence, backed up with more investment and support than ever before.



Success story: Ronson Gears, a precision gear manufacturer in Melbourne, supplies into the global aerospace, outer space and defence industries.

They chose the UK as they felt they could offer a competitive advantage over their competitors in the region and they also felt that culturally, the UK was a good fit for their company. Global Victoria have been instrumental in co-ordinating introductions and market intelligence which has supported Ronson's contracts with their UK customer who manufactures cabin crew seating for commercial and defence aircraft.

Exporting to the UK Checklist

✓	Item	Considerations
	In-market regulatory obligations	Victorian businesses must research and understand the UK laws and regulations relating to their goods and services to ensure compliance. It is important to note that the laws can vary between different parts of the UK.
	Assess requirements to establish a local entity	The nature of goods and services and the mechanism selected for export to the UK market may require Victorian businesses to establish a local entity. Establishing an local entity involves selecting a business structure and completing registration with the authority called Companies House. Further, depending on the type of sector and selected region in the UK, businesses may also need to obtain a business licence from a relevant government authority.
	Distribution arrangements and partnerships	The introduction of a product or service in a new market can be a challenging endeavour. Victorian businesses should consider partnering with a local business in the UK to provide distribution and in-market support. An often overlooked benefit of this approach is the immediate supply of market intelligence, which is crucial to success.
	Review grants, funding and other support available	Victorian businesses seeking to export their products and services do not need to go it alone. There are many support services available , including financial grants, market research and assistance with other export considerations. AusTrade, GlobalVic, Export Finance Australia, and the Australian British Chamber of Commerce are all excellent places to start your search.
	Tariffs, taxes and duties	Following the implementation of the A-UKFTA, many Victorian goods will be eligible to enter the UK duty free. However, goods may still be subject to Value Added Tax (VAT), Excise Duty and other fees and charges at the border. The standard VAT rate in the UK is 20% but there are also reduced rates of 5% to 0% for certain goods (e.g. food and medical supplies).
	Inventory management	Holding large buffers of inventory in the UK will allow businesses to meet short term or unexpected fluctuations in demand, but will reduce potential margins. It's important to make realistic assumptions about expected sales volumes.
	Transport and logistics	The UK is a long way from Victoria, so international transport of goods is an essential component of a successful export story. End-to-end transport services are convenient, but come at a price premium, so it may be worthwhile to take greater control of your arrangements. Those businesses already servicing multiple markets may also wish to consider using an offshore consolidation hub to improve access to inventory and benefit from economies of scale.



“Our growth in the UK has come from having a really tight, focused strategy.

Concentrating on building our brand with a small, but highly influential, group of customers before scaling up has delivered dividends.

Being a new, innovative, Australian brand has helped generate interest and, critically, attracted high-quality staff, motivated by joining an organisation making a difference. Responding to growing demand, with such a long supply chain from Melbourne, has been our biggest challenge.”

John Warmbrunn B.Sc M.B.A. G.A.I.C.D.
Group International Manager, Ego Pharmaceuticals

Setting up in the UK: Practical considerations

Australian businesses often develop goods and services that have relevance in international markets, including the UK. This can result in exportation and, in certain circumstances, the expansion of operations into other countries.

This document has thus far focused on the exportation of products and services by Australian companies to the UK. This section outlines important considerations for Australian companies looking to physically expand and establish operations in the UK, either as an initial step in their international expansion, or following successful exportation.



Item	Considerations
Opportunity assessment	It is prudent for companies to first assess their total addressable market and strategise entry into the UK. Consideration should also be given to the expected cost of expansion, including market entry expenses, operational costs, taxes, and potential currency fluctuations.
Operating model	The operating model will define how the overseas teams in the UK will operate and the level of local autonomy. The model will likely evolve over time. Practical considerations that will help define the model include the experience of the overseas teams, the nature of the product or service and level of support required, work culture, time zones etc.
Location	Physical location will influence the success of an overseas expansion. In assessing where to establish a physical presence in the UK, consideration should be given to, for example, location of customers, local talent and suppliers. The relative importance of each factor will depend on the nature of the business.
Local hires	In establishing a local recruitment strategy for the UK, businesses should consider the required number of employees and their relative experience with reference to the opportunity assessment and target operating model. Businesses will need to be conscious of local hiring practices in the UK, remuneration expectations, UK employment law etc.
Ways of working	In addition to local hires, other means of sourcing talent could include supporting remote working, enabling global mobility, encouraging international secondments, etc. There may be personal and/or corporate income tax implications which will need to be considered.
Business culture	To the extent that the business culture established by the Australia organisation is a critical success factor, consideration should be given to how this might be translated effectively overseas. This could be, for example, through initial overseas leadership assignments, international co-working arrangements etc.
Legal entity set up	Companies will ordinarily be able to choose the international legal entity structure e.g., subsidiary or a branch. In making the choice, companies should be conscious of the financial, tax, and other reporting implications.
Intellectual property	Depending on the nature of the business, companies should consider the UK's intellectual property laws to protect trademarks, patents, know-how, etc. and guard against IP infringement.
Support and incentives	There are a number of incentives offered by both the Australian, Victorian and UK governments in support of companies as they expand overseas. Details of the support currently available can be found here .
Ongoing compliance	Business should be conscious that once operational, there will be ongoing compliance obligations for the UK company including, for example, in relation to financial reporting and tax. The costs of compliance should be factored into the expansion plan.

Where to go for support

Australian British Chamber of Commerce

The Australian British Chamber of Commerce is the leading independent organisation in Australia promoting, fostering and furthering trade and investment between Australia and the UK.

E: abcc@britishchamber.com

W: britishchamber.com

Austrade

Austrade promotes Australian trade, investment, tourism and education to the world, delivering services to grow Australia's economic prosperity.

P: 13 28 78

W: export.business.gov.au

Breakthrough Victoria

Breakthrough Victoria supports breakthrough ideas and technologies to help solve globally significant problems, create industries of the future, and deliver prosperity and sustainable returns for Victoria.

E: contact@breakthroughvictoria.com

W: breakthroughvictoria.com

Business Victoria

Business Victoria deliver a number of grants and programs to help your business develop new products or services, improve sustainability and improve existing products and competitiveness.

P: 13 22 15

W: business.vic.gov.au

Global Victoria

Global Victoria is the State Government of Victoria's trade facilitation agency and gateway to global economies, helping your business reach its potential in international markets.

E: info@global.vic.gov.au

W: global.vic.gov.au

Invest Northern Ireland

As the economic development agency for Northern Ireland, Invest NI's role is to grow the local economy. We do this by helping Northern Ireland businesses to compete and export internationally, and by attracting new investment and international companies to set up operations in Northern Ireland.

With a dedicated office in Sydney, the Invest NI team can help Australian business enter the Northern Ireland market and connect you with leading businesses across a number of sectors.

E: Sydney@investni.com

W: investni.com/asia-pacific

LaunchVic

LaunchVic is Victoria's startup agency. Their role is to fuel the growth of Victoria's startup ecosystem by building the confidence and capability of Victorians to create, scale and invest in startups.

E: info@launchvic.org

W: launchvic.org

Scottish Development International

With a network of more than 30 global offices, you'll find a local Scottish Development International contact who can help you do business with Scotland – whether that's supporting your investment in Scotland, or helping you partner with Scottish companies..

T: +44 300 013 2734

W: sdi.co.uk

Trade & Invest Wales

Trade & Invest Wales promote Wales as a base for businesses, and support and facilitate those interested in locating here.

T: +44 (0) 3000 6 03000

W: tradeandinvest.wales

UK Department for Business and Trade

The Department for Business and Trade provides trade and investment services and practical support. We help UK companies succeed in Australia, and Australian companies set up and invest in the UK.

T: +61 (0) 3 9652 1600

W: great.gov.uk

More financial support for Victorian exporters

There are a range of Government grants, funding and programs available to help you reach your goals. Explore the options and find out if you are eligible [here](#).

With the Australia-UK Free Trade Agreement now in force, it's never been a better time for Victorian companies to expand to the UK.

As your partner and advocate in-market, our expert team can provide on-the-ground support and expertise to open doors to contacts to take your business to the next level.

Tim Dillon

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Commissioner to Europe and Israel

E: london@global.vic.gov.au





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Australian British Chamber of Commerce Closing Remarks

We hope that you have found this Export Guide both informative and useful in helping to understand the exciting UK market as a chance to grow your business.

At the Australian British Chamber of Commerce, we see tremendous opportunity for Victorians. The United Kingdom is open for business and its working environment is so compatible with Australia.

We welcome the Australia-UK Free Trade Agreement which will give even greater access for products and services, increasing investment and lifting skills mobility.

The Chamber is working to build even closer ties between our nations with our International Catalysts, which now take high-level delegations between Australia and Britain in energy transition and investment, in infrastructure, health and in defence. These are just a few exciting growth areas.

On behalf of the Chamber, we wish you all the very best for a great future in the United Kingdom!



Ticky Fullerton

Chief Executive Officer
Australian British Chamber of Commerce

Authors and Thanks

This report was produced by the Australian British Chamber of Commerce, the Department for Business and Trade, and Global Victoria.

We would like to thank the organisations and individuals who have so generously shared their experiences and success stories in this guide. We hope their valuable contributions can be of some encouragement on your journey to doing business in the UK.



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