

THE UK-AUSTRALIA FREE TRADE AGREEMENT

New, Exciting Opportunities
For UK Businesses.

A Special Report On Expanding
Your Business Into Australia



THE UK-AUSTRALIA FREE TRADE AGREEMENT

How your business can benefit from new opportunities and open markets to expand and sell products and services in Australia.

CONTENTS

1. The Opportunity ...4
2. Growth And Demand ...5
3. For Smaller Businesses Too ...6
4. How to Make It Work For You ...7
5. Trouble-Free Set-Up From Our Experts ...8
6. Director Set-up And Premises ...9
7. Legal Obligations And Compliance ...10
8. Essentials When Starting Up ...11
9. Staffing and Administration ...12
10. Strategy, Branding And Development ...13
11. Support and Advice ...14
12. Working Together ...15

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THE OPPORTUNITY

In December 2021 the UK and Australia governments signed an historic Free Trade Agreement (FTA) for mutual benefit, allowing trade to take place fluently between their two economies.

This opens up exciting opportunities for companies in both countries to connect with new markets.

The UK-Australia Free Trade Agreement is great news for UK businesses as it offers the opportunity to expand into, and benefit from, Australian markets without the usual trade restrictions. The UK Foreign Office anticipates that the Agreement will increase the UK's trade with Australia by 53%,¹ while the Australian government describes the FTA as 'a gold standard trade agreement that represents a once in a generation deal for Australia and an historic moment in our relationship with the UK'.²

GROWTH AND DEMAND

Australian demand for imports is expected to grow by 30% in the coming decade,³ so the opportunities for UK businesses are potentially very large. In addition, trading with Australia – or, better still, in Australia – also opens up a springboard to connect with the economies of the western part of what is sometimes called the Pacific Rim, especially New Zealand and the ten other members of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), which the UK has now also joined (March 31, 2023).⁴

The British Council, which promotes Britain's international relationships, has this to say about British and Australian relations:

Thanks to their shared culture, language and values, the UK and Australia are old friends who already enjoy one of the strongest bilateral partnerships and people-to-people relations.

This is evident in the British Council's polling of young people's perceptions of G20 nations – Australians and Brits consistently show the highest levels of trust in and attraction to each other's countries and people.

British Council website⁵

¹ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1130084/uk-australia-free-trade-agreement-fta-benefits-for-the-uk.pdf

² <https://www.dfat.gov.au/trade/agreements/not-yet-in-force/aukfta>

³ See note 1.

⁴ <https://www.weforum.org/agenda/2023/04/cptpp-trade-tariff-brexit-uk/>

⁵ <https://www.britishcouncil.org/research-policy-insight/insight-articles/uk-australia-friendship-opportunities>



FOR SMALLER BUSINESSES TOO

The principal benefits of the UK–Australia Agreement include tariff-free exports, accelerated Customs arrangements (with products passing through Customs in under 48 hours, and under 6 hours for perishable goods),⁶ and flexible rules of origin, meaning that exports can include component products or ingredients that did not originate in the UK.⁷

The UK government is keen for these opportunities to be taken up not just by large corporations but also by small and medium enterprises (SMEs), because of the great economic benefit it can bring them.

All in all, the new FTA presents opportunities that any SME looking to expand into international markets clearly ought to take advantage of.



⁶ See note 1.

⁷ See note 1.

HOW TO MAKE IT WORK FOR YOU

The UK Foreign Office's briefing and guidance document rightly states the benefits of the new agreement. However when it comes to the details of how to take advantage of these opportunities, the briefing is actually quite thin on detail, and much of it is largely aimed at large enterprises and corporations.

While it is a not-to-be-missed opportunity to set up and start running a branch of your business in Australia, in practice it could be difficult to manage, time-consuming and potentially overwhelming for a small, busy organisation with limited staff resources and no in-house legal advisers or development team.

There are many essential legal and operational details to consider, and negotiating all this without insider knowledge is a potentially treacherous business – miss out one important step, and your startup plans could be back to the drawing board, or severely delayed.

This is where Frontier can help.



TROUBLE-FREE SET UP FROM OUR EXPERTS

Frontier is a specialist company with the expertise and insider knowledge to get you trading in Australia quickly and painlessly, without any of the legal and logistical headaches you might encounter when trying to do this on your own.

Frontier is headed up by veteran business leaders with many years of entrepreneurial experience launching, operating and advising businesses in both Australia and the UK. Frontier's directors are well versed in the highways and byways of structuring and running businesses.

Frontier's wealth of expertise is on hand to support and help you to set up in Australia, and likewise to Australian businesses setting up in the UK. This reciprocal aspect of our service means you can be sure we'll understand what is required from every angle, and that no detail required by the Australian Department of Foreign Affairs and Trade or by the Australian Securities and Investments Commission (ASIC) is likely to be overlooked.

With our in-house and associate experts and advisers on hand, you will be able to navigate the procedural maze without mishaps, leading to a streamlined and trouble-free set up. The sooner this is complete, the sooner you will be able to take advantage of the new and exciting opportunities that await you in the Australian markets.

Allowing Frontier to take on much of this burden will avoid your staff and resources being diverted from their usual functions, thus enabling normal operations to continue unimpeded during the setup period.

The sections below describe the various aspects of the service that Frontier offers, all at a reasonable and competitive cost.



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DIRECTOR ESSENTIALS AND PREMISES

A company requires directors, but the requirements for registration with the Australian Securities and Investments Commission (ASIC) are a little different from in the UK. For example, every company director must have an authorised director identification number. You may find it necessary or desirable to appoint a resident director (or directors), in which case they will also need to obtain a visa (unless they are Australian nationals), and they will also require a personal address.



These are all matters that Frontier can arrange for you so that your leadership team can be put in place as quickly as possible.

Premises

Similarly, you will require a registered office for your Australian business, and this is something that Frontier will arrange. We can source a secure registered office for you; depending on your requirements, this might mean the acquisition of physical business premises.

Alternatively, we can arrange to set up secure virtual premises for access online and by telephone/email.

LEGAL OBLIGATIONS AND COMPLIANCE

The essential constitutional and legal details around setting up a business (Articles of Association, registration with the Australian equivalent of Companies House and so on) can be time consuming and seem quite daunting if you do not have an in-house legal team. Time spent trying to navigate the requirements and fill in the correct forms is time taken away from your usual business activities. Appointing an expert service with expertise in these details will take the pressure off – a decision you are unlikely to regret.

Frontier, with its dual Australian and UK business expertise, can ensure your Australian branch is correctly registered and meets all the requirements of ASIC and of the UK Companies House, the UK Foreign and Commonwealth Office, the Australian Government Department of Foreign Affairs and Trade, the UK Department for International Trade, and the Australian Government Department of Home Affairs in relation to visas and immigration (if applicable).

This service includes:

- ▶ Registration of your company and branch formation with the correct authorities.
- ▶ Procurement of an Australian business number (ABN).
- ▶ Registration to comply and optimise the benefits of the Free Trade Agreement for importing and/or exporting goods or services.
- ▶ Tax registration and procurement of an Australian tax file number (TFN) and unique tax reference (UTR).
- ▶ Facilitating the appointment and registration of a named director or directors.
- ▶ Advice on, and support in obtaining, any necessary licences and approvals for your products.
- ▶ Advice on how to comply with, and act upon, any legal requirements in relation to your area of business.
- ▶ Compliance with all ASIC and Companies House requirements.

ESSENTIALS WHEN STARTING UP

Once your company or branch is legally registered, that is just the start. There is still much to be done before your business becomes operational in its new trading location. You will need to complete all the setup formalities and get a range of systems and procedures in place, as well as an online presence, before you can start operating in Australia.

Frontier will guide and support you with the following:

- ▶ Obtaining website domain names and ensuring this is properly registered.
- ▶ Setting up operational websites with comprehensive functionality.
- ▶ Setting up an Australian bank account or accounts.
- ▶ Registration for the goods and services tax (GST) which is the Australian equivalent of VAT.
- ▶ Appointment of accountancy and tax advisers.
- ▶ Obtaining all necessary insurances.



STAFFING AND ADMINISTRATION

A business's reputation is built on its staff, and you will need to ensure that your Australian branch is as efficiently resourced as your operation in the UK. Frontier can resource highly professional teams and organisations to assist in the delivery of your promised services and results. As discussed above, we can support you in the appointment of resident executive and non-executive directors and other resident officers.

In addition, we can set up working relationships with suitable professionals, either in Australia or virtually, who will provide:

- ▶ Administrative and secretarial services.
- ▶ Bookkeeping and tax services
- ▶ Legal advice.
- ▶ Advice on recruitment, employment/human resources and payroll.
- ▶ Operational services tailored to the nature of your business.
- ▶ Sales and trade representation.
- ▶ Payment and transaction gateways.
- ▶ Relocation support, including applying for work visas and finding accommodation, for UK staff transferring to Australia.
- ▶ Travel, transportation and logistics services.
- ▶ Obtaining trade and professional memberships that are relevant to trading in Australia.



When moving into this new market you will require a strategy to adapt your business to a different trading environment and ensure success during those crucial first few months. We can offer support in launching your Australian enterprise, and adapting it to the local market.

Despite the UK and Australia both being anglophone countries, there are certain cultural differences and, potentially, linguistic pitfalls that can only be confidently avoided through access to someone with knowledge on the ground. Perhaps, for example, your British business name is based on a pun in British slang that does not come across well in Australian culture. Our local cultural knowledge will enable us to ensure your Australia-centred branding and marketing is fully thought-through and fit for purpose. This includes properly adapted PR and advertising.

If it is appropriate for you, we can also offer a 'matchmaking' service to help you find trading partners, distributors, licensees, joint venturers or agents with whom you can work to achieve your goals when trading in Australia.



SUPPORT AND ADVICE

Once you are set up and operational we won't leave you high and dry. Frontier offers a wealth of ongoing support and advisory services, to ensure your transition to trading in Australia is a seamless and stress-free process in which you are able to tackle challenges as they arise:

- ▶ Ongoing support and advice package.
- ▶ Concierge and Platinum Support.

Consultancy and advice on:

- ▶ E-commerce.
- ▶ Exports, approvals and oversight.
- ▶ Franchising and licensing - including compliance.
- ▶ Governance.
- ▶ Finance.

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WORKING TOGETHER

Starting up in Australia offers huge opportunities for your business, but there is a lot to consider - and a long to-do list.

Frontier is here to take that journey with you and make things quicker and easier, avoiding problems and delays in setting up your Australian enterprise.

We look forward to a fruitful partnership, so do get in touch and tell us more about your business.

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