



FEDERAL
CHAMBER OF
AUTOMOTIVE
INDUSTRIES



AUSTRALIAN
AUTOMOTIVE
DEALER
ASSOCIATION



Memorandum of Understanding between the AADA, MTAA and the FCAI

The AADA, MTAA, and the FCAI will:

1. Adopt the limited mandatory arbitration proposal (which is attached).
2. Promote the establishment of a pathway for Dealer Representative Bodies and OEMs to discuss and seek to settle other disputes under the Franchising Code of Conduct.
3. Encourage members to adopt standards for fair and reasonable relations between OEMs and Dealers including:
 - having dealer agreements with a term that provides the dealer with a reasonable opportunity to make a return on the investment required by the OEM during the term.
 - OEMs and Dealers providing each other with as much notice and transparency as possible on their future Australian representation plans.
 - Dealer Representative Bodies being recognised and not discouraged by OEMs.
4. AADA, MTAA, and the FCAI work together and endeavour to develop joint policy positions on various issues
5. AADA, MTAA, and the FCAI facilitate a co-operative approach by
 - Having quarterly meetings of secretariats
 - Establishing membership working groups to consider policies on matters of joint interest such as warranty issues, data management and control and franchising/representation.
 - Committing to regular meetings of Boards/Membership (annual meeting or a joint industry lunch/dinner).
6. Review this MoU every 2 years (the first review to coincide with the review of the Automotive Schedule of the Franchising Code)