

Guide to the Charities Auction Process

For **smartnumbers**®

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INTRODUCTION

The purpose of this guide is to provide a broad outline of the allocation system for **smartnumbers**®—freephone (1800) or local rate (13 and 1300) numbers – allocated by auction in accordance with the relevant Act, determinations and guidelines. In particular, the guide provides information for potential applicants under ACMA’s preferential access arrangements for eligible charities.

The requirements for the preferential access arrangements for eligible charities are specified in the *Telecommunications (Freephone and Local Rate Numbers – Charities) Allocation Determination 2007 (No. 1)* (the Charities Determination). There are separate arrangements for the allocation of **smartnumbers**® via the public auction and are governed by the *Telecommunications (Freephone and Local Rate Numbers) Allocation Determination 2007 (No. 1)* (the General Determination). The *Telecommunications Numbering Plan 1997* (the Numbering Plan) also has requirements relevant to the allocation and use of **smartnumbers**®. These documents are available on the **smartnumbers**® website at www.smartnumbers.com.au

The arrangements set out in this guide comprise:

- options for obtaining freephone and local rate numbers;
- pre-auction process;
- auction procedure;
- post-auction process; and
- rules affecting **smartnumbers**®.

A User Guide detailing separate arrangements for conduct of the public auction process may be found on the **smartnumber**® website.

What are **smartnumbers**®?

Smartnumbers® are freephone and local rate numbers allocated by auction in accordance with the relevant Act, determinations and guidelines.

Freephone numbers are 10-digit numbers beginning with 1800. Calls made to freephone numbers are free to callers using fixed phones and all associated call charges are borne by the receiver of the call. Freephone numbers are generally used by organisations wishing to encourage callers by ensuring that there is no cost to the caller (where calls are made from fixed phones).

Local rate numbers are 10-digit numbers beginning with 1300, or six-digit numbers beginning with 13. The charges for calls made to local rate numbers are shared between the person who makes the call (who may be required to pay a charge up to the maximum charge applicable for a local call) and the person who receives the call (who pays any remaining charge). Charges for calls to local rate numbers may be higher from mobile phones.

How do charities use **smartnumbers**®?

Smartnumbers® provide advantages to charities, including:

- a memorable contact phone number,
- encouraging calls through reduced call costs for users; and
- automatic routing of inbound call traffic, providing a smart solution for national businesses to direct calls by region.

A **smartnumber**® can be a valuable marketing tool if it translates to a phoneword for example, 13 2287 (CATS). These numbers are easier for callers to remember particularly if they can be linked to the organisation's name or functions.

Smartnumbers®, like all freephone and local rate numbers, may be used by organisations wishing to automatically route inbound call traffic. The service associated with these numbers allows an organisation to nominate where calls are answered, based on the call origin. This means that national businesses or companies with state or regional offices need only acquire and advertise one number for the entire organisation and may have calls routed automatically to the office that is most convenient for the organisation, to meet the needs of the caller. In this way, callers to a national entity can avoid the expense of long distance calls whilst enjoying the convenience of using a single number throughout Australia.

Qualification for the preferential charity arrangements will generally preclude charities from applying for patterned numbers for example, 13 1234 unless the charity can show a strategic connection to the number. Information about the qualification requirements are set out on page 8 of this guide.

OPTIONS FOR OBTAINING SMARTNUMBERS®

Whether a charity participates in a **smartnumber**® auction will depend on its freephone or local rate number requirements, including:

- whether it requires a specific **smartnumber**®;
- whether it is an 'eligible charity';
- whether the **smartnumber**® has already been nominated under the **smartnumbers**® public auction process; and
- whether it requires more than one **smartnumber**® in a range.

Administrative allocation

If a charity needs a freephone and local rate number but does not want a specific **smartnumber**®, it can obtain a number using the administrative allocation procedure by contacting a Carrier Service Provider (CSP). There are no restrictions on the number of freephone and local rate numbers obtained using the administrative allocation procedure.

Under this procedure, numbers are allocated on a first-come first-served basis. CSP's will offer customers a limited choice of numbers from which to select. These numbers are drawn from a limited pool of numbers, set aside for administrative allocation, which will not contain any patterned numbers.

Each CSP will determine what charges to set for this allocation but they would normally include an administrative fee for the number to be issued and any service charges that may apply in relation to provision of service on the number.

For more information about the administrative allocation procedure, visit the **smartnumbers®** website at www.smartnumbers.com.au or contact your CSP.

Charities auction

If a charity is an ‘eligible charity’ (income tax exempt) and requires a specific **smartnumber®** it can apply for the number and nominate it for auction using the charities auction process. Where more than one eligible charity nominates the **smartnumber®** within a specified timeframe, a single, sealed bid auction will be scheduled.

The charities auction process is only available if the **smartnumber®** concerned is strategic for the charity and has not already been nominated for auction by an organisation in the public auction process.

A flow-chart diagram showing individual steps is provided at Appendix A to this guide.

Public auction process

If a charity does not qualify for participation in the charities auction process either due to:

- the charity not being an ‘eligible charity’; or
- the number it wishes to obtain is not strategic to it;

it can seek to obtain the number(s) using the public auctions process. The public auction is an online, auction for specifically requested **smartnumbers®**. Please note that, as the public auction process is open to anyone, a charity may be competing with commercial interests for the **smartnumber®** it wishes to obtain.

Further information on the public auction process can be obtained from the **smartnumbers®** website and by reading the Guide to the Public Auction process document on the website.

How is the charities auction process preferential?

Preferential access comprises of:

- no registration fee required for eligible charities to register to obtain a **smartnumber®**;
- a minimal reserve price for a **smartnumber®** set at \$100 whereas for the public auction process, the minimum reserve price is \$500. If only one eligible charity nominates a number within the specified notification period, no auction will be scheduled and the charity will obtain the rights of use in relation to that number by paying the reserve price of \$100; and
- sealed bid auctions to resolve competing charity interest in a **smartnumbers®** are open to any eligible charity with a valid application and participation notice for the number (each charity will lodge a single, sealed bid and the charity with the highest bid will be successful).

Qualifications for entry into the charities auction process

Only an ‘eligible charity’ that can demonstrate a strategic connection to a particular **smartnumber**® it requires is qualified to participate in the charities auction process. How a charity meets these qualifications is detailed in the following sections.

If an eligible charity is first to nominate a **smartnumber**® for auction, the number will be auctioned under the separate charities-only auction process. However, if a **smartnumber**® is first nominated by an organisation that is not an eligible charity, the auction will be conducted according to the public auction process and the charity will be required to compete under the public auction conditions.

What is an eligible charity?

Under section 1.4 of the Charities Determination, an eligible charity is defined as a charity that is an endorsed income tax exempt charity (ITEC) under section 50-B of the *Income Tax Assessment Act 1997*. A charity must be income tax exempt at the time it registers, applies, bids for and wins a **smartnumber**®.

A charity must be endorsed by the Tax Commissioner if it wishes to gain or maintain income tax exempt status. This is different from gift deductible status. For more information on how to obtain income tax exempt status, refer to the Australian Tax Office’s publication *Income tax guide for non-profit organisations* available on the ATO’s website at www.ato.gov.au

How does a charity determine when a **smartnumber**® is strategic?

In addition to being an eligible charity, a charity must specify in its allocation application for a particular **smartnumber**® that the number is ‘strategic’ to it.

Section 1.5 of the Charities Determination provides that a **smartnumber**® is strategic to an eligible charity if it forms a word that:

- matches a word that is part of the name of the eligible charity; or
- matches a word within a registered trade mark or business name of the eligible charity or; e.g.: Where the link is based on a registered business name or trademark, at the time of applying for the number, the name or trademark must have been held for at least 12 months, or being used or traded under at the time of application
- is a single acronym that comprises the initial letters of words within the name of the eligible charity or words within a registered trade mark or business name of the eligible charity; or
- reflects the objects of the eligible charity as described in its constituting documents; or
- matches a word within a common usage version of the eligible charity’s name.

For example, the Cat Protection Society could demonstrate that the number 13 2287 (CATS) is strategic to its organisation because the number spells a word that is part of the name of the charity.

Whether a number is strategic is self-assessed by a charity. In order to complete an allocation application for a particular **smartnumber**® a charity must declare that the number is strategic to its organisation by selecting the criterion in the definition above that best describes its relationship to the number.

If an eligible charity is unable to establish a strategic connection to a number, it cannot apply for the number under the charities auctions process. Instead, the charity may nominate the number under the public auctions process or alternatively, may seek another number using the administrative allocation procedure. Information about these options is on page 6 of this guide, and is also available on the **smartnumber**® website at www.smartnumbers.com.au

CHARITIES AUCTION PROCESS – PRE-AUCTION PROCESS

The pre-auction process has three steps (all completed on-line), registration, an allocation application (applying for a number) and a participation notice/nomination form.

Registration

To participate in the charities auction process, a charity must first register on the **smartnumbers**® website selecting the charity option. There is no registration fee for eligible charities.

To verify that they are an ‘eligible charity’, a copy of the Income Tax Exempt Charity certificate (ITEC) must be provided to ACMA with the name on the certificate matching the registration name on the **smartnumbers**® website. This certificate is issued by the Australian Tax Office (ATO) on approval of the charities status.

The charity will be issued with a username during the registration process for example; **smart-xxxxxx-1111**.

A password will be emailed using an email prefix address “auto_mailer” to the charities security email address on approval of the eligible charity.

On receipt of the password the charity can then proceed to apply for and nominate a number for auction.

Eligible charity declaration

In order to register, a charity must declare in the registration form that it is an ‘eligible charity’, meeting the requirements as defined under section 1.4 of the Charities Determination for income tax exempt charities. An eligible charity will make this declaration by selecting the ‘Yes’ option on the online registration form.

If a charity does not make this declaration it will not be registered as an eligible charity under the preferential charity arrangements.

Submitting a registration form

Before submitting a registration form the eligible charity must agree to terms and conditions relating to the use of the **smartnumbers**® website, auction rules, and, indemnities and liabilities. Agreement to these terms and conditions is a prerequisite for registration. If the eligible charity does not agree to the terms and conditions it will not be registered.

Refusal of registration

If ACMA receive a registration for a charity and assesses that the charity is not an 'eligible charity' as defined in the Determination, ACMA staff will advise the charity, in writing via e-mail of the reason for not proceeding with the registration process as a charity registration.

Suspension or revocation of registration

ACMA has the power under subsection 3.4(1) of the Determination to suspend a person's registration if he or she fails to pay the winning bid amount (eligible amount) within the prescribed 30 days of the auctions completion. Following this ACMA may at its discretion grant an additional 30 days to pay. The winning bid amount is a debt due to the Commonwealth and ACMA may commence with proceedings to recover the debt if it is not paid in full within the set period.

ACMA also has the power under subsection 3.4(2) of the Determination to revoke a person's registration if he or she has made a false statement to ACMA in its application for registration, allocation application or participation notice (nomination).

If ACMA has suspended or revoked a person's registration, subsection 3.4(5) of the Determination require ACMA to advise the charity of the reason for the suspension or revocation.

Allocation application

Following registration, the next step in obtaining a **smartnumber**® is to submit an allocation application (apply on-line) with a registered carriage service provider. Joint application with a registered carriage service provider is required because the *Telecommunications Act 1997* stipulates that a number must be allocated to a carriage service provider before it can be issued to a customer.

However, it is important to note that selecting your preferred carriage service provider for an allocation application *does not* involve entering into a contract with that carriage service provider and may be changed at a later time should you become the successful bidder at an auction, or if no other charity submits a participation notice (nomination) during the 10 day notification period.

Although the number will be allocated to the carriage service provider selected on the successful bidder's application, the successful bidder will be able to arrange service on the number with other carriage service providers. An agreement for service delivery may be agreed to either before or after the auction process.

Registered carriage service providers

Before submitting an allocation application, participants will need to select a carriage service provider. Registered carriage service providers are registered under the Numbering Plan and are subscribers to the scheme established by Industry Number Management Services Ltd (INMS). INMS is ACMA's delegate for the allocation of **smartnumbers**®.

For general information about carriage service providers, potential applicants may also wish to visit the Communications Alliance website at www.commsalliance.com.au

Completing an allocation application

Once you have logged in to the **smartnumbers**® website with your username and password, select the apply link on the **smartnumbers**® toolbar to make an Application Allocation.

To complete the application process the eligible charity must:

- specify the preferred carriage service provider by selecting from the list of registered carriage service providers; and
- declare that the **smartnumber**® or **smartnumber**® contained in the allocation application are strategic for the charity by specifying the criterion that best describes its relationship to each number (see section 1.5 of the Charities Determination).

An allocation application may cover more than one **smartnumber**® but cannot specify a range of **smartnumbers**®. An allocation application does not represent a commitment to bid at auction or proceed to a subsequent step in the auction process. It merely entitles the applicant to nominate a **smartnumber**® for auction or bid on a **smartnumber**® at auction.

Submitting an allocation application

When an allocation application is complete, the eligible charity must submit the form electronically for endorsement by its preferred carriage service provider. If the carriage service provider endorses the allocation application which occurs automatically, the eligible charity will receive a receipt confirming that the charity has a valid application, the date of the application, application ID and the **smartnumber**® contained in the application.

An allocation application may be submitted any time following registration. However, where an allocation application is submitted during the bidding period on a public auction day, there is no guarantee that there will be sufficient time to process the application to enable the charity to participate in the auction on that day.

Period of a valid allocation application

An allocation application remains valid for 12 months from the date of receipt unless withdrawn prior to this period. A valid application is only a “registration of interest” in a number.

Withdrawing or changing an allocation application

A carriage service provider who is the joint applicant may withdraw an allocation application at any time before the applicant, or any other person with a valid allocation application, gives a participation notice (nomination) for a **smartnumber**®. A registered person may also request that the carriage service provider withdraw the joint allocation application for the **smartnumber**®. In this instance, the carriage service provider must withdraw the allocation application within 10 working days of being asked to do so.

Once an allocation application is withdrawn, it ceases to be a valid and if the registered charity still wants to participate in an auction for the **smartnumber**®, he or she must apply again with a registered carriage service provider.

If a registered person wishes to change the name in which an allocation application has been made or the **smartnumber**® for which they have made an allocation application, then a new allocation application must be submitted.

ACMA refusal of an allocation application

Subsection 2.3(5) of the Charities Determination provides that an application for a **smartnumber**® may be refused by ACMA if:

- the charity is no longer an eligible charity; or
- a **smartnumber**® contained in the application is not strategic for the eligible charity; or
- the eligible charity or the carriage service provider has not complied with or agreed to the terms or conditions notified under section 5.2 of the Charities Determination.

It is ACMA policy that, if an allocation application is refused, ACMA staff will advise the charity (in writing) of the fact that the application has been refused and the reasons for refusal.

Nominating a **smartnumber**® for auction

Once an eligible charity has a valid allocation application, it can nominate a **smartnumber**® by lodging a participation notice (submitting a “nomination” on-line) to ACMA for the **smartnumber**®. A separate participation notice (nomination) is required for each **smartnumber**® that is to be nominated for auction. There is no limit on the number of participation notices (nomination) that may be submitted.

First participation notice

The first participation notice (nomination) in relation to a **smartnumber**® constitutes a bid at the reserve price and may not be withdrawn. If no other participation notice (nomination) is submitted within the notification period [10 working days (Victorian time) after the first notice is given], the charity that submitted the participation notice (nomination) will be deemed the successful bidder for the **smartnumber**® and is able to obtain the rights of use for the **smartnumber**® after paying the reserve price.

After the charity lodges the first participation notice (nomination), ACMA notifies this event on the **smartnumber**® website. The information displayed includes the **smartnumber**® nominated, the submission date of the nomination and the date when the notification period ends. This information provides other interested eligible charities with a strategic link to that number with an opportunity to lodge a second participation notice (nomination) for the **smartnumber**®. The lodgment of this second nomination during the notification period will trigger a sealed bid auction.

Second participation notice

If a second participation notice (nomination) is given by another eligible charity within the notification period, a sealed bid auction will be scheduled by ACMA. ACMA may notify on the **smartnumber**® website the names of eligible charities that have lodged further participation notices (nominations). If a sealed bid auction is scheduled, an eligible charity with a valid allocation application for the **smartnumber**® can bid for the **smartnumber**® at auction without lodging a participation notice (nomination).

AUCTION PROCEDURE

Sealed bid auctions

A sealed bid auction will only be scheduled if there is competing interest in the **smartnumber**® from at least two eligible charities.

In a single, sealed bid auction bidders submit one bid. As the bids are sealed, bidders will have no information about the amount of their competitors' bids. When all sealed bids are opened by ACMA at the close of the auction, the person with the highest bid is the successful bidder for the **smartnumber**®.

A sealed bid auction for a particular **smartnumber**® will be scheduled by ACMA no earlier than 15 working days after the first participation notice (nomination) for that number is given. The date of the sealed bid auction will be notified on the **smartnumber**® website at least 10 working days before the auction day.

When a sealed bid auction is scheduled, all eligible charities with a valid allocation application in relation to a number scheduled for auction will be advised by email that an auction day has been set and the date of the auction. The email will also specify auction login details that must be used by the charity when lodging a sealed bid on the auction day.

Bidding in a sealed bid auction

Once a sealed bid auction for a particular **smartnumber®** has begun, any eligible charity that has a valid allocation application for the number may lodge a single, sealed bid with ACMA, irrespective of whether it has lodged a participation notice (nomination) for the number.

All bids must be lodged electronically. Sealed bids may only be lodged during the bidding period, which is from 11am to 4pm (Victorian time) on the auction day. Once lodged, bids cannot be withdrawn.

The eligible charity that lodged the first participation notice (nomination) for the number will also have the opportunity to lodge a sealed bid on the auction day—it may choose to do this if it wishes to replace its existing \$100 reserve price bid with a higher bid.

Opening sealed bids and the determining the successful bidder

Bids will remain sealed until the auction closes. All sealed bids will then be opened by ACMA and the successful bidder will be notified on the **smartnumber®** website. If there are two or more equal highest bids, the eligible charity whose bid was first lodged, during the bidding period, will be the successful bidder.

The successful bidder is notified by email that they are the successful bidder and will receive an invoice from ACMA requiring payment of the winning bid amount (eligible amount) within 30 days of the close of the auction.

Suspension or cancellation of an auction

ACMA may suspend or cancel an auction in the following limited circumstances:

- if ACMA has excluded or suspended a person from participating in an auction (where the person has lodged a participation notice (nomination) or is bidding in an auction);
- if ACMA revokes a person's registration as an eligible charity;
- if there is a technical failure in the auction website system;
- because of an event beyond ACMA's control;
- to give ACMA time to investigate an irregularity in the auction; or
- if ACMA is satisfied that in the circumstances, it is appropriate to do so.

More generally, where an auction has been suspended, ACMA may:

- resume the auction from the last valid bid; or
- cancel the auction.

If the auction is suspended due to the exclusion or suspension of a person, the auction may resume at the point immediately prior to that person's first bid. If the auction is suspended due to a technical failure, the auction may resume from the last valid bid recorded in the auction system once the technical failure is fixed.

All participants will be given at least **one full working day's** notice of the date and time when the auction is to resume.

If ACMA resumes the auction from the last valid bid, and no further bids are made, the person who made the last valid bid recorded in the auction system prior to the suspension will have the option to either confirm their bid or apply to ACMA for a cancellation of the auction. In these circumstances, ACMA may, after considering all the circumstances, cancel the auction.

POST-AUCTION PROCESSES

Payment of the eligible amount

The eligible amount is the winning bid amount in a sealed bid auction or the price notified on the first nomination notice (usually the reserve price) where there is no sealed bid auction.

The reserve price for a particular **smartnumber**® is the price published on the **smartnumber**® website at the time of lodging the first participation notice (nomination) for the number. Under the charities auction process, the reserve price has initially been set at \$100 to recover anticipated administrative costs associated with allocations for charities.

The successful bidder for a **smartnumber**® must pay ACMA the eligible amount within 30 days of the close of the auction or the end of the notification period. Following this ACMA may at its discretion grant an additional 30 days to pay. There is no GST liability for payment of the eligible amount.

Payment methods

Payment of the eligible amount must be in Australian dollars and by one of the payment methods notified on the **smartnumbers**® website, which include:

- BPay, credit card, and cheque

Credit Card facilities are not available for amounts greater than \$10,000. If paying by cheque ensure the payment slip is attached to cheque.

Entitlements after payment

Rights of use holder

Once the eligible amount is paid to ACMA in full, the eligible charity that is the successful bidder becomes the rights of use holder and acquires the rights of use to the **smartnumber**®. The successful bidder may then contact a carriage service provider and request the number be activated subject to the carriage service provider's terms and conditions.

A charity will remain the rights of use holder even if it subsequently loses its income-tax exempt status or can no longer demonstrate a strategic relationship with the number.

Services Charges

A carriage service provider may set charges for installation, connection, rental, calls and other costs associated with providing service on a **smartnumber**®.

It should be noted that carriage service providers are required to pay an annual numbering charge on 13, 1300 and 1800 numbers. Each year, the precise amount is calculated according to the length of the number and how many numbers of particular types are allocated to carriage service providers. The approximate charge for a **13 number** is **\$10,000** per annum and for a **1300 or 1800 number** is **\$1.00** per annum.

This charge is usually incorporated into the service charge for the customer. Further information on the charges that may apply in relation to supply of a service associated with a **smartnumber**® can be obtained from registered carriage service providers.

Rights of use Register

On receipt of payment for the eligible amount the winning bidder will be able to generate the rights of use personal identification number (ROUpin). The ROUpin allows access to the associated **smartnumbers**® registration details where you are able to update name and contact details of the rights of use holder. The ROUpin should be kept in a safe place. It is not required to connect the **smartnumber** with a CSP.

The rights of use register is the public record of all rights of use holders for **smartnumbers**®. Responsibility for ensuring that the register is up-to-date rests with the current rights of use holder for the **smartnumber**® who must update the register using the form available on the website. This is important when a **smartnumbers**® is traded, as evidence of the new rights of use holder's rights to the **smartnumbers**®.

Allocation and issue of **smartnumbers**®

When payment has been received by ACMA the winning bidder will be eligible to arrange for the allocation of their **smartnumber**® to their preferred carrier. This does not occur automatically and requires action by the ROU Holder.

Defaulting on payment of eligible amount

If payment of the eligible amount is not received by ACMA within 30 days of the close of the auction for which the **smartnumber**® was won, ACMA at its discretion may grant an additional 30 days to pay.

At the conclusion of 60 days if payment has not been made by the successful bidder they will not be entitled to the rights of use for the number and will be taken to be in default of its financial obligations to ACMA.

The eligible amount becomes a debt due to the Commonwealth and ACMA may commence debt recovery. At this time the **smartnumber**® will be made available for re-allocation into the auction pool. ACMA may also suspend a charities registration or exclude the person from future auctions should the payment remain in default.

If payment is received after 60 days the client may re-nominate the **smartnumber**®. Should the client be the successful bidder the rights of use will be assigned to them. If the client is not the successful bidder, the late payment for the **smartnumber**® will be refunded to the unsuccessful bidder and the rights of use will be assigned to the successful bidder.

Rights of use for **smartnumbers**®

The rights of use for **smartnumbers**® acquired under the auction process are conferred on the successful bidder when the eligible amount for a **smartnumber**® is paid in full to ACMA. After payment, the successful bidder will be known as the rights of use holder, and will be able to generate the rights of use personal identification number (ROUpin) from their **smartnumbers**® home page.

Rights of use are effectively the legal rights to use the **smartnumber**®. Subject to rules relating to the use of numbers and some limited powers that rest with ACMA to cancel the rights of use, a person who holds the rights is entitled to use or trade the **smartnumber**® as they wish.

Rights of use enable the rights of use holder to:

- Ask a carriage service provider to provide a service on a **smartnumber**®;
- Trade the rights of use;
- Ask a carriage service provider to surrender a **smartnumber**® it has been allocated;
- Forfeit all rights in relation to the **smartnumber**®;
- Retain rights of use while no active service is in place for the **smartnumber**® for a continuous period of up to three years;

- Ask any carriage service provider to retrieve a surrendered **smartnumber**® ; and
- Disconnect an active service on the **smartnumber**® at any time.

Trading rights of use for smartnumbers®

Rights of use in relation to **smartnumbers**® may be sold, licensed or leased in full (the rights of use holder is not entitled to trade only *some* of the rights of use.)

Charity trading restrictions

In the case of charities, there are restrictions on trading the rights of use for a **smartnumber**®. A charity can only trade or license the rights of use for a **smartnumber**®, acquired under the charities auction process, to another eligible charity that can also demonstrate a strategic link to the number.

How to trade rights of use

To trade rights of use to a particular **smartnumber**® an eligible charity must complete the ACMA form made available on the **smartnumbers**® website, which requires information specifying:

- the particular **smartnumber**® to be traded
- the recipient eligible charity ; and
- declarations by the new rights of use holder that it is an eligible charity with a strategic connection to the **smartnumber**®.

The form must be completed by the parties and lodged with ACMA prior to the trade. Once ACMA has confirmed the eligibility of the receiving charity, the trade can proceed and the “Trade of rights of use of **smartnumbers**® - charities only” form should be completed by both parties and retained as evidence of the trade.

New rights of use holder to update the Register

An eligible charity that obtains a **smartnumber**® as a result of a trade must ensure that the rights of use Register is updated with its own name and contact details. The eligible charity may then choose whether or not they want to publicly show their contact details when updating the details in the Register.

An assignee will obtain a valid rights of use PIN via e-mail once the rights of use holder details are updated in the Register so that they can gain access to the **smartnumbers**® rights of use Register. The old rights of use PIN will be made invalid after the holder details have been updated.

Active service requirement

The rights of use holder for a **smartnumber**® has a period of up to three years to retain the rights of use to a **smartnumber**® with no active service in place from the date of auction in which they were the successful bidder, payment was made and rights of use were assigned.

If a service is not activated on a **smartnumber**® in the three year period, the rights of use to the **smartnumber**® will be cancelled by ACMA and the **smartnumber**® will be made available for allocation by auction as soon as it is practicable.

If a **smartnumber**® is subject to a trade between charities and, at the time of the trade, the number is not in active service, the recipient charity should be aware of how long the number has been without service and, consequently, how long they have to activate service on the number before the rights of use will be cancelled. For example, if the **smartnumber**® you are acquiring the rights to use has not been in active service for two years at the time of transfer, you have one year to activate a service on the **smartnumber**® before the rights of use will be cancelled by ACMA.

After two years and also just prior to three years of no active service on a **smartnumber**®, ACMA staff will make best endeavours to advise the rights of use holder in writing of the approaching expiry date. To do this, ACMA will rely on the contact details contained in the rights of use Register on the **smartnumbers**® website.

Once a service is activated on a **smartnumber**®, a new three-year period will commence again if the service is disconnected or cancelled.

Excess charity numbers

An eligible charity may only hold more than one **smartnumber**® of each type (ie 1800, 1300 or 13 number) obtained via the charities auction process (or via trade) for a maximum period of 12 months. If an eligible charity holds more than one type of **smartnumber**®, obtained under the charities auction process or trade, for longer than 12 months it will be taken to hold excess number(s).

At least 30 days before the 12 month period ends, ACMA will notify the eligible charity that its rights of use for the excess number will be cancelled unless it advises ACMA within 28 days of the notice which number it does not want to keep. If the charity advises ACMA of the number it wants to keep within the specified time frame, ACMA will cancel the rights of use to the number the eligible charity does not want. If the eligible charity does not tell ACMA which number it wants to keep within the timeframe, ACMA will cancel the rights of use to the first number that was issued to the charity.

A charity is not precluded from obtaining multiple **smartnumbers**® under the public auction process or, alternatively, multiple freephone or local rate numbers under the administrative allocation procedures.

Other Rules

Information explaining procedures for withdrawal, surrender and quarantine of **smartnumbers**® may be found at www.smartnumbers.com.au

ENQUIRIES

More information about the auction system and the charities auction process is available from the **smartnumbers**® website at www.smartnumbers.com.au

Enquiries can also be directed by post to:

The Manager

Telecommunications Licensing and Numbering Team

Australian Communications and Media Authority

PO Box 13112 Law Courts

Melbourne VIC 8010

Or by email to: smartnumbers@acma.gov.au

Telephone: 1300 793 919

APPENDIX A - Flow chart of smartnumbers® charities auctions

