



Guide to the smartnumbers[®] auction process

MAY 2010

Canberra

Purple Building
Benjamin Offices
Chan Street
Belconnen ACT

PO Box 78
Belconnen ACT 2616

T +61 2 6219 5555
F +61 2 6219 5353

Melbourne

Level 44
Melbourne Central Tower
360 Elizabeth Street
Melbourne VIC

PO Box 13112
Law Courts
Melbourne VIC 8010

T +61 3 9963 6800
F +61 3 9963 6899

Sydney

Level 15 Tower 1
Darling Park
201 Sussex Street
Sydney NSW

PO Box Q500
Queen Victoria Building
NSW 1230

T +61 2 9334 7700
1800 226 667
F +61 2 9334 7799

© Commonwealth of Australia 2010

This work is copyright. Apart from any use as permitted under the *Copyright Act 1968*, no part may be reproduced by any process without prior written permission from the Commonwealth. Requests and enquiries concerning reproduction and rights should be addressed to the Manager, Communications and Publishing, Australian Communications and Media Authority, PO Box 13112 Law Courts, Melbourne Vic 8010.

Published by the Australian Communications and Media Authority

Contents

Introduction	1
What are smartnumbers®	1
How do companies use smartnumbers®?	2
Options for obtaining smartnumbers®	2
Administrative allocation	2
Public auction	2
How to participate in the auction process	3
Registration	3
Submitting a registration form	3
Payment of a registration fee	3
Registration confirmation	4
Suspension or revocation of registration	4
Joint allocation application with a carriage service provider (phone company)	4
Submitting an allocation application	5
Period of valid allocation application	5
Auction procedure	6
Nominating a smartnumbers® for auction	6
Cancellation of nomination	6
Scheduling of the auction	6
Reserve prices	6
Bidding	6
Automatic re-bidding	7
Information on participating bidders	7
Suspension or cancellation of an auction	7
Closure of the auction	8
Post-auction process	9
Payment of the eligible amount	9
Payment methods	9
Entitlements after payment	9
Rights of use holder	9
Services charges	9
Generating a rights of use Personal Identification Number (ROUpin)	9
Connecting a service on a smartnumbers®	10
Rights of use register	10
Defaulting on payment of the eligible amount	10

Contents (Continued)

Rules affecting smartnumbers[®]	11
Trading rights of use for smartnumbers [®]	11
Active service requirement	11
Enquiries	13
Appendix A: Flow chart of smartnumbers[®] public auction	14

Introduction

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 companies use smartnumbers[®]?

Smartnumbers[®] provide advantages to businesses, including:

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

A smartnumbers[®] can be a valuable marketing tool if it is a highly patterned number, for example, 1800 222 222, or 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.

Options for obtaining smartnumbers[®]

Whether you participate in a smartnumbers[®] auction will depend on your FLRN requirements. If you have no preference for a particular 13, 1300 or 1800 number, you may obtain a randomly selected FLRN via the administrative allocation process by contacting a phone company. Numbers obtain from a phone company are not classified as smartnumbers[®] and do not have enhanced rights of use attached to them. If you wish to obtain a specific smartnumbers[®] you will need to participate in an auction process.

Administrative allocation

If your organisation needs a freephone or local rate number but does not have a preference for a specific number, a number can be obtained using the administrative allocation procedure by contacting a phone company.

Under this procedure, numbers are allocated on a 'first-come, first-served' basis. Phone companies will only be able to offer a limited choice of numbers from which to select. These numbers are drawn from a limited pool of numbers with the minimum reserve price. These numbers are set aside for administrative allocation, which will not contain highly patterned or sequential numbers. To obtain a number under the administrative allocation process, contact your phone company.

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

For more information about the administrative allocation procedure, contact your preferred phone company.

Public auction

An online, ascending auction will be conducted for specifically requested smartnumbers[®].

Any person with a valid registration and application for a number can submit a 'opening bid' (more commonly known as a 'nomination'). The nomination will assign the requested **smartnumbers**[®] into the next scheduled auction for that number and put forward the opening bid on that **smartnumbers**[®] (this may be the amount of the reserve price set by the ACMA, or a higher amount if preferred by the person submitting the nomination). Please note that auction days are generally on a fortnightly basis.

Nominations for **smartnumbers**[®] close four working days before auction day.

Any person with a valid application for the nominated **smartnumbers**[®] will be able to bid for that number on auction day. It is advisable to lodge applications before the auction day. Applications may be made on the day of an auction; however there is no guarantee that processing will be completed before the auction closes.

Some of the auction process features are:

- > the identity of auction participants will be public
- > participants will not be able to withdraw bids
- > minimum bid increments will be predefined, based on the value of the preceding bid.

Details on how to participate in an online auction are dealt with in the following section. A flow-chart diagram showing individual steps is provided at [Appendix A](#) to this guide.

How to participate in the auction process

Before participating in an auction for a **smartnumbers**[®], you must complete the following steps online on the **smartnumbers**[®] website:

- 1/ register as a user of the **smartnumbers**[®] website
- 2/ apply for a **smartnumbers**[®]
- 3/ submit an opening bid (nominate the **smartnumbers**[®] if it has not already been nominated).

Registration

To participate in a **smartnumbers**[®] auction, you must first register on the **smartnumbers**[®] website at www.smartnumbers.com.au.

Before registering, it is advisable that you check the **smartnumbers**[®] status of availability by using the Quick Search function on the website's home page. You will only be able to participate in an auction for **smartnumbers**[®] if its status is 'Available' or 'Scheduled for Auction'. If the search result does not display the number status as available or scheduled for auction, you will not be able to obtain this number through the auction process. These numbers are not available as they may have been previously won at auction or allocated to a phone company.

Submitting a registration form

A registrant is required to complete a registration form online on the **smartnumbers**[®] website, which includes an undertaking to agree to the terms and conditions relating to use of the website, auction rules and indemnities and liabilities. Agreement to these terms and conditions is a prerequisite for registration.

Payment of a registration fee

After submitting a registration form, all applicants will be required to pay a registration fee of \$42.00.

A quotation for the registration fee will be emailed to the registrant; it will also be available to download on the completion of the registration. Payment of the registration fee must be paid in Australian dollars by one of the following methods:

- > BPAY™: Pay by BPAY using the internet or telephone banking services of your financial institution (you may need to contact your financial institution to arrange access to these services)

- > credit card through the **smartnumbers**[®] website, which is processed instantly
- > cheque made payable to the ACMA. Please ensure that the payment slip is attached.

A registration will not become active until the payment has been received and processed.

Registration confirmation

A user name will appear on the screen during the registration process. It will also be emailed to the email address in the registration. Once payment for the registration is received, the registration will be activated and a temporary password for your account will be sent separately via email. This email will be sent from the ACMA's email address titled 'auto_mailer'. This will allow the registered person to apply for a number and nominate a number for auction (if this email is not received into your standard inbox, it may be treated as SPAM and the appropriate folders should be checked).

*Please note: If you do not login to the **smartnumbers**[®] website for more than 30 days, or if you enter incorrect details five times or more, your account will be locked. For your account to be unlocked, please contact **smartnumbers**[®] on 1300 793 919 or email smartnumbers@acma.gov.au.

Suspension or revocation of registration

The ACMA has the power under subsection 3.7(1) of the auction determination to suspend a person's registration. If payment for a **smartnumbers**[®] is not received on time, a person may be granted up to an extra 30 days to make the payment. If he or she fails to pay the 'eligible amount' (the amount payable to the ACMA for a **smartnumbers**[®] won at auction) within 60 days of the close of the auction:

- > the ACMA may suspend the user's registration
- > the user will not be entitled to the rights of use to the **smartnumbers**[®]
- > the **smartnumbers**[®] may be re-auctioned
- > the eligible amount remains a debt due to the Commonwealth.

The ACMA also has the power under subsection 3.7(2) of the auction determination to revoke a person's registration and/or exclude a bidder from participating in an auction if he or she has made a false statement to the ACMA in its application for registration, allocation application or opening bid (the form used to nominate a number for auction).

If the ACMA has suspended or revoked a person's registration, subsection 3.7(4) of the auction determination requires the ACMA to advise the person of the reason for the suspension or revocation.

Joint allocation application with a carriage service provider (phone company)

Following registration, the next step is to submit an allocation application (apply online) with a registered carriage service provider. Joint application with a registered carriage service provider is required because the *Telecommunications Act 1997* requires 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.

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 another carriage service provider.

Submitting an allocation application

An allocation application may be submitted any time following registration and payment of the registration fee. However, where an allocation application is submitted during the bidding period on an auction day for a **smartnumbers**[®] of interest, there is no guarantee that there will be sufficient time to process the allocation application to enable bidding in an auction.

Submission of an allocation application does not oblige the applicant to nominate a number for auction or proceed with any subsequent steps in the auction process.

Period of valid allocation application

An allocation application remains valid for 12 months from the date of receipt unless withdrawn prior to the period. A valid application only is a 'registration of interest' in a number and allows you to bid on a number that has been nominated by another party or allows you to make a nomination.

Auction procedure

Nominating a smartnumbers® for auction

Once a valid allocation application is submitted, a registered person can nominate a **smartnumbers®** contained in the valid application for auction.

This is done by lodging an opening bid (submitting a 'nomination' online) to the ACMA for a **smartnumbers®** listed in the previously submitted allocation application. A separate opening bid (nomination) needs to be lodged for each **smartnumbers®** the opening bid (nomination) must be lodged using the ACMA approved form available on the **smartnumbers®**.

The ACMA will publish on the **smartnumbers®** website that an opening bid (nomination) for a particular **smartnumbers®** has been lodged and the name of the person/entity. This will alert other interested parties that the **smartnumbers®** has been nominated for auction.

Note: An opening bid (nomination) constitutes the initial bid at the reserve price (or a higher amount if specified).

Cancellation of nomination

A nomination for a **smartnumbers®** may be able to be withdrawn or cancel if completed by a specified date.

The nomination may be withdrawn/cancelled prior to the scheduled auction up to four working days (Victorian time) prior to an auction date. A nominated **smartnumbers®** that has been cancelled maybe re-nominated either by the same person who cancelled the earlier nomination or by another party provided there is a valid application for that number.

Scheduling of the auction

Auction days are fixed and occur online on a specific day every fortnight. Once a nomination for a particular number is submitted online, the **smartnumbers®** is automatically scheduled for auction on the next available auction day. Nominations for **smartnumbers®** close four working days before every fixed auction day.

The ACMA will list all **smartnumbers®** that have been scheduled for a specific auction day at least four working days before the commencement of the auction. This allows other interested parties, who may wish to bid on a **smartnumbers®** scheduled for auction, reasonable time to submit an application for a **smartnumbers®** without causing too much delay to those who are interested in having the auction occur as quickly as possible.

Reserve prices

Reserve prices for **smartnumbers®** in the public auction process will vary according to the **smartnumbers®** requested, however the large majority of numbers have a minimum reserve price of \$250.00. The reserve prices for all **smartnumbers®** are posted on the **smartnumbers®** website.

Bidding

All bids must be submitted electronically using the **smartnumbers®** website.

The bidding period on the auction day will be from 11.00 am to 4.00pm (Victorian time), and may run over multiple days.

Once a bid has been submitted it cannot be withdrawn or cancelled.

Bidding will be open for at least one day. Bidding will close at 4.00 pm on the first day if no bid is received after 3.00 pm. If a bid is received after 3.00 pm, the auction will resume on the next working day at 11.00 am and will only close 'on the next hour', that is, at least one full hour after the last bid was made. For example, on the first day, if a bid is received after 3.00 pm, the auction will resume the next working day at 11.00 am. If, on the second day, a bid is made at 1.05 pm, the auction will end no earlier than 3.00 pm the same day. If, on the second day or any subsequent day, a bid is made after 3.00 pm, the auction will conclude for the day at 4.00 pm and continue the next day from 11.00 am under the same conditions.

Automatic re-bidding

There is no automatic re-bidding facilities available for the **smartnumbers**[®] auction system.

Information on participating bidders

While bidding online, it is possible to view details of other parties also bidding for the **smartnumbers**[®].

During the auction, the following information will be listed:

- > the identity of the person or organisation bidding on a particular **smartnumbers**[®]
- > the amount of any bid
- > the time any bid is placed.

The terms and conditions set out by the ACMA inform prospective auction participants that information pertaining to the auction process may be published on the auction website.

Suspension or cancellation of an auction

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

- > if the ACMA has excluded or suspended a person from participating in an auction
- > if there is a technical failure in the auction website system
- > because of an event beyond the ACMA's control
- > to give the ACMA time to investigate an irregularity in the auction
- > if the ACMA is satisfied that in the circumstances, it is appropriate to do so.

If the auction is suspended due to the exclusion or suspension of a person, the ACMA may resume the auction at the point immediately prior to that person's first bid.

If the auction is suspended due to a technical failure, the ACMA may resume the auction 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 the 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 the ACMA for a cancellation of the auction. In these circumstances, the ACMA may, after considering all the circumstances, cancel the auction. If the ACMA cannot identify any valid bids, the auction is taken not to have been held.

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

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

If an auction is cancelled or taken not to have been held, the ACMA may make the **smartnumbers**[®] available for auction again.

Closure of the auction

The highest bid at the close of the auction is the winning bid.

Bidders will be notified of the auction closure on the auction website. The website will state that auction as being 'closed' for that auction date.

The ACMA then notifies the successful bidder that he or she is the successful bidder for the **smartnumbers**[®] by sending an invoice for the winning bid (known as 'the eligible amount'), which must be paid in full within 30 days of the closure of the auction.

After the successful bidder has paid the eligible amount to the ACMA, the successful bidder obtains the rights of use (ROU) to the **smartnumbers**[®]. This entitles the ROU holder to be issued with the **smartnumbers**[®].

Post-auction process

Payment of the eligible amount

The successful bidder for a **smartnumbers**[®] will obtain the rights of use to that number when full payment of the eligible amount has been received by the ACMA within 30 days of the close of the auction.

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 includes:

For amounts up to \$10,000:

- > BPAY
- > cheque
- > credit card.

For amounts of more than \$10,000:

- > BPAY
- > cheque (made payable to The Australian Communications and Media Authority).

Entitlements after payment

Rights of use holder

Once the eligible amount is received by the ACMA, the successful bidder becomes the rights of use (ROU) holder of the **smartnumbers**[®]. Rights of use are effectively the legal rights to use the **smartnumbers**[®]. Subject to rules relating to the use of numbers (set out below), and some limited powers that rest with the ACMA to cancel the ROU, a person who holds the rights is generally entitled to use or trade the **smartnumbers**[®] as they wish.

Services charges

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

Carriage service providers are required to pay an annual numbering charge on 13, 1300 and 1800 numbers allocated to them. 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 **smartnumbers**[®] can be obtained from registered carriage service providers.

Generating a rights of use Personal Identification Number (ROUpin)

The ACMA will notify the successful bidder via email that payment for the **smartnumbers**[®] has been received. The email also advises the successful bidder to generate a ROUpin by logging into the **smartnumbers**[®] website. On completion of this step, a ten-digit ROUpin is issued to the successful bidder. This step is recorded on the website as evidence of the ROU holder's right to use the number.

Connecting a service on a smartnumbers®

Once a ROUpin is generated, the ROU holder is then able to enter into a service contract with a phone company of their choice and connect a service on the **smartnumbers®**. Please note that a ROUpin must be kept secure by the ROU holder at all times. It is not necessary to give a ROUpin to your phone company for connection.

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. A 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 **smartnumbers®** who must update the register using the form made available by the ACMA. This is particularly important when a **smartnumbers®** is being traded, as evidence of the new rights of use holder's rights to the **smartnumbers®**.

Defaulting on payment of the eligible amount

If payment of the eligible amount is not received by the ACMA within 30 days of the close of the auction, the ACMA may grant an additional 30 days to pay the eligible amount. 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 their financial obligations to the ACMA. The eligible amount becomes a debt due to the Commonwealth and the ACMA may commence debt recovery. At this time the **smartnumbers®** will be made available for re-allocation into the auction pool. The ACMA may also suspend a person's 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 **smartnumbers®** into the next available auction. 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 ACMA will refund the lesser of the late payment or the amount of the subsequent winning bid relating to the later auction.

Rules affecting smartnumbers®

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. Generating a ROUpin is not required to enable a number to be activated with a carriage service provider.

The rights of use for **smartnumbers®** acquired under the auction process are awarded to the successful bidder when the eligible amount for a **smartnumbers®** has been received by the 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.

The **smartnumbers®** auction system enables the ROUholder to:

- > ask a phone company to provide a service on a **smartnumbers®**
- > trade the rights of use
- > ask a phone company to surrender a **smartnumbers®** it has been allocated
- > forfeit all rights in relation to the **smartnumbers®**
- > retain rights of use while no active service is in place for the **smartnumbers®** for a continuous period of up to three years
- > ask any phone company to retrieve a surrendered **smartnumbers®** from auction-declared quarantine
- > disconnect an active service on the **smartnumbers®** at any time.

Trading rights of use for smartnumbers®

The rights of use in relation to **smartnumbers®** may be sold, licensed or leased (this does not entitle the rights of use holder to trade only some of the rights of use.)

To trade the rights of use to a particular **smartnumbers®** you must complete the form available on the **smartnumbers®** website, which requires information specifying:

- > the particular **smartnumbers®** to be traded
- > the names of the parties
- > the date of the trade
- > signatures of the parties to the trade.

The form must be completed by the parties to the trade and should be retained as evidence of the trade. It should not be lodged with the ACMA.

Active service requirement

The rights of use holder for a **smartnumbers®** has a period of up to three years to retain the rights of use to **smartnumbers®** with no active service in place. This is particularly useful for organisations that may be establishing a business and wish to secure a **smartnumbers®** for use in the future.

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

If the **smartnumbers®** that you are acquiring the rights to use is not in active service at the time of the transfer, you should ensure that you are aware of how long the number has been without service and, consequently, how long you have to activate service on the number before the rights to use it

will be cancelled. For example, if the **smartnumbers**[®] 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 it before the rights of use will be cancelled by the ACMA.

It is the ACMA's policy that after two years of no active service on a **smartnumbers**[®], the ACMA staff will make best endeavours to advise the rights of use holder in writing of the approaching expiry date. To do this, the ACMA will rely on the contact details contained in the ROU Register on the **smartnumbers**[®] website.

Once a service is activated on a **smartnumbers**[®], a new three-year period will commence again when the service is disconnected or cancelled.

Enquiries

More information about **smartnumbers**[®] and the public auction process is available from the **smartnumbers**[®] website at www.smartnumbers.com.au.

Enquiries can also be directed to:

The Manager
smartnumbers[®] 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[®] public auction

Person can bid, provided:

