

# National Transport Regulatory Reform Submission

By Jason Blake

Topic: Australian Standard Material Number (ASMN)

Area of Scope: “The Commission should have regard to work being undertaken by the Commonwealth, States and Territories on complementary reforms including (but not limited to) rail standards harmonisation and interoperability, improved network access for higher productivity vehicles and the **development of the National Freight and Supply Chain Strategy.**”

Purpose: To standardize and harmonize the procuring of materials for use by Government and Non-Government alike, throughout the Commonwealth of Australia.  
*(There may be potential for international expansion for world use.)*

Aim: Establish a standard system of allocation of material numbers to be used in Australia. This is to reduce the amount of time wasted on incorrect ordering and materials wasted due to incorrect ordering.

For information: A form of this already exists. A Nato Standard Number (NSN) used by defence provides a standard item number for materials used by the Australian Defence Force and other allies. Essentially, the Australian Standard Material Number adopts this in a total sense for all Government and Non-Government.

## Summary

The author of this submission has spent 10 years in Defence Logistics and also many years in the private sector in mining, defence, processing and manufacturing. Prior to computer technology become standard, there were manuals of primary items, such as a Unimog Army Truck. In this manual, an engineer or technician could determine which area it is working on, say the Engine, then with the expanded pictures, identify the part in the diagram.

From this a reference number was provided let's say the engine had 100 parts. The Technician is looking for a seal. The technician has identified it in the diagram and it has a reference number of 39. The Technician goes to the index next to the diagram. Beside 39 is a part number. Beside the Part Number is an NSN.

The technician now has a part number, NSN and can obtain a description, then place an order.

The NSN is a specific Defence item number. The intention of the ASMN is to replace the part number, not the NSN. The reason for this is that there will be many manufacturer's or produces of a part or other material, there will also be many suppliers of materials. A technician and a logistician are in search of the right part first. Then they logistician can source quotes for procurement and savings.

The experience of the author is that countless low cost materials are order, but the items are incorrect. It

doesn't seem like much at the time, but ordering of incorrect materials, is lost time which is lost money, and lost money via incorrect material. Role this out across all small businesses, big business and government, it will equate to Billions in lost productivity and waste.

Australia is a small country, but has big budget requirements like Defence. We need to be ahead of other countries. We do this by being more disciplined, more efficient, more effective in our Supply lines. Wars are won and lost because of this. Incorrect ammunitions have been ordered and supplied, leading to catastrophic losses in battle.

## **Reason**

The intention was to submit this to the Measurements and Standard area, but the productivity commission has a key role to play in this. This inquiry may allow for a broader benefit, not just with standardized Supply Chain for Freight, but across all sectors for materials order and use or consumed. Non-government is not in a position to do this. Most haven't the time, or will to allocate finance to co-ordinate with potential competitors. Although Defence and major Mining Companies may be key advisors in the establishment of an Australian Standard Material Number and Database.

Defence already runs a large and costly Item managers service. This would be transferred to the government of the Commonwealth Australia's departmental service tasked with managing the Australian Standard Material Number. This would then allow defence and other Commonwealth areas to focus on procurement of materials, quotes, prices and costings.

The Australia Standard Material Number would not deal with prices. Rather it would allocate numbers to new primary items, materials, existing materials, focusing on correct descriptions, use of technology such as expanding pictures for visual identification of materials etc. This means working closely with producers and manufacturers of materials in Australia and suppliers for international materials.

By standardizing the materials used, this goes a long way to allowing for algorithms in future automated processes. There could be a day where a technician orders a part or other material from an IPAD or Kiosk and within the hour the correct part is delivered, massively reduces times, cost and increasing productivity.

The Author knows that the supplying of materials is an after thought. Most business and defence are looking at the production and operations end. This is because the Supply Chain is complex, time consuming and costly. It requires Federal leadership and is one reason for the Purpose of Federation, to co-ordinate a commonly used thing or system.

This doesn't move away from privatization or competition. There could be 12 producers of a material, all allocating a producer or manufacturer number, batch number with the Australian Standard Material Number. There could also be 12 suppliers looking to hold in stock for customers this material from the 12 producers. So they would look at a variety of things from price to quality to availability and delivery times. Then the customers can seek out from the 12 different suppliers quotes and delivery times etc.

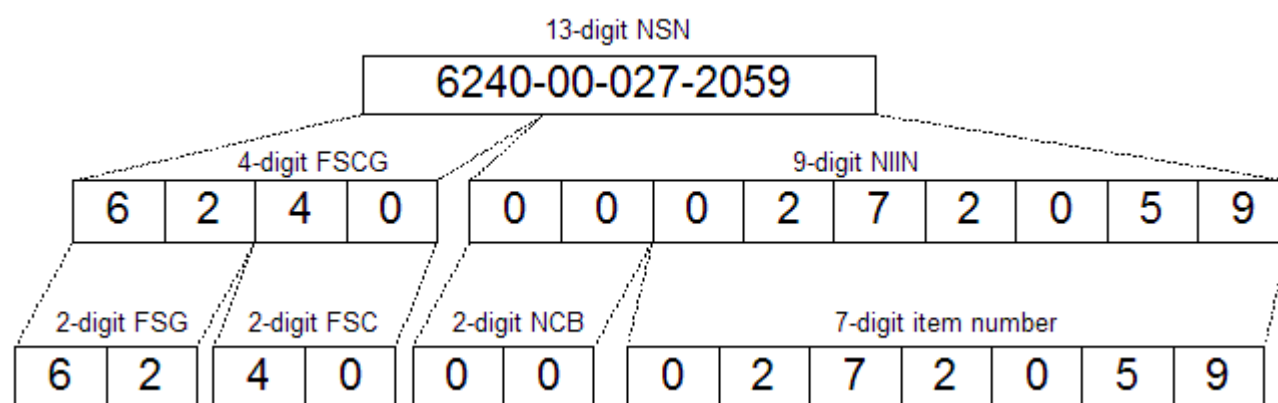
It doesn't deter from competition, but enhances it. ONE Australian Standard Material Number, that meets out Standards, many manufacturers, producers, suppliers and end users. What it does do is save time and time is money. It also reduces the waste from incorrect ordering. The ASMN would be maintained on a standard data base where access to it is at a cost. It could be run by a Private Service provider with Government acting in an enforcement and audit duty on private service providers.

Below is information on the NSN which would be similar to how an Australian Standard Material Number would work and look. Although it would likely use Alpha-numeric numbers.

Extract from [https://en.wikipedia.org/wiki/NATO\\_Stock\\_Number](https://en.wikipedia.org/wiki/NATO_Stock_Number)

## NSN

A NATO Stock Number, or National Stock Number (NSN) as it is known in the US, is a 13-digit numeric code, identifying all the 'standardized material items of supply' as they have been recognized by all NATO countries including United States Department of Defense. Pursuant to the NATO Standardization Agreements, the NSN has come to be used in all treaty countries



The NATO Stock Number consists of the NATO Supply Class (NSC or FSC) and the National Item Identification Number (NIIN). However the NIIN alone uniquely identifies the item, the FSC merely adds context by indicating the general classification of the item. The format of an NSN might be described as follows:

abcd-ef-ghijklm

Each element, a through m, was originally intended to be a single decimal digit. As inventories grew in complexity, element g became alphanumeric, beginning with uppercase A for certain newly added items.

The nine digits, ef-ghijklm, comprise the NIIN (National Item Identification Number). This format improves readability but is optional as NIINs are often listed without hyphens.

The first two digits of the NIIN (the ef pair) is used to record which country was the first to codify the item—which one first recognized it as an important item of supply. This is generally the country of origin, meaning the country of final manufacture. The formal name of the field is CC for Country Code or NCB, because NCB also stands for National Codification Bureau. The NCB is the organisation, typically a government agency, in charge of maintaining the NCS database within a given country. The other 7 characters are a non significant identification number (actually code, as some of these characters may be alphanumeric, although in general NIINs are strictly numeric