



**Minister for Technology  
Minister for the Aviation Industry**

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Ms Wendy Craik  
Presiding Commissioner  
Productivity Commission  
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Dear Commissioner

**DRAFT REPORT INTO THE ECONOMIC REGULATION OF AIRPORT SERVICES**

The Victorian Government welcomes the opportunity to comment on the Productivity Commission's draft report into the above matter.

Airports play a critical role in Victoria's transport system and in the Victorian economy. Melbourne Airport is one of Victoria's key strategic assets and a key focal point for the State's economic and transport infrastructure. It is the State's primary airport and the second busiest airport in Australia. Avalon Airport also plays an important role in the delivery of domestic low-cost-airline services and is envisaged to deliver international services in the short-term future.

Since the privatisation of Australia's airports in 1997, private operators have injected new vigour and innovation into their management and ongoing development. This period of time has also seen significant growth in passenger numbers through both Melbourne and Avalon Airports. The State Government is a key partner in the effective operation of these important facilities through the provision of appropriate land-side access.

The Victorian Government strongly supports the continued growth, development and operation of Melbourne and Avalon Airports and recognises their contribution to the Victorian economy. Our government is also committed to ensuring that all Victorians, our visitors and our industries have a choice of quality and affordable travel options to and from these airports.

Within this context, I am pleased to provide the following response to selected findings, recommendations and requests for further information contained in the Productivity Commission's draft report.

Yours sincerely

**THE HON GORDON RICH-PHILLIPS MLC**  
Minister for the Aviation Industry

- 1 DEC 2011