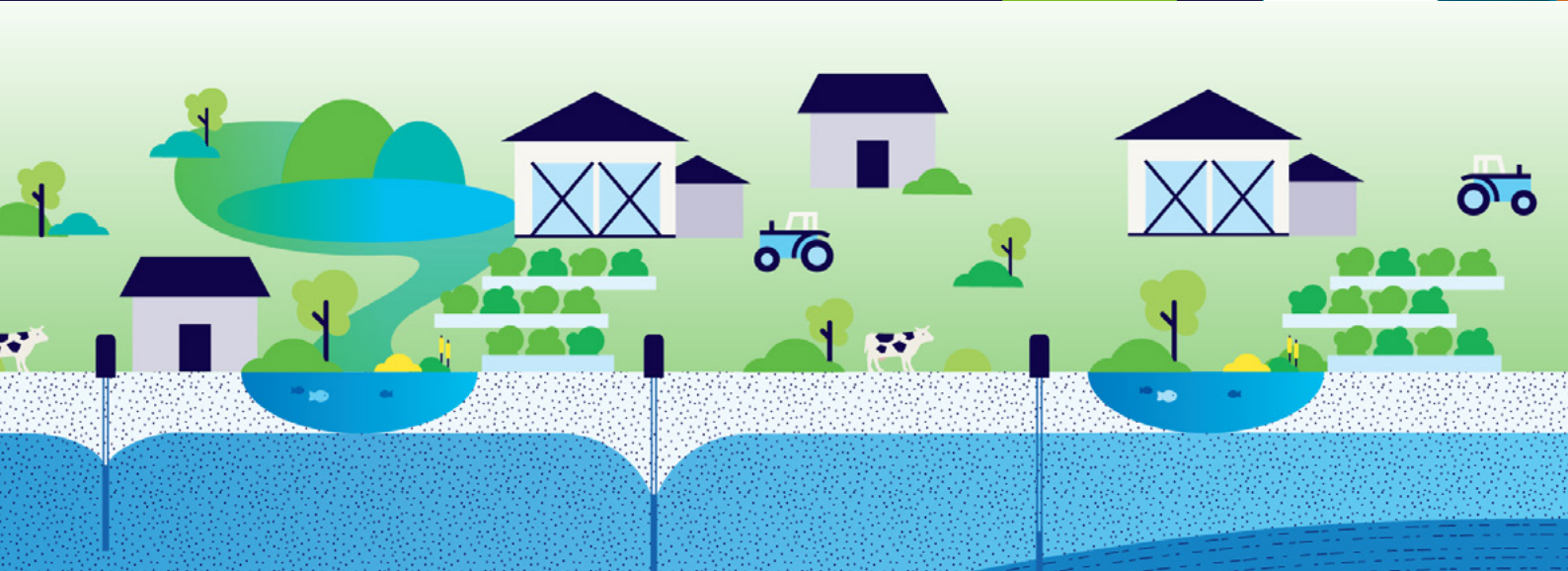


# How groundwater is managed

## Sustainable Yield Assessment Fact Sheet



**Groundwater supplies about 15% of Victoria’s water needs and is vital for a healthy environment and healthy Country for Traditional Owners. It is an important water resource for town water supply, domestic and stock purposes, agriculture and irrigation, and industrial use, including mining and power generation.**

### Groundwater use

Groundwater is particularly valuable in areas where surface water is unavailable, has low reliability or during a drought or dry period.

Most groundwater use across Victoria is for irrigation or commercial/salinity control purposes (Figure 1). Although urban use is relatively small, it is critical for approximately 70 towns who rely on groundwater as either a supplementary or primary water supply.

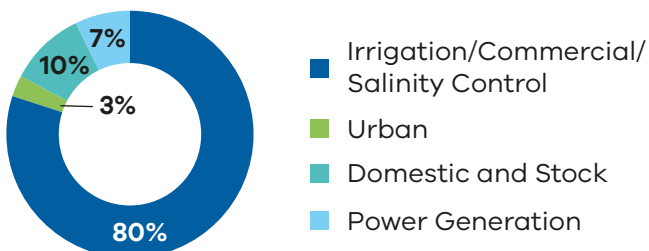


Figure 1: Groundwater use in Victoria in 2023-24 by sector.

Source: Victorian Water Accounts 2023-24:

[www.accounts.water.vic.gov.au/2024/](http://www.accounts.water.vic.gov.au/2024/)

Groundwater also plays an important role in supporting aquatic and terrestrial ecosystems as well as cultural values. Natural ecosystems that rely on groundwater to meet all, or some of their water requirements, are known as groundwater-dependent ecosystems. Such ecosystems may include important wetlands, rivers, vegetation, estuaries and cave systems.

Traditional Owner groups across Victoria generously prepared Nation Statements for inclusion in [Water is Life: Traditional Owner Access to Water Roadmap](#).

Many Nations made explicit statements about their aspirations for holding and managing groundwater and many others implicitly refer to groundwater as an important water source connected to caring for Country.

Victoria’s current groundwater management and licensing framework is robust, helping to safeguard this important resource by ensuring it is used sustainably, where reliability of supply and groundwater-dependent ecosystems are protected.

Groundwater in Victoria is managed to ensure it is used sustainably, shared equitably, and protected for future generations. Management is based on monitoring, regulation, and planning which balances water use with environmental and cultural needs.

## Licensing

Unless used for domestic and stock purposes, all groundwater use in Victoria must be licensed under the *Water Act 1989*.

Groundwater users require two types of licences:

- A 'works licence' under Section 67 of the Water Act 1989 to construct, alter, operate, remove or decommission bores.
- A 'take and use licence' under Section 51 of the Water Act 1989 to take and use groundwater.

Licensing conditions include limits on how much water can be taken. Licence holders may also be required to collect groundwater level monitoring and quality data and/or other information.

All bores used with a take and use licence greater than 20 megalitres must be fitted with an approved water meter. Meters record how much water is extracted and provide essential data to ensure compliance with entitlements.

## Groundwater areas, entitlement caps and management plans

Most of Victoria's groundwater use is managed within defined Groundwater Management Areas (GMAs) or Water Supply Protection Areas (WSPAs).

In these areas, a Permissible Consumptive Volume (PCV) caps the total volume of licences that can be issued. Caps help prevent groundwater depletion and reduce risks such as loss of water supply and reduced river and stream flows where groundwater and surface water are connected.

Within GMAs, Local Management Plans describe rules for day-to-day management, such as trading, carryover, and triggers for placing restrictions on groundwater take. These are developed by rural water corporations in consultation with stakeholders.

WSPAs are declared under the *Water Act 1989*, generally where groundwater or surface water is highly connected, recognising the hydraulic connection between rivers, aquifers and groundwater dependent ecosystems, or where systems are under particular stress. In these areas, statutory management plans are developed and provide legally enforceable rules for how water is allocated and managed.

Unincorporated areas are areas where use, and therefore associated risk, is low. Groundwater is licensed, but there are currently no caps or

management plans in place. Management decisions are guided by regional knowledge and available monitoring data.

## Victoria's groundwater management framework

Victoria's groundwater management framework combines state-level oversight with regional knowledge and decision making. It integrates monitoring, planning, licensing and compliance to manage risks at all scales.

The framework is implemented collaboratively between the Department of Energy, Environment and Climate Action (DEECA) and the state's four rural water corporations - Southern Rural Water, Goulburn-Murray Water, Grampians Wimmera Mallee Water and Lower Murray Water.

At the state level, DEECA supports policy setting and decision making by the Minister for Water and provides scientific and technical guidance to rural water corporations. The rural water corporations manage licences and management plans, as delegated by the Minister for Water. This collaborative approach ensures groundwater is managed consistently but with flexibility to respond to regional conditions and emerging risks based on local knowledge.

## Monitoring groundwater

Understanding how groundwater systems behave is the foundation of sustainable management. Victoria's State Observation Bore Network (SOBN) monitors groundwater levels and quality across the state.

There are more than 1,400 active monitoring bores across the network, and 40 percent of these provide daily data, helping scientists and managers track short-term changes and long-term trends in groundwater systems. There is also historic data available from a further 1,300 bores that are no longer in operation.



### Additional information:

- [Groundwater Management 2030](#)
- [Fact Sheet: What is the Sustainable Yield Assessment?](#)
- [Fact Sheet: How the Sustainable Yield Assessment be used](#)
- [Fact Sheet: How sustainable yields are calculated](#)

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