

A balanced scorecard for the water sector

30 January 2026

Executive summary

The England and Wales water sector is facing long-term challenges that will require sustained investment spanning multiple regulatory periods. As some of this investment will take many years to improve outcomes, a framework is needed to assess whether what companies are delivering today means the sector is on track to deliver the government's long-term objectives for the sector.

This paper outlines how a **balanced scorecard approach** can provide an effective means of measuring progress against long-term objectives while enabling government, regulators and stakeholders to hold companies to account. Under our proposed approach, water companies' delivery against the government's strategic objectives (as outlined in its National Water Strategy and Ministerial Statement of Water Industry Priorities) would be assessed based on performance against the key performance indicators (KPIs) underpinning each of these objectives.¹

Specific areas that the scorecard could cover include:

- environmental performance;
- drinking water quality;
- service quality and customer experience;
- operational resilience and security of supply;

¹ Independent Water Commission (2025), '[Final Report](#)', 21 July, pp. 27–42.

- asset condition and physical resilience;
- supporting economic and housing growth;
- contribution to sustainability, biodiversity and decarbonisation.

We also provide an illustration of what a balanced scorecard could look like for the water sector.

This approach would bridge the gap between companies' day-to-day activities and the government's long-term objectives, enabling early identification of delivery risks and building public confidence that bill increases are delivering outcomes that customers and society value.

1 Introduction

The issues facing the water sector will not be resolved overnight. In many cases, the actions needed from companies to fix long-standing issues—such as improving environmental performance and securing water supplies—will take years to implement, and will require sustained investment spanning multiple regulatory periods.

As it will take many years for water company investment to deliver the long-term outcomes that the government is seeking to achieve, a framework is needed to assess whether the sector is on track to deliver these objectives. **The only way to ensure that reform is successful is to assess whether the actions taken by companies today mean that the sector is likely to deliver the government's goals for tomorrow.**

In this paper, we outline how a **balanced scorecard** can provide an effective means of measuring the sector's progress, while providing the government, regulators and wider stakeholders with a way of holding companies to account. Specifically, we outline the following.

- 1 What we mean by a balanced scorecard
- 2 The benefits of adopting this approach in the water sector
- 3 How this approach could be applied in practice
- 4 What a balanced scorecard for the water sector could look like

2 What is a balanced scorecard approach?

A balanced scorecard is a strategic performance management framework that enables organisations to monitor progress across multiple dimensions simultaneously, rather than focusing on financial metrics alone. Originally developed by Kaplan and Norton in the early 1990s, it seeks to translate an organisation's strategic objectives into a coherent set of performance measures spanning various perspectives—typically financial, customer, internal process, and learning and growth.²

The approach allows management to track both leading indicators (which predict future performance) and lagging indicators (which measure outcomes already achieved). By presenting these metrics together in a single view, the scorecard provides a holistic assessment of organisational health and progress towards long-term goals.

A key strength of the balanced scorecard is its ability to bridge the gap between high-level strategic ambitions and day-to-day operational impacts. It creates a line of sight from frontline activities to overarching objectives, ensuring that short-term actions align with long-term strategic direction. The scorecard also facilitates comparison—both across time periods to track improvement trends, and across different business units or organisations to enable benchmarking.

Balanced scorecards are typically published regularly, allowing stakeholders to assess performance patterns and hold organisations to account. While the specific metrics may vary across organisations, the framework's structure ensures a comprehensive view that goes beyond single-dimensional assessment.

To illustrate how a balanced scorecard approach has been adopted in a regulated infrastructure sector, Box 1.1 below outlines how the approach has been used by Network Rail to monitor its overall performance.

² Kaplan, R.S. and Norton, D.P. (1992), '[The Balanced Scorecard – Measures that Drive Performance](#)', *Harvard Business Review*, **70**:1, pp. 71–79.



Box 2.1 Network Rail's scorecard approach

Network Rail's balanced scorecard approach covers six strategic themes: **train service delivery, safety, sustainable growth, customer and communities, efficiency and people**. For each theme, Network Rail assigns specific KPIs, which each of the company's regions is scored against. This performance is combined across metrics to create an overall performance score, which is published periodically to track improvements over time.

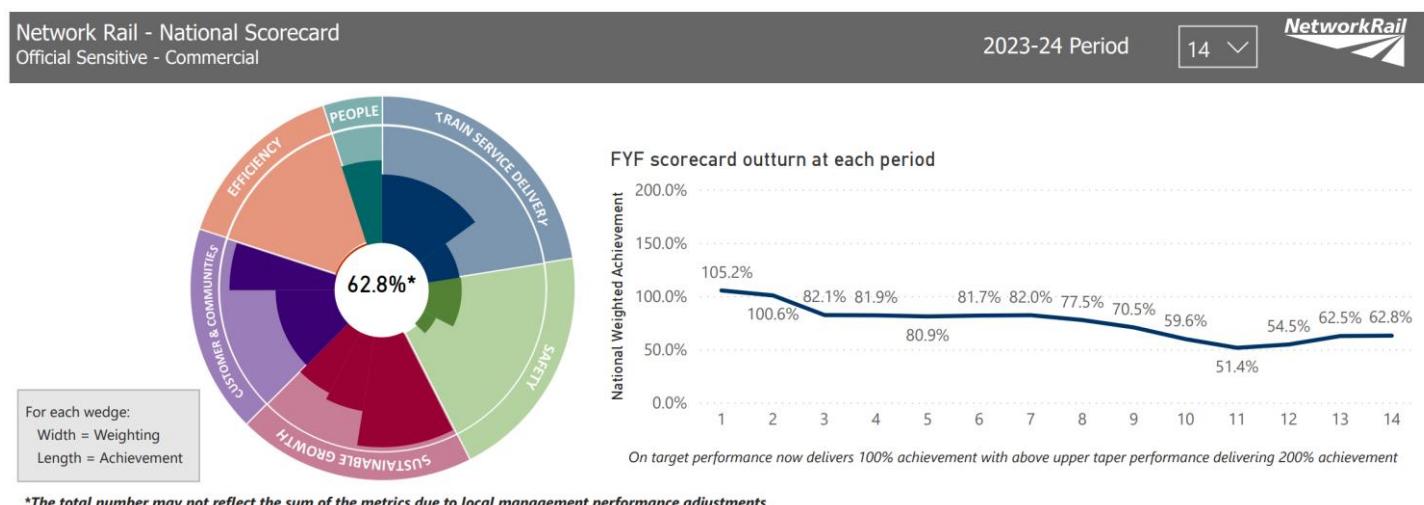
KPIs used by Network Rail include the percentage of station stops called at on time (which sits under 'train service delivery'), workforce fatalities and weighted injuries (which sits under 'safety'), and renewals volumes (which sits under 'sustainable growth'). This illustrates how the scorecard links day-to-day operational outcomes with longer-term strategic objectives.

Performance against KPIs for each region is measured on a scale from 0 to 100. Delivery in the 'worse than target' range contributes 0–50% to the achievement score for that measure, while delivery in the 'better than target' range contributes 50–100%. This ensures that each region is always incentivised to improve performance, regardless of whether that performance is expected to be below or above the central target (based on full-year forecasts). Performance across the regions is aggregated to produce a Great Britain-wide view of performance.

Network Rail's scorecard also incorporates adjustments to separate controllable from uncontrollable drivers of performance. For example, train delay minutes are formally attributed by cause, distinguishing between delays arising from Network Rail's infrastructure and those caused by external events such as the actions of other train operators or extreme weather events. This helps to ensure that Network Rail is held to account only for outcomes that it can realistically control, while also promoting transparency regarding overall system performance.

Figure 2.1 **Error! Not a valid bookmark self-reference.** below shows the Network Rail balanced scorecard for 2023–24, including summary scores across the six strategic themes and how the company's overall performance has evolved over time. This highlights how a balanced scorecard approach can visually summarise information for stakeholders in an accessible manner.

Figure 2.1 Network Rail's National Scorecard



Source: Network Rail (2023), '[Guide to the 2023-24 National Scorecard](#)'.

3 The benefits of adopting a balanced scorecard for the water sector

To understand the potential value of adopting a balanced scorecard approach in the water sector, it is important to understand the issues with how performance is monitored under the current arrangements.

3.1 Issues with the current approach to monitoring performance

The current approach to monitoring water company performance is highly fragmented, with a number of regulatory bodies undertaking separate assessments. These include the following.

- **Ofwat**—the regulator assesses performance based on KPIs included in companies' price controls (known as 'performance commitment levels'); publishes periodic data on water company performance via publications such its Water Company Performance Report and its Monitoring Financial Resilience Report; and has separate powers to issue fines under its enforcement regime.³
- **The Environment Agency**—the EA rates water companies from 1 to 4 stars through its Environmental Performance Assessment; and has separate powers to issue fines under its enforcement regime.⁴
- **The Drinking Water Inspectorate**—the DWI publishes annual reports on drinking water quality and public confidence in drinking water.⁵ It also has enforcement powers including the ability to issue prosecutions, cautions and warning letters.⁶

This regulatory fragmentation causes multiple issues. First, the division of responsibilities has led to gaps in oversight in certain areas. As noted by the IWC:

... responsibility for monitoring asset health and infrastructure resilience appears to be spread across regulators. The EA and [Natural Resources Wales] undertake inspections of assets to verify environmental permit compliance only. The DWI take action in relation to the maintenance of drinking water supply systems, [Network and Information Systems] regulations and security and emergencies, and Ofwat collect data on asset failure. However, no single body has a whole view of the state of infrastructure, and this has led to an effective gap in regulatory oversight.⁷

Second, regulatory fragmentation leads to confusion over companies' objective levels of performance. This can occur if a company is assessed favourably on—say—the EA's assessment of its environmental performance, but less so based on Ofwat's price control targets. This makes it difficult to track performance across companies and over time.

³ Ofwat (2025), '[Water Company Performance Report 2024-25](#)', 23 October; Ofwat (2025), '[Monitoring Financial Resilience Report 2024-25](#)', 5 November.

⁴ The EA has recently set out a revised methodology for 2026 to 2030, which will move to a five-point rating system. See Environment Agency & Natural Resources Wales (2025), '[Water and sewerage companies: EPA methodology for 2026 to 2030](#)', 15 October.

⁵ Drinking Water Inspectorate (2025), '[Drinking Water 2024](#)', 9 July.

⁶ Drinking Water Inspectorate, '[Enforcement Policy – Drinking Water Quality Regulation](#)'.

⁷ Independent Water Commission (2025), '[Final Report](#)', 21 July, p. 159.

Regulatory fragmentation also creates considerable reporting burdens for companies.⁸ This is an undesirable public policy outcome, particularly given the government's objective of cutting the administrative burden of regulation by 25% by the end of this Parliament.⁹

Importantly, performance is generally assessed on a backward-looking basis, with limited consideration of whether companies are on track to deliver objectives beyond the end of the current regulatory period.

Performance assessments focus mainly on in-year performance against short-term regulatory targets, which—though important—provide no context as to whether the long-term trend in performance is consistent with the delivery of long-term objectives for the sector. This can result in a lack of clarity over whether companies are generally on the right performance trajectory, and can also create perverse incentives for companies, especially where they are not funded for delivering investments today to mitigate risks that may materialise in future periods.

Using a backward-looking approach to assessing performance creates particular problems for companies' asset health management. The complexity of managing assets, including managing trade-offs between repair and replacement, and the relationship between an asset's operation and its expected lifetime, are not reflected in backward-looking measures. Measuring the proportion of the asset base that has been replaced may not sufficiently capture the optimal management approach, as asset lives can be extended through operational changes, with total lifetime costs for the asset being reduced.

It should also be noted that, under the existing framework, performance assessments have often suffered from inconsistencies in measurement across time. One example is the EA's approach to measuring pollution incidents, which is set to change this year. Under the new approach—which will see spills detected by monitoring equipment on dry days counting as pollution incidents—a significant increase in the number of recorded pollution incidents is expected, even if performance does not deteriorate. This change was announced shortly after the finalisation of the PR24 price review, in which performance commitments were set based on the previous definition of pollution incidents. In addition to

⁸ Independent Water Commission (2025), '[Final Report](#)', 21 July, p. 157.

⁹ HM Treasury (2025), '[Regulation Action Plan – Progress Update and Next Steps](#)', 22 October.

obfuscating performance assessments, measurement changes such as this serve to further undermine public trust.¹⁰

Collectively, these issues make it challenging to assess water companies' individual performance, or to track the sector's performance over time. This, in turn, makes it difficult to establish whether specific interventions or policy choices have been effective. Crucially, the current approach also highlights failures and obscures successes, since negative stories about water company performance are more likely to be picked up in public reporting. **The result is a performance assessment and reporting framework that further undermines the legitimacy of a privatised water industry in the eyes of the public.**

3.2 How a balanced scorecard approach can help to overcome these issues

A balanced scorecard approach would help to significantly mitigate the issues outlined above. It would also provide a powerful tool for monitoring the sector's progress in delivering the progress of reform, by acting as a bridge between specific activities undertaken by companies and the government's longer-term objectives for the sector.

Under this approach companies would report on a wide range of measures, with these measures grouped according to themes (as in the Network Rail example above) that align with government's long-term strategic objectives for the sector. A clear view of a company's performance on each theme would be produced by weighting performance on that theme's underlying metrics based on their priority. Usefully, the approach would:

- 1 enable themes to be prioritised in accordance with direction provided by government;
- 2 ensure that trade-offs between strategic objectives are visible (e.g. between security of supply and environmental outcomes);
- 3 focus the assessment of performance on outputs within companies' control, rather than on outcomes, and contextualise progress against exogenous factors such as bad weather;
- 4 enable comparison between planned and observed outcomes—for example, if high cost investments were increasing customer bills but doing little to help achieve long-term objectives.

¹⁰ See Ofwat (2025), '[Changes to how pollution incidents are recorded](#)', 29 October.

Importantly—by providing an overarching view of progress across each theme alongside details of performance on the underpinning KPIs—this approach would enable government and regulators to identify risks to delivery early and 'course correct' if necessary. The approach would also enable companies to be held to account if their failure to deliver specific activities or investments put delivery of government's long-term objectives at risk.

Crucially, by assessing short-term progress towards long-term goals and anchoring the assessment in the government's strategic objectives for the sector, **the balanced scorecard approach can help to build confidence that bill increases are actually paying for outcomes that society values**. This has the potential to build legitimacy in the system. Public confidence would be especially aided by reporting progress against high-level themes, since this is likely to be more accessible to wider stakeholders, in line with the IWC suggestion that:

... government may wish to consider how to make reporting information accessible for the public to support transparency and engagement.¹¹

4 How a balanced scorecard approach could underpin water reform

To understand how a balanced scorecard approach could work in the water sector, we first outline how we consider high-level government objectives should be translated into specific targets and investment programmes for water companies under the new arrangements.

4.1 How government's objectives should shape water companies' investment programmes under the new arrangements

Among its 88 recommendations, the IWC proposed a number of institutional and procedural changes that would be relevant to the application of a balanced scorecard in the water sector. These included the following.¹²

¹¹ Independent Water Commission (2025), '[Final Report](#)', 21 July, p. 33.

¹² A key change proposed by the IWC relates to the introduction of company-specific supervisors, alongside the central economic regulation function. The role that the supervisor would play under the new arrangements is discussed at length in our paper: Oxera and Anglian Water (2026), 'Aligning institutions: providing the right institutional architecture for success', January.

- **New frameworks for government to issue direction to the water industry**, including:
 - **National Water Strategies (NWSs) for England and Wales**—which provide a long-term, cross-sectoral, systems-focused strategic vision with clear interim milestones on a 5/10/25-year basis;
 - **Ministerial Statement of Water Industry Priorities (MSWIP)**—which operates on a ten-year cycle and directs all water industry regulatory and systems planner functions, providing detailed industry-specific guidance on targets, requirements and trade-off frameworks beneath the NWS.¹³
- **New regional system planners**—which would develop strategic, cross-sectoral spatial plans, based on regional and national objectives.¹⁴ A key function of regional system planning would be to provide a convening function, bringing together water companies, farmers and other delivery bodies to help inform the regional contribution to delivering the national-level objectives and targets from the NWSs and MSWIP.¹⁵
- **Two new frameworks for water industry planning**—covering 'Water Environment' and 'Water Supply', and which would replace the many other planning frameworks currently in place (including WRMPs and DWMPs).

We note that the Water White Paper does not confirm that all of the recommendations outlined by the IWC will be carried forward. In addition, **there are aspects of the IWC's proposed institutional architecture that we consider can be improved, such that the benefits of reform are delivered at lower risk and lower cost**. In particular, with regard to regional planning, we consider that:

- rather than establishing new regional system planners with extensive decision-making powers as envisaged by the IWC, it may be preferable to implement regional planning based on stakeholder groups that are already in existence, such as Water Resources East;

¹³ Independent Water Commission (2025), '[Final Report](#)', 21 July, p. 39.

¹⁴ While the Water White Paper refers to regional system planning, it leaves open the institutional arrangements around how this is delivered (i.e. it does not commit to the establishment of new institutions to act as regional systems planners). Defra (2026), '[A new vision for water](#)', 20 January.

¹⁵ Independent Water Commission (2025), '[Final Report](#)', 21 July, p. 61. As explained elsewhere, we consider that the regional system planner function could be modelled on the existing approach to water resource management planning, which relies on regional water resources groups to work collaboratively with water companies and others to determine investment requirements. See Oxera and Anglian Water (2026), 'Aligning institutions: providing the right institutional architecture for success', January.

- instead of regional planning bodies 'owning' the new strategic plans (i.e. the water supply and water environment plans), water companies should be responsible for developing their own strategic plans at company boundary level, which the regional planning body would then aggregate into an overall regional plan.¹⁶

Despite these points of difference, we agree that there should be a clear thread from a set of national objectives to regional-level planning to companies' investment plans. Taking this into account, we consider the new approach should work as follows.

- 1 Government publishes its NWS setting out long-term objectives for the water sector with interim milestones, and its MSWIP setting out additional technical detail.
- 2 Regional planning bodies would then work with local delivery bodies (including water companies, farmers and others) as well as local stakeholders to form a view of the regional contribution towards the delivery of national objectives. Crucially, the integrated regulator would also engage with the regional planning bodies over the course of this process, to ensure that there is a common view of what the sector considers should be delivered and the likely cost of this investment.¹⁷
- 3 The key output from this process would be a water supply plan and a water environment plan developed by each company. These would be aggregated by each regional planning body into a single regional plan. Plans would then be submitted to government (via the national systems planner), which could raise objections if any elements of the plan were not in line with its direction.
- 4 Subject to government not raising any objections (or any such objections being addressed), the investments outlined in companies' water supply and water environment plans would then be submitted to the regulator for cost-efficiency challenge,

¹⁶ We explain these proposals in more detail in a separate paper: Oxera and Anglian Water (2026), 'Aligning institutions: providing the right institutional architecture for success', January.

¹⁷ However, the regulator's final view of efficient costs (which then determines companies' funding) would be determined during the price review, which would take place separately.

to determine what water companies could charge customers for these investments over the next control period.

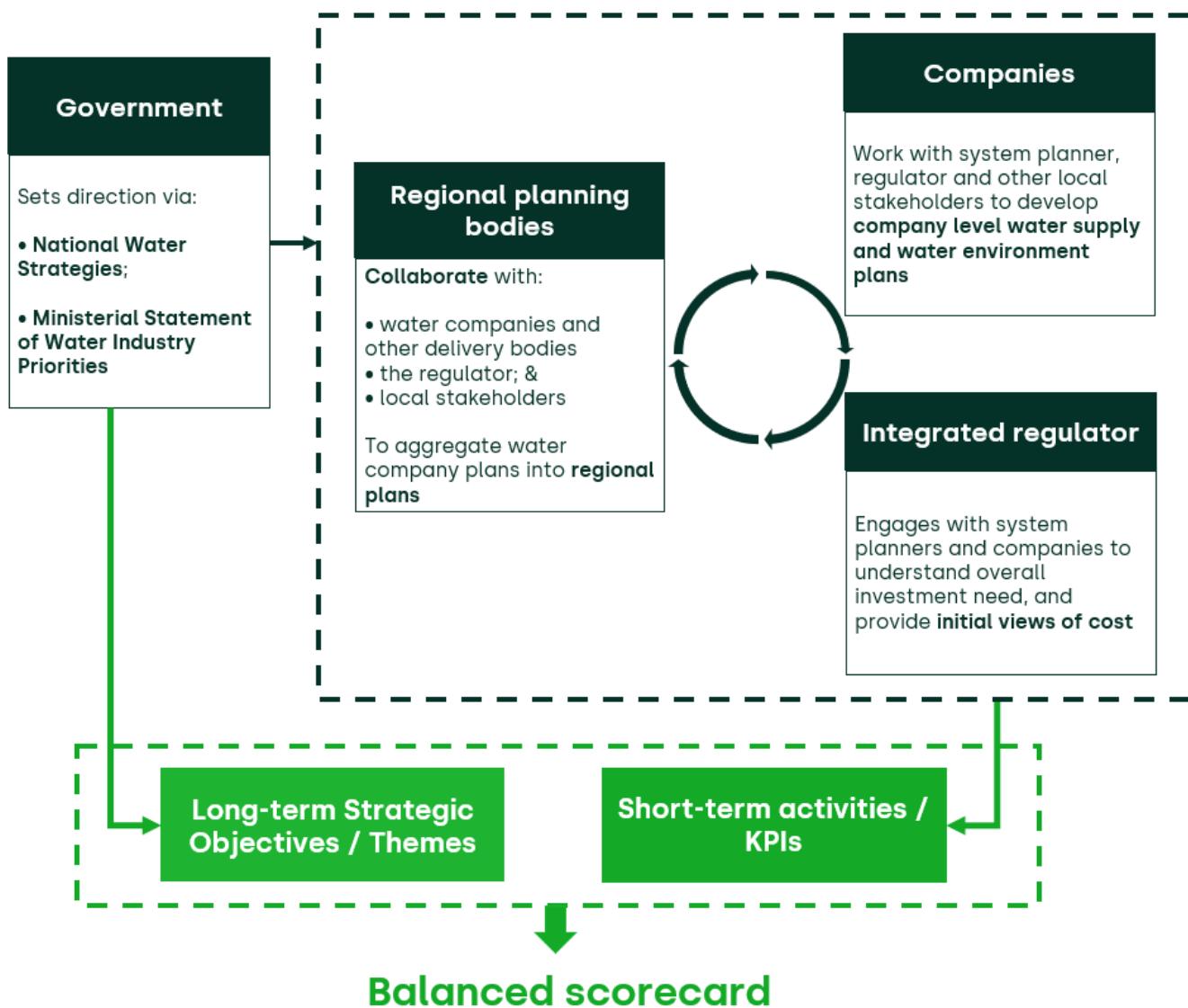
4.2 How a balanced scorecard could fit within these arrangements

A balanced scorecard approach could readily fit within the new arrangements that we outline above. Specifically:

- the overarching themes (or strategic objectives) of the balanced scorecard could be informed by government, as set out in the NWS and the MSWIP;
- the KPIs underpinning each of these overarching themes would be informed by companies' water supply and water environment plans.

A visual depiction of how this would work is provided below.

Figure 4.1 How a balanced scorecard would fit within the newly reformed arrangements



Source: Oxera.

The framework outlined aboveFigure 4.1 demonstrates how a balanced scorecard could fit naturally alongside the new arrangements.

Importantly, we consider balanced scorecards should be developed both for individual water companies, and for the water industry as a whole. This would enable individual companies to be held to account, and for government, regulators and wider stakeholders to determine whether water companies are delivering the investments expected of them to secure the government's long-term objectives.

4.3 Principles for setting effective KPIs

The specific details of how each KPI should be set under the new arrangements is beyond the scope of this paper. However, there are certain principles which should underpin the development of the balanced scorecard, which we now describe.

4.3.1 Focus on water company outputs, rather than broader outcomes

Water companies should be assessed on the delivery of their planned investments and activities, as opposed to higher level outcomes, such as river water quality. There are a number of reasons for this.

First, many outcomes are dependent on the impact of delivery bodies in other sectors. Examples include issues with river water quality (which can be significantly influenced by agricultural practices) and surface water flooding (since sewer network performance can be significantly influenced by drainage decisions made by local authorities or National Highways). As it is not always possible to disentangle the contribution of specific delivery bodies to such high level outcomes, it is inappropriate to hold water companies responsible for them. Focusing on outputs instead means that companies are assessed against activities which they can directly control, ensuring they can actually be held to account if they fail to deliver.

In some instances companies may make more or less progress than anticipated, even when looking at outputs (instead of outcomes). For example, extreme weather could mean resources are diverted away from enhancements towards maintenance and repairs. This should be reflected in accompanying narrative alongside the KPIs reported in the balanced scorecard, so that performance can be correctly contextualised.

Second, the impacts of certain investments may not be directly observable, or may not impact broader outcomes for many years. A classic example is investments in network maintenance and asset health: while such investments improve resilience the resulting benefits are not readily observed, for example where the benefit of greater investment is reduced risk of service discontinuity in the event of a drought. Measuring the outputs companies deliver to minimise such risks is important for ensuring continued focus on such areas.

4.3.2 Uniform metrics with bespoke targets

The metrics used for the balanced scorecards should be consistent across each company's scorecard. This is a key requirement, as it allows

for an aggregated picture of the whole industry to be produced, and for companies to be compared to each other on a like-for-like basis.

However, **the scorecard should allow for bespoke targets for each company where this can be justified**. For example, while all companies might have a KPI covering the number of storm tanks installed, a company in a region with major environmental issues (e.g. due to a heightened level of local concerns) could face a more stringent target (i.e. a requirement to construct more storm tanks).

5 What a balanced scorecard for the water sector could look like

5.1 Elements of water company performance the scorecard could cover

As noted above, we consider the exact structure of the balanced scorecard should be informed by the outcome of the broader regulatory process. In particular:

- the over-arching themes/strategic objectives should be informed by direction from government; and
- the KPIs underpinning these should be informed by the agreed regional plans (underpinned by the water supply and water environment plans of each company operating within that region).

Given the government has not yet issued its NWS and MSWIP, it would be wrong to prejudge the exact configuration of the balanced scorecard. Nevertheless, given our understanding of the scope of water industry activities and the well documented areas of concern across the sector—including those identified by the IWC—we consider potential areas of focus could include:

- environmental performance;
- drinking water quality;
- service quality and customer experience;
- operational resilience and security of supply;
- asset condition and physical resilience;
- supporting economic and housing growth;
- contribution to sustainability, biodiversity and decarbonisation.

There is a question of where financial resilience—if at all—should feature within this framework. Arguably, financial resilience is more a means to an end, rather than an end in itself (i.e. it is unlikely to be a long-term outcome the government seeks to deliver *per se*). Nevertheless, financial resilience is clearly important for ensuring water companies are able to finance and deliver investment, so a case could be made for related KPIs to underpin at least one of the over-arching themes (such as e.g. sustainability).

It should be noted that some water companies have implemented frameworks for measuring and reporting the impacts of their activities, beyond those relating strictly to financial and operational performance. For example, Anglian Water has developed a 'Purpose Impact Assessment', which measures the company's impact upon the region. We provide more details on this in Box 4.1 below.



Box 5.1 Anglian Water's Purpose Impact Assessment

In 2019, Anglian Water enshrined its purpose, 'To bring environmental and social prosperity to the region we serve through our commitment to Love Every Drop', into its Articles of Association. The company has set out what delivery of its purpose means in practice by developing four strategic ambitions, informed by its customers and the specific needs of the region.¹⁸ These strategic ambitions underpin the companies' long-term plans.

Anglian Water has recently developed a Purpose Impact Assessment, designed to measure both the company's impact upon the region and track how this is changing over time. The dashboard captures 30 of its most significant impacts, drawing on data from many sources including regulatory reporting (e.g. the EPA) to provide a broad assessment of its environmental and social impact.

While the Purpose Impact Assessment alone does not necessarily provide a comprehensive view of the company's

¹⁸ For example, the 'Thriving East' initiative provides a deep dive into the unique challenges faced by the Anglian region. The 28 indicators used are a combination of historic data and forward-looking data, based on how they relate to Anglian Water's ability to deliver on its purpose.

activities, it still provides useful insight. In particular, the dashboard provides a more holistic view of the impact Anglian Water is having on local communities than can be discerned through existing regulatory performance assessments.

Source: Anglian Water, '[Our purpose](#)' ; and Anglian Water, '[Thriving East](#)'.

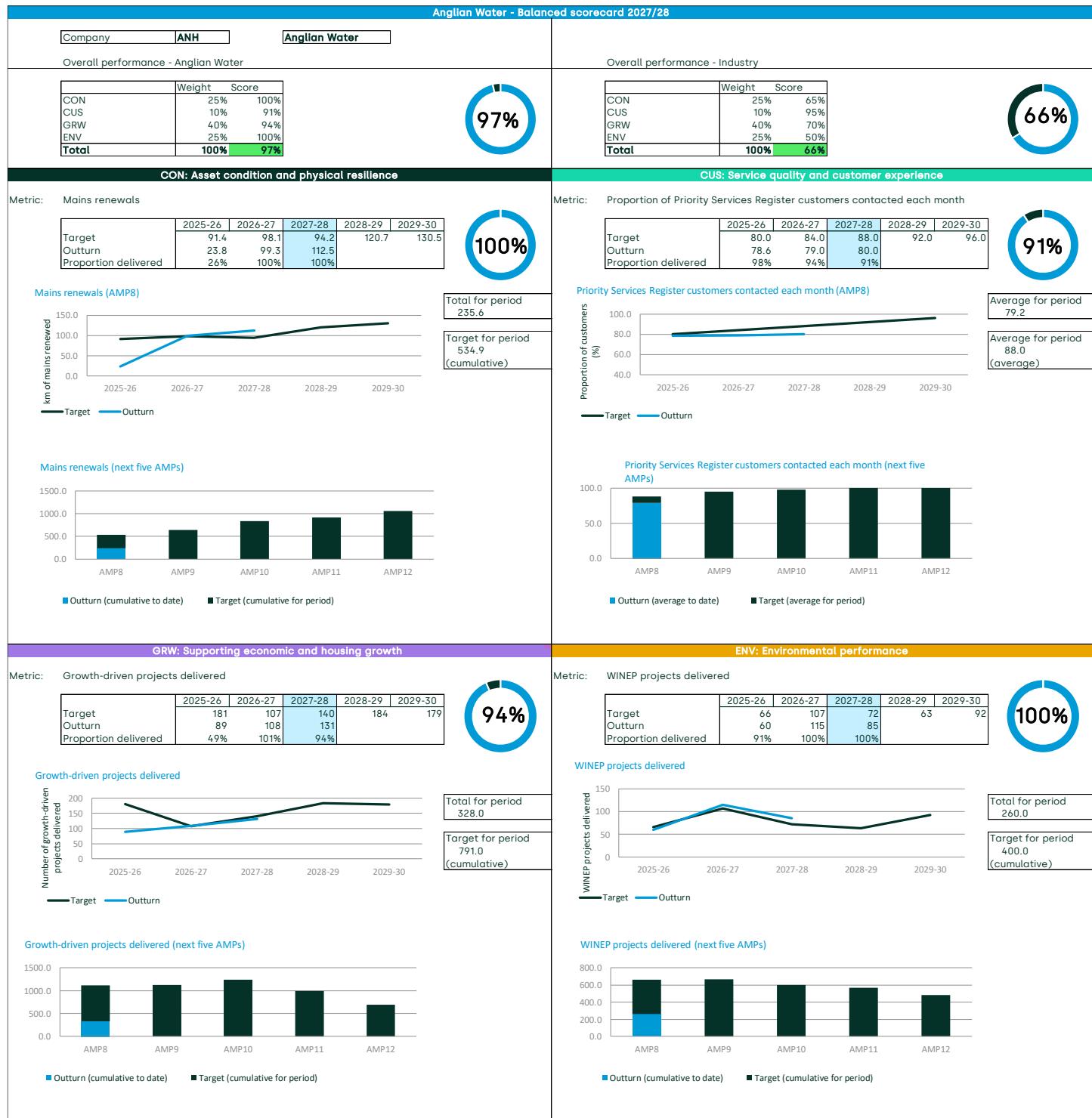
The frameworks already in use by water companies—such as Anglian's summarised above—may provide a useful starting point for considering the structure of a balanced scorecard for the water sector.

5.2 Illustration of a balanced scorecard for water

Finally, to help provide an understanding of what this approach might look like in practice, we have developed an example of a balanced scorecard for water. In this example—which is shown in Figure 5.1 below—our balanced scorecard measures progress against four strategic objectives, both for one company (Anglian Water) and for the sector as a whole.

It is important to note that the data presented below is entirely illustrative (i.e. it does not reflect actual outturn data or forecasts). It is also greatly simplified by the fact that each strategic objective is only underpinned by performance against a single KPI (whereas in practice as explained above, progress against each objective is likely to be assessed against multiple KPIs). Nevertheless, we consider this example is helpful in understanding how a balanced scorecard could work in water, and how it would help address issues with the current approach to assessing companies' and the sector's progress towards long-term goals.

Figure 5.1 Example of a balanced scorecard for the water sector



Note: All data is fictitious and bears no resemblance to outturn or expected performance.

Source: Oxera.

In this example, the balanced scorecard measures performance against four strategic objectives, namely:

- 1 asset condition and physical resilience;
- 2 service quality and customer experience;
- 3 supporting economic and housing growth;
- 4 environmental performance.

The scorecard enables regulators, government and wider stakeholders to assess the company's and the sector's performance against five-year regulatory targets (i.e. the line graphs), as well as cumulative performance against long term targets (i.e. the bar charts). This provides a view of whether the company's short-term delivery means it is on track to deliver long-term objectives in each area, and enables the company and regulator to 'course correct' if necessary.

The company's performance is then aggregated across different strategic objectives, and weighted on the basis of perceived overall importance (in this case, we assume for purely illustrative purposes that supporting economic and housing growth is deemed most important, and that service quality receives the lowest weighting). The same overall performance metric can then be calculated for the entire industry (see top right quadrant), by aggregating together metrics across regulated companies.¹⁹ This would then enable:

- each company's progress against long term targets to be assessed relative to the overall industry; and
- an assessment of whether the industry as a whole is on track to deliver the government's long term objectives for the sector.

6 Summary

In this paper, we have set out our views as follows.

- Companies are due to deliver sustained, large-scale investment over multiple regulatory periods. Regulators and government need to be able to assess progress against these requirements, to ensure that actions taken today deliver government's goals for the future. This means having a view of long-term performance and investment trajectories.

¹⁹ As noted above, this would be made possible by the fact that—while target *levels* of performance would be allowed to vary across companies (depending on local need/circumstances)—the same targets would apply across all companies.

- A balanced scorecard approach has the potential to provide an effective means of tracking sector progress against prioritised areas. The themes that would be measured in the balanced scorecard would reflect the areas prioritised by government in the National Water Strategy and Ministerial Statement of Water Industry Priorities. Scorecards could be developed both for individual companies and for the industry as a whole.
- This approach could bridge the gap between companies' day-to-day activities and government's long-term objectives, enabling early identification of delivery risks and building public confidence that bill increases are delivering outcomes that customers and society value.