

The risk paradigm in compliance administration

Meta risk management means the risk management of risk management. The Australian Taxation Office (Tax Office) has an international reputation as an organisation that is sophisticated in risk management. The aim of this working paper is to understand how it is developing a capability in meta risk management and how it can extend that capability.

Drawing together a number of longstanding themes in the regulation literature with more recent writing on neo-liberal governmentality, Peter Grabosky (1995) developed the theme of meta regulation, which he called 'meta-monitoring' - government monitoring of self-monitoring. He elaborated further on these ideas with Neil Gunningham (1998) in *Smart Regulation: Designing Environmental Policy*. The most sustained development of this approach is in Christine Parker's forthcoming book *The Open Corporation: Self-Regulation and Corporate Citizenship*. The penultimate chapter of that book is entitled 'Meta-Regulation: The Regulation of Self-Regulation'. Parker jointly explores notions of meta-regulation and meta-evaluation - evaluation of corporations' self-evaluations of their compliance systems. In this working paper, we seek to give these ideas more of a risk-management orientation and one specifically attuned to tax administration.

According to Ulrich Beck's (1992) influential book *Risk Society: Towards a New Modernity*, societies have become more reflexive about risk. The Tax Office's Risk Management System can be seen as an example of tax administration reflexively remaking tax administration in a risk paradigm. To date, however, the Tax Office Risk Management System has been a rather conventional case of a regulatory organisation getting more analytic about the risks the organisation must confront. A further step toward a reflexive risk paradigm is for the Tax Office to monitor and seek to remake the risk management systems of the organisations it regulates. This is a move from the Tax Office developing its own Risk Management System to influencing the risk management systems of other important organisations in its risk environment.