# Addressing Falsehoods & Inconsistencies Regarding:

## *Issues relating to advocacy services for veterans accessing compensation and income support*

Mr Zachary Plath, Veteran & Managing Director at VetComp

# Unethical and potentially illegal referral relationships between medical providers and advocates

The issue of referral arrangements between medical providers and advocates was discussed during the hearing. Unfortunately, this concern was conflated with legitimate fee-for-service advocates who disclose conflicts of interest, act transparently, and do not monopolise the veteran wellbeing ecosystem for their own advantage.

The real risk lies in ecosystems where providers have a financial stake in generating claims. This creates incentives for unmerited claims, an issue identified in the hearing. From our experience, the biggest culprits are not professional fee-for-service advocates, but medical clinics that present themselves as “advocates” and advertise that they charge no fee to veterans. While no fee is passed directly to the veteran, these arrangements allow clinics to manufacture billable work through the claims process with little oversight or safeguard.

Operating under the guise of “free advocacy,” these providers often focus on generating medical reports rather than guiding, supporting, or representing veterans. They rarely correspond with DVA on the veteran’s behalf and seldom engage in appeals, leaving the veteran unsupported. Some of these providers may already have been delisted by DVA for their conduct, as noted in evidence provided by Andrew Kefford.

A separate concern raised was that some fee-for-service providers allegedly receive remuneration from such clinics, in some cases on a per-claim basis. While I cannot confirm the legitimacy of those allegations, I can confirm that VetComp does not receive any third-party remuneration from medical providers, as explicitly stated in our Code of Ethics.

What was not represented during the hearing were legitimate fee-for-service advocates — such as VetComp, who operate independently, disclose conflicts, and do not engage in remuneration arrangements with third-party providers. Sadly, all advocates were categorised as one.

In the same hearing, Senator Ghosh asked:

***Senator GHOSH****: Sorry, to understand that as well, that means, in effect, that the veterans are worse off for having gone to an advocate in terms of having their claims processed.*

***Ms Cavanagh:*** *In terms of the timeliness—the time it takes for us to unpick that and get them to a final outcome—yes.*

The answer provided by Ms Cavanagh is misleading. VetComp’s data, based on 229 outcomes, shows that clients who engaged our services had their claims finalised in an average of 409.9 days from the date of onboarding. Importantly, this measurement is from onboarding,  not the original claim submission, meaning the time with DVA itself is even shorter. The suggestion that

veterans are worse off for engaging an advocate is therefore false and cannot be applied universally.

DVA's own most recent processing data (August 2025) indicates average processing times of 339 days for Initial Liability and 219 days for Permanent Impairment. Taken together, this equates to an average of 558 days under DVA's system. By comparison, VetComp's average of 409.9 days represents claims being finalised 149 days faster.

The data is clear: far from delaying claims, engaging VetComp has statistically resulted in quicker resolutions.

This distinction is critical, yet it was not made clear during the hearing. By conflating unethical referral arrangements with legitimate fee-for-service advocacy, the Committee created a misleading impression that all paid advocates operate under the same model. That is simply not the case.

On one hand, there are medical clinics masquerading as "free advocates," whose business model relies on generating excessive medical reports and billing DVA at exorbitant rates, often without providing genuine representation or support to the veteran. On the other hand, there are professional advocates such as VetComp, who operate transparently, disclose conflicts of interest, and are remunerated solely through agreements made directly with veterans. These are two fundamentally different models, with fundamentally different risks.

By failing to draw that line, the hearing reinforced a narrative that unfairly tarnishes ethical advocates. This harms not only providers, but also veterans themselves. Veterans who may otherwise benefit from professional advocacy could be discouraged from seeking support, believing all fee-for-service providers are operating unethically. In reality, the evidence shows that professional advocates like VetComp deliver faster outcomes, with clear accountability and no hidden incentives tied to third parties.

It is vital that this distinction is made explicit. Without it, the debate risks vilifying ethical providers while leaving the true problem, exploitative medical referral ecosystem, unaddressed.

# The reasons why veterans are turning to paid advocacy *(this was not required during the hearing)*

ESO's position themself as the moral authority in veteran advocacy, a narrative the Committee reinforced without hesitation. Yet the Committee appeared uninterested in examining the real reasons so many veterans are voluntarily engaging fee-for-service providers. It is simplistic to assume this trend is driven only by a lack of ESO capacity, and disingenuous to suggest that veterans are unaware they can access ESO advocates at no cost.

As Andrew Kefford testified, DVA has implemented multiple measures to ensure veterans know their options. In fact, before submitting a claim, veterans are explicitly presented with a disclaimer advising them of free ESO services. The RSL itself has been operating since its establishment in the early 20th century and is the most visible face of veteran wellbeing and support. Veterans know ESO's exist.

As a co-owner and operator of a fee-for-service advocacy organisation, I have personally witnessed numerous veterans choose to engage our services. Many of these individuals had already approached ESO advocates but came away feeling unsupported or uncertain about the quality of representation they received.

Why is it that veterans are growing more reluctant to engage ESO's, despite the claims being done at no cost to them and turning to paid advocacy?

A record of distrust, misuse of funds and ostracisation amongst ESO's has led to veterans becoming more weary in their decision making. In 2023, RSL NSW was forced to publicly apologise for historically excluding Vietnam veterans, refusing them entry to clubs and recognition as "real veterans". Senior leaders have also faced governance scandals, including undisclosed conflicts of interest and questionable financial benefits.

The bigger contradiction lies in money. RSL clubs rely heavily on pokies and alcohol revenue while contributing little back to veterans. A 2025 study found Victorian RSL clubs spent just 1.5% of their pokies revenue on veteran welfare over a decade *(www.sciencedirect.com)*. According to ABC News, the Gaythorne RSL made $7.1 million from pokies in one year but donated only $24,194 to charity, about 0.34%. Most profits go into hospitality and club operations, not veteran services, even as the RSL brand is used to legitimise gambling venues.

Against this backdrop, claims that fee-for-service advocates are "ripping off veterans" ring hollow. Veterans voluntarily choose these services under transparent agreements, while RSL clubs profit from gambling losses and return only a token share to welfare. If exploitation is the concern, the Committee should first examine the RSL's own business model.

These incidents, among others, have eroded trust within the veteran community, leading many to turn to fee-for-service providers and helping to explain the rapid growth of this industry.

Other contributing factors include the delivery of service itself. Veterans consistently report that ESO advocates, while well-intentioned, often struggle with responsiveness and timeliness. Delayed correspondence, lack of updates, and poor communication leave veterans uncertain about whether their claim is being progressed at all. When pursuing DVA entitlements, confidence and clarity are not optional; they are essential.

This gap is compounded by the lack of mutual incentive in the ESO model. Free advocates are not directly accountable to clients for the quality or timeliness of their work. By contrast, fee-for-service advocates are commercially motivated to deliver high standards, provide regular correspondence, and support the veteran throughout, because their business model depends on it. Veterans recognise this difference, and their choices reflect a desire for advocacy that is both professional and reliable.

The rise of fee-for-service advocacy is not a sign of exploitation; it is a direct response to distrust, weak service delivery, and misaligned incentives within the ESO system. Veterans are making informed, deliberate choices to secure representation they can trust.

As the committee seemed sympathetic to anecdotes, I would like to share with feedback we have received from one of our veterans who engaged our services after years of delays and setbacks through an ESO.

## Ray's Story

*This story has been deidentified, details confirming the accuracy of these events can be supplied.*

Ray tried to use ESO advocates for more than two and a half years, but after repeated failures and feeling unheard, he had made little progress. During this time, his personal circumstances were devastating. His wife was battling cancer, and when things couldn't seem to get worse, his young daughter was diagnosed with a genetic duplication disorder , one of only 18 confirmed cases worldwide. Treatment for her condition was not covered by Medicare or their insurance, leaving Ray's family in severe financial distress.

At this breaking point, Ray was referred by a friend to VetComp. Within less than 12 months of engaging us, his claims progressed to a permanent impairment determination, resulting in a lump sum payment of $460,644.88 and the awarding of a DVA Gold Card. We also supported Ray to access incapacity payments after his service-related conditions prevented him from continuing employment. This has allowed him to focus on rehabilitation and, most importantly, to spend time with his wife and daughter during an unimaginably difficult period. We continue to support Ray through his CSC retrospective application.

Ray sent us the following email on 25 September 2025:

> *"I just wanted to say that although you deal with a lot of veterans, you have practically saved my life. I didn't realise how much stress I was under with my little girl battling her disability and cancer, and my wife also going through radiation. The toll of all of that, while I was working several jobs to keep us afloat, was destroying me physically and mentally. My cup wasn't just overflowing — it was cracked. These last 10 months of incapacity payments have given me time to look after them, but also to look after myself, and I'm so grateful for that."*

# Fee for Service Providers Are Not Taking Veterans Payments

The notion that veterans always pay service fees directly from their statutory payments is misleading. It assumes that every veteran lacks the surplus capital to cover associated fees, which is simply not the case. To present it this way creates an insincere narrative that cannot be universally applied.

By that same logic, any fee charged at the conclusion of a claim could be characterised as taking money from a veteran's statutory payment, including the capped rate of $7,500 + GST charged by Australian Veteran Advocacy. The Chair (Sarah Henderson) endorsed this model, and made the following comment.

**CHAIR:** *I have to say, from what you've explained to us, it appears to me to be a very ethical fee structure that you've put in place, with a lot of regard for the welfare of veterans.*

If the capped fee of $7,500 is considered ethical despite being payable at the end of the claim, then it follows that percentage-based fees cannot be condemned on the grounds that they are "taken from statutory payments." To apply that criticism selectively is inconsistent and unfair.

# Critical Analysis Of Potential Billing Models

## Hourly Rate:

The idea of an hourly rate may sound straightforward, but in the context of DVA claims it is entirely inappropriate. The claims process is lengthy, often 18 to 24 months and involves multiple stakeholders, from DVA officials to medical providers. Under an hourly model, this timeframe alone could leave veterans facing invoices that are unpredictable and unaffordable.

For veterans, hourly billing creates fear and uncertainty. Every phone call, every piece of correspondence, every clarification could increase their final bill. Instead of encouraging communication with their advocate, it would deter it, veterans may avoid seeking updates or advice simply to keep costs down. Worse still, there is no practical safeguard against exploitation. An unscrupulous provider could inflate hours through unnecessary calls or correspondence, leaving veterans paying far more than expected. In extreme cases, hourly fees could consume a veteran's entire compensation, leaving them worse off than before.

For advocates, hourly billing also undermines the relationship. It turns every interaction into a potential cost burden for the client, discouraging open communication and eroding trust. This is inefficient, adversarial, and fundamentally at odds with the spirit of advocacy, which should be based on trust and shared purpose.

In short, hourly billing places all the risk on the veteran, creates perverse incentives for providers, and damages the advocate–client relationship. A defined fee model, transparent, predictable, and agreed upon upfront, protects both sides. It ensures veterans know exactly what they are committing to, and advocates can focus on delivering results rather than clocking hours.

## Per Claim Basis:

Charging a fixed fee per claim might seem simple, but in practice it could have potential to create perverse incentives. If payment is tied to the number of claims lodged rather than the quality of claims, or the outcome for the veteran, unscrupulous providers would be encouraged to "farm claims" *(a common term that amounts to unscrupulous medical providers who generate unmerited claims)*. This would not only expose vulnerable veterans to false hope, wasted effort and unnecessary fees, but also further clog DVA's already overstretched system with unmerited or poorly prepared applications.

The result would be a cycle of inefficiency. Veterans would be drawn into a process where quantity is rewarded over quality, while DVA would face an even greater administrative burden reviewing claims that never should have been submitted. Trust in the system would erode

further, and genuine claimants could face longer delays as resources are diverted to manage inflated volumes of unmerited claims.

Just as concerning, a per-claim model could also deter veterans from pursuing all of their conditions in fear of inflating their bill. Veterans may choose not to lodge legitimate claims simply to avoid higher fees, leaving them undercompensated and unsupported. Instead of protecting veterans, this model risks both exploitation and under-claiming, which undermines the very purpose of the advocacy system.

## Flat Fee:

Flat fees reward shortcuts, commission models reward doing the job properly. A flat fee might look simple, but it creates the wrong incentives and leaves the veteran exposed. When a provider is paid the same regardless of the result, there is no commercial motivation to apply the same level of care, detail, or persistence across every case. This model also shifts all of the risk onto the veteran. Whether the claim succeeds or fails, the provider has already been paid, while the veteran could be left with reduced entitlements or no outcome at all. In some cases, a flat fee could consume a disproportionate share of the compensation, leaving the veteran financially worse off than before they engaged an advocate.

By contrast, commercial enterprises are motivated by performance. Where there is a mutual incentive, where the interests of the veteran and the provider are aligned, the provider has every reason to invest the necessary time, detail, and energy to deliver a strong claim. Flat fees remove that alignment and replace it with indifference.

## Percentage Base Billing With a Capped Fee:

The committee's position on percentage-based billing appears internally inconsistent. The Chair has condemned advocacy models which employ percentage based billing models and generate revenue via commission.

**CHAIR:** *Do you support commissions?*
**Mr Jones-Hope:** *Yes.*
**CHAIR:** *Okay. I would put to you that your organisation is supporting a system which is systemically ripping off veterans, and that is not good enough.*

This comes at a contradiction as the Chair *(Sarah Henderson)* supports models which utilise commission practices such as Australian Veteran Advocacy. The Chair *(Sarah Henderson)* stated the following after Australian Veteran Advocacy discloses their pricing model which includes commission billing.

**CHAIR:** *I have to say, from what you've explained to us, it appears to me to be a very ethical fee structure that you've put in place, with a lot of regard for the welfare of veterans.*

This exposes a clear contradiction. If percentage-based billing is inherently unethical, then the capped model must fall under the same criticism, since it too charges a percentage until the cap is reached. To describe one as “ripping off veterans” while praising the other as “very ethical” is inconsistent and misleading.

To further illustrate this point, I have included a practical example:

**Example***: If the capped fee is not reached, the veteran is still charged a proportion of their lump-sum payment. For example, under this model, a veteran receiving $100,000 who is billed 5% would pay $5,000 + GST — precisely the same outcome as under any other uncapped percentage-based model.*

If percentage billing in itself is inherently unethical, then the capped model cannot be considered ethical simply because a cap exists.The logical conclusion, therefore, is that the committee is not rejecting percentage-based billing; rather, it seems that the Committee's concern lies with the profitability of these practices.If profitability alone is seen as unethical, then many established institutions would face the same charge. Australia is, at its core, a capitalist nation built on free markets and consumer choice, and veterans should be respected in their right to make those choices, especially if they believe they will be better represented by a fee-for-service advocate.

The ACCC’s own pricing guidelines affirm that Australian businesses are free to set their own prices, provided those prices are transparent, not misleading, and not the result of collusion or anti-competitive behaviour. This reflects a basic tenet of the free market: consumers choose where to spend their money, and businesses compete to provide the best value.

In such an environment, exorbitant prices cannot sustain themselves, the free market simply won’t allow it. If one provider attempts to charge fees that are grossly out of step with the value delivered, veterans will take their business elsewhere. It is only in ecosystems where competition is suppressed, such as monopolised sectors like parts of our food industry, that inflated pricing can persist unchecked.

Fee-for-service advocates do not operate in a monopolistic environment. Veterans already have alternatives through ESO’s, and they retain full agency to accept or reject any commercial arrangement. In this context, to label lawful, transparent percentage-based billing as “ripping off veterans” ignores the reality of how free markets operate in Australia. It also risks undermining veterans’ agency by treating them as incapable of making informed choices.

If the concern is truly about protecting veterans, the focus should be on ensuring transparency, clear disclosure, and informed consent, the very principles already enshrined in ACCC consumer law. To go further and suggest that businesses cannot use lawful fee structures is not only inconsistent with the ACCC’s framework, but fundamentally un-Australian in its rejection of free enterprise and consumer choice.

## Percentage Based Billing Models:

Under the current common practice, veterans willingly engage fee-for-service advocates under percentage based billing models with the assurance that they will not be worse off compared to other billing models. As the sector grows, we can already see the market becoming more competitive. Advocates are offering percentage-based billing at rates of less than 1% to attract clients. Would the Committee truly consider a 1% billing model as “ripping off veterans”? At that rate, a veteran receiving the maximum DVA MRCA Permanent Impairment compensation would pay no more than $6,000,  a figure that is in fact lower than the capped fee rate *($7,500 + GST)* employed by Australian Veteran Advocacy and supported by the Chair (Sarah Henderson).

**CHAIR:** *I have to say, from what you've explained to us, it appears to me to be a very ethical fee structure that you've put in place, with a lot of regard for the welfare of veterans.*

*(In response to the disclosure of Australian Veteran Advocacy billing model)*

I draw attention to this because the model has not been criticised for its structure, but for its commercial efficiency. It seems the Committee does not, in principle, object to percentage-based billing of statutory payments; rather, their concern lies with the profitability of these practices.

If profitability is the true objection, this position is deeply troubling. Australia, at large, is built on free markets and consumer choice.

To single out one sector and declare it “unethical” simply because it is profitable is fundamentally un-Australian. Profitability is not evidence of exploitation, it is the marker of a sustainable business model operating within a competitive market, one that exists only because veterans themselves recognise its value and freely choose to support it.

It is also worth noting that paid services account for approximately 20% of DVA’s caseload, meaning one in five veterans voluntarily engage fee-for-service advocates under the current arrangements. Outlawing percentage-based billing would almost certainly drive many highly competent advocates out of the DVA ecosystem, placing even greater demand on ESO’s, organisations that veterans are choosing to disengage from. Such a shift would reduce, not increase, the quality and accessibility of advocacy available to veterans.

It should also be recognised that fee-for-service organisations charging veterans are legitimate businesses that collect GST and pay company tax. These revenues, in turn, flow back into the Commonwealth and help fund programs, including support for ESO’s themselves. To characterise these organisations as “ripping off” veterans ignores the reality that they are contributing financially to the very system that supports veterans more broadly.

# Conclusion

The debate around fee-for-service advocacy must be grounded in evidence, transparency, and fairness. The reality is clear: veterans are not being misled, nor are they being universally disadvantaged by engaging professional advocates. On the contrary, data demonstrates that claims managed by VetComp are resolved faster than DVA's own averages. Veterans know ESO's exist, yet one in five are choosing fee-for-service providers because of the trust, communication, and accountability that these models deliver.

The real risks lie not with transparent fee-for-service advocates, but with exploitative ecosystems where medical providers masquerade as "free advocates," manufacturing billable work at extraordinary cost to the Commonwealth while providing little genuine advocacy. Conflating these practices with legitimate providers like VetComp is misleading, unfair, and ultimately harmful to veterans who deserve choice and clarity.

The Committee's inconsistent position on billing models, condemning percentage-based billing in one instance while endorsing capped percentage fees in another, only highlights that the true objection is not structure, but profitability. Profitability, however, is not exploitation; it is the marker of a sustainable business operating in a free and competitive market. Veterans, as informed consumers, should be respected in their ability to make decisions about who represents them and how.

Fee-for-service advocacy is not a threat to veterans, it is a service chosen by veterans. To undermine it through mischaracterisation would not protect the veteran community; it would weaken it by removing trusted options, driving skilled advocates away, and increasing pressure on ESO's that many veterans have already lost confidence in.

For the sake of fairness, accountability, and veteran choice, it is essential that the distinction be made clear: legitimate fee-for-service advocates are part of the solution, not the problem.