

Re: Proposed Removal of Non-Compete Clauses in Employment Contracts

I am writing as the owner 5 small allied health business operating physiotherapy and chiropractic clinics across rural/remote Queensland and indigenous communities. I strongly oppose the proposal to ban non-compete clauses in employment contracts. This change would place small businesses like mine under significant risk and have unintended but serious consequences for rural health access, professional development, and patient outcomes.

Key Concerns:

1. Loss of Protection for Business Goodwill and Client Relationships

In allied health, our business success is built on long-term client relationships and strong referral networks with local GPs, schools, sporting clubs, and aged care facilities. Non-compete clauses are a necessary and reasonable protection against immediate competition from former employees who may open their own practice nearby and actively divert clients—clients that were introduced, supported, and retained through our business systems, branding, and marketing investments.

Without these clauses, our goodwill and reputation become vulnerable to being directly exploited by departing staff. This is particularly concerning in smaller communities where one or two practitioners can hold a substantial portion of the local client base.

2. Threat to Viability of Rural and Regional Clinics

Rural and remote communities already face critical shortages in allied health services. Small business owners like myself take on significant financial and operational risk to establish clinics in these areas, often with limited staff availability and a smaller population base. We often have large incentives to draw allied health practitioners to the country and spend a large amount of money on their training and sending them back to the city for CPD seminars.

Removing non-compete clauses removes one of the only protections we have when investing in these communities. If a practitioner we've trained and supported decides to leave and open a clinic next door or within a few kilometres, they can easily take a large share of our patient base—especially in towns where “choice” is limited to one or two providers.

This risk is simply too great for many small business owners to accept. The likely outcome is a drop in new clinics opening in rural and Indigenous communities, leading to:

- **Reduced service access** for rural and Indigenous populations

- **Fewer employment opportunities** for local allied health graduates
- **A widening gap in health outcomes** between urban and regional Australians

This proposal, while perhaps well-intentioned, will actively discourage investment in precisely the areas where healthcare services are most needed.

3. Impact on Training, Mentorship, and Workforce Development

We invest heavily in developing early-career practitioners through structured onboarding, supervision, CPD support, and hands-on clinical mentoring. These investments are only sustainable if there is some assurance that a practitioner will not immediately leave to open a competing clinic using our resources, client lists, and hard-earned business systems.

Removing non-compete clauses sends a message to employers: “Invest at your own risk.” This will discourage clinics from taking on new graduates or practitioners without private practice experience, ultimately narrowing the development pipeline for the sector.

4. Unfair Disadvantage for Small Operators

Large corporate healthcare providers may be able to absorb the risk of staff turnover and poaching—but small operators cannot. We do not have in-house legal teams, HR firms, or the financial resources to endure the sudden loss of clients or staff without recourse.

For many small businesses, a non-compete clause is the only practical, enforceable way to manage these risks and ensure stability for staff and clients alike.

Conclusion:

Removing non-compete clauses outright will damage small health businesses, reduce rural and Indigenous access to care, discourage investment, and ultimately harm patients. I support fair reform of employment practices—but not at the expense of sustainability, equity, and health outcomes in vulnerable communities.

Please ensure that small businesses, particularly those serving rural Australia, are not sacrificed in this reform. We want to keep building clinics, investing in staff, and serving communities—but we need protection and policy certainty to do so. The removal of non-compete and restraint of trade clauses would expose our business to unacceptable risk and would ultimately force the closure of our rural health clinics.

