

Submission to the Treasury: Response to Proposal to Ban Non-Compete Clauses

Date: 31st July 2025

1. Introduction

I am the owner and director of a well-established chiropractic clinic in Perth, Western Australia. I have been operating in the allied health sector for over 20 years, with a strong focus on delivering high-quality, patient-centred care.

Our centre employs multiple allied health professionals, including chiropractors, naturopaths, and soft tissue therapists. We invest heavily in the training, mentorship, marketing, and operational support of our clinicians to help them build their practices within our business. I am writing to express significant concerns about the proposed ban on non-compete clauses in employment and contractor agreements.

2. Key Concerns with a Blanket Ban on Non-Compete Clauses

2.1 Risk of Immediate Patient and Revenue Loss

If chiropractors and other practitioners can leave our practice and immediately open a clinic next door or down the road—taking patients they saw under our brand and infrastructure—we face immediate and significant financial loss. Patient loyalty often follows the practitioner, and without a transition buffer, our business risks collapse through no fault of our own.

2.2 Disincentivises Investment in Staff and Business Development

We invest substantial time and money into onboarding, marketing, and supporting new team members. This includes online visibility, administration, software, mentoring, and physical resources. Without the protection of a reasonable non-compete clause, there is no safeguard on that investment, effectively punishing businesses that grow their people.

2.3 Threatens Long-Term Viability of Small Health Businesses

In health care, reputation and continuity of care are critical. A revolving door of clinicians who are free to take patients upon departure undermines business sustainability, staff morale, and patient confidence. Small, local health businesses like ours would be disproportionately harmed.

3. Suggestions for Reform Rather than Removal

Rather than an outright ban, I respectfully propose a more balanced, fair approach that protects both employee rights and small business viability.

3.1 Introduce Reasonable Restrictions

Instead of banning non-compete clauses altogether, introduce national standards on what is considered *reasonable* in terms of:

- **Duration** (e.g., maximum 6–12 months post-employment)
- **Geographic scope** (e.g., within a 5–10km radius)

- **Scope of restriction** (limited to clients seen through the employer, not a total industry ban)
- **Cost** (eg. \$800 per patient that follows the employee)

This allows fair competition without gutting businesses that rely on stability and goodwill.

3.2 Strengthen Protections Through Transparency and Fairness

Ensure non-compete clauses are:

- Clearly explained and acknowledged upon signing
- Linked to the level of investment/employer risk
- Unenforceable only when demonstrably unfair or excessive

This model protects vulnerable workers while still allowing businesses to safeguard key interests.

4. Final Thoughts

The proposed blanket ban on non-compete clauses would have serious unintended consequences for the allied health sector and small business owners like myself. While I fully support fair and flexible employment arrangements, a more balanced regulatory reform—rather than outright prohibition—is necessary to protect businesses that invest in their people and communities.

I urge Treasury to consider a model that retains the **option of enforceable, fair non-compete clauses**, with clearer national standards and oversight, rather than a one-size-fits-all ban.

Thank you for the opportunity to provide input on this important issue. I am happy to be contacted for further information or to provide examples from the health sector to support the points made above.
