

# A Double-Edged Sword: New Employee Protections Create Uncertainty For Delivery Workers



In a sweeping move that has sparked both praise and concern, British Columbia introduced new regulations for app-based gig workers—specifically those in rideshare and delivery services—which came into effect September 3, 2024. These changes are designed to provide minimum wage entitlements and workplace protections, but they also raise important questions about the future of the gig economy.

## What is the “Gig Economy”?

A gig worker is “a person who does temporary or freelance work, especially an independent contractor engaged on an informal or on-demand basis.” This type of work has thrived in recent years due to its flexibility, attracting many individuals seeking additional income or even full-time employment. Rideshare services, defined as “travel in a private vehicle driven by its owner, free or for a fee, especially as part of an arrangement made using a website or app,” have become essential in major cities worldwide.

However, as gig work becomes more common, concerns over fair compensation and worker protections have surfaced, prompting BC to take legislative action.

# The New BC Regulations

Starting in September, app-based workers in BC will see a host of changes aimed at improving their working conditions. These include:

- **Minimum Wage:** Gig workers, such as rideshare and delivery drivers, will receive a minimum hourly wage of \$20.88. This is 120% of the province's general minimum wage of \$17.40;
- **Expense Allowances:** Rideshare workers will receive 45 cents per km for using a personal vehicle, while delivery workers will receive 35 cents per km, regardless of vehicle type (including bikes and e-bikes);
- **Workplace Protections:** Workers will now be covered by WorkSafeBC, ensuring compensation for injuries, as well as receiving occupational health and safety protections;
- **Tip Protection:** Companies are prohibited from withholding or deducting tips, and workers will have transparency regarding estimated payments and delivery locations before accepting assignments; and
- **Fair Process for Terminations and Suspensions:** These changes aim to offer workers more job security, with improved policies on suspension and termination.

## Learning from Other Jurisdictions

BC is not the first jurisdiction to pass such laws, and the experiences of cities like Minneapolis and New York offer a glimpse into what might lie ahead.

When local legislators in Minneapolis passed a law mandating higher payments for rideshare drivers, Uber and Lyft threatened to pull their services out of the city altogether. The public outcry that followed led to a compromise – rather

than mandating a minimum wage, the state agreed to a 20% pay increase, in exchange for these companies staying in the Minneapolis market.

In 2023, New York passed a law requiring all app-based delivery workers to earn at least \$17.96 per hour, increasing to nearly \$20 by 2025. This was a dramatic jump from the prior minimum wage of \$8 per hour. While companies like Uber, DoorDash, and Grubhub argued that the increased wages would make their services too expensive, numerous delivery drivers – many of whom are migrant workers – welcomed the change as a step towards fair pay. However, a downside has emerged, where many drivers reported a reduction in tips.

These examples illustrate the complexities of regulating gig work.

## **The Impact on BC Gig Workers**

For BC's gig workers, the new regulations offer significant benefits, but the changes could come with trade-offs. Higher pay is a clear win, but increased competition for shifts and a reduction in the number of available gigs may make it harder for part-time workers to thrive. Full-time drivers might see an improvement in their wages, but flexibility – one of the main draws of gig work – could be reduced. As we've seen in New York, companies like Uber may implement systems that require drivers to sign up for specific time slots in advance, limiting their ability to work spontaneously.

Additionally, with companies now responsible for compensating workers for idle time, as is the case in New York, we may see gig platforms make operational changes that prioritize efficiency over worker flexibility. This could dampen the original allure of “being your own boss” that has made gig work so attractive to so many.

# **The Impact on Stakeholders and the Public**

The ramifications of these new regulations extend beyond gig workers to the companies they work for and the public they serve.

Platforms like Uber, DoorDash, and SkipTheDishes will likely face increased costs, both from paying workers higher wages and reimbursing them for expenses. These costs could be passed on to restaurants and other businesses that rely on delivery services, ultimately leading to higher prices for consumers. There may also be pressure on workers to maintain higher vehicle standards or meet stricter availability requirements.

Consumers could see longer wait times and higher fees for services, especially as companies adjust to the new cost structure. Fewer available workers might mean more competition for rides, potentially pushing people towards alternatives like public transportation, taxis, or bike-sharing programs.

As of October 1, 2024, apps such as Uber Eats and DoorDash have added additional service fees for customers ranging from \$0.99 to \$4.99.

## **The Future of BC's Gig Economy**

BC's new regulations represent a critical step towards ensuring fair pay and better protection for gig workers. However, the ripple effects on the gig economy, companies, and consumers remain uncertain. Higher costs may lead to fewer workers, less flexibility, and, ultimately, a diminished gig economy in its current form.

As BC navigates this new regulatory landscape, the province will need to monitor these changes closely, ensuring that the protections don't inadvertently create barriers for workers and consumers alike. Only time will tell whether these new protections strike the right balance or create unintended

challenges that force a reevaluation of how the gig economy can thrive while ensuring fairness for everyone involved.

## **Additional Sources:**

- <https://engage.gov.bc.ca/govtogetherbc/engagement/gig-workers/>
- <https://www.biv.com/news/new-bc-regulations-spark-debate-over-future-of-gig-workers-9264121>
- <https://www.cbc.ca/news/canada/british-columbia/uber-lyft-door-dash-minimum-wage-1.7233199>

*The content of this article is intended to provide a general guide to the subject matter. Specialist advice should be sought about your specific circumstances.*

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