

Digital Platform Workers' Rights Act Briefing note

RideFair, June 30, 2025

Ford's "gig worker minimum wage" *eliminates* the hourly minimum wage for the growing ranks of gig workers

On Canada Day 2025, Doug Ford's "Digital Platform Workers' Rights Act" will take effect, rolling back pay standards across the Province for a growing segment of workers. The new legislation seeks to end the hourly minimum wage floor for gig workers, and primarily benefits US-based tech platforms, who can continue to exploit workers in Canada using practices that might otherwise be considered wage theft.

The Provincial Government could and should protect gig workers by acknowledging their status as employees under our existing Employment Standards Act and by enforcing the Act for platform companies.

Thanks to in-depth studies produced by university researchers for the City of Toronto, we can model what Ontario's new "gig worker minimum wage" would mean for ride-hailing drivers in Canada's largest marketplace. The answer is sobering: given the number of drivers competing for rides and the high cost of offering ride-hailing services, a typical driver guaranteed \$17.20 for an hour "on assignment" would lose \$6.85 an hour (-\$6.85) worked.

That's because Ontario's gig worker minimum wage:

- Applies only to time spent on "assignments" or actively delivering a service, not the hours workers are on-call, on duty, waiting for work;
- Applies to income before expenses (unlike in BC). The high cost of having and operating a car wipes out minimum wage earnings even for drivers who are constantly busy;¹
- Is only applied to average earnings over a pay period, not every hour worked, allowing "good hours" to be wiped out by "bad hours."

In addition, there is nothing in the legislation to prevent platforms from using algorithms to pay workers different amounts for the same/equivalent work assignments based on their personal data, which will make it hard for workers to discover or prove unfair pay deductions and for regulators to detect wage discrimination.

¹ "On the Road" p 26 <https://www.toronto.ca/legdocs/mmis/2024/ex/bgrd/backgroundfile-251343.pdf>

Background

Ford's legislation is valuable for platforms, detrimental to workers and unfair to competitors in the formal economy.

1. Gig workers get NO hourly minimum wage guarantee under this law.

Unlike most of us, gig workers are only guaranteed minimum wage for time spent working on an assignment. Every minute not spent "productively" is deducted, even if the gig worker is waiting on-call, ready to work.

But drivers depend on platforms for ride requests. Under this law, platforms can waste as much driver time as they want, because under the Ford government's new law, they pay absolutely nothing for the convenience of having legions of workers on standby.

Under Ford's law, Toronto ride-hail drivers would only receive a \$17.20/hour revenue guarantee for entire pay periods where they are on assignment without break – and that almost never happens. A recent research [report](#) commissioned by the City of Toronto found that drivers spent a median amount of 34.5% of their online time waiting, unpaid, for assignments. So, the "gig worker minimum wage" translates into just over \$11 for every hours online. But that's before expenses are factored in.

2. BC's gig worker minimum wage applies *after* expenses. Ontario's applies before expenses – wiping out earnings for the median ride-hail driver

British Columbia's gig worker minimum wage, which similarly incentivizes employers to take advantage of unpaid on call time, does have one advantage – minimum wage is payable for time on assignments *after* expenses. This is critical because in Ontario, unlike standard employers, gig platforms are not required to cover equipment costs for gig workers – and they can be high. A [study](#) for the City of Toronto estimates the median hourly fixed costs (insurance, financing) for a 2022 Honda Civic (the most commonly registered vehicle for Toronto ride-hail drivers) to be \$3.41, with median variable costs (fuel, repairs, depreciation) running approximately \$14.70.

3. The "gig worker minimum wage" is not actually an hourly minimum wage, and lets gig employers effectively claw back periods of higher earnings

In 1962, Ontario instituted a minimum wage based on hours, not weeks, which this new law now eliminates for gig workers. Gig platforms only need to make sure workers' pay averages to at least minimum wage of their pay period, not every hour.

Why does this matter? Let's use the example of a ride-hail driver working for four hours each day for seven days. For six of those days, she earned fifteen dollars per hour online,

and spent 65% of this time picking up and dropping off passengers. The seventh day was very busy and full of surge pricing; she earned \$80 per hour online that day. If the Ontario minimum wage applied for each hour spent on assignment, she would have experienced bump-ups on six out of the seven days, and could have kept the higher earnings from her “good day.” Under Ontario’s system, however, her average earnings per assignment hour during the pay period work out to just above minimum wage, so she would receive no top ups.

4. AI-based pay and fares make it easy to hide gouging

The new laws prohibit gig employers pocketing tips, and that’s a good thing. But recent changes in gig work pay will make this practice difficult to detect in many cases.

Driver pay and customer fares are set by AI on a ride-by-ride basis for leading platforms, and may be entirely unrelated. Platforms collect a great deal of information about both parties. The algorithm will figure out exactly how much a particular passenger will pay, and how little a worker will accept, and claim the rest as profit.

Say the platform notices a customer is a consistent, generous tipper. What’s to say that the algorithm reduces the “market-based” pay to the driver – who it also knows to be economically vulnerable – by just a little bit? Or imagine a driver, alone in their car for hours hoping to get a fare. The algorithm will figure out the minimum number of trips they need to stay online, wasting their time, driving them further into poverty and clogging up our streets with empty cars.

Over millions of rides, these small differences become a lot – but on a ride-by-ride basis, very difficult to detect. Indeed, a recent US-based [study](#) by a Columbia Business School researcher found that since Uber introduced AI-based pay and fares, driver pay has declined, customer fares have increased, and the company has begun reporting profits.

What can be done?

Right now, gig-based ride-hailing and delivery platforms have an incentive to waste worker time, because Ontario law now shield platforms from paying workers for their entire on duty time. This arrangement financially benefits platforms by guaranteeing quick pick up and delivery times and by conditioning workers to accept ever lower pay in a market that always favours the seller.

The economic and social costs of this system – especially as the number of people relying on the gig economy continues to grow – are staggering. Canada’s labour productivity is already lagging behind the rest of the world, this legislation will only make it worse as it incentivizes platforms to pay workers nothing to sit idle.

The system is unlikely to change until, at a minimum, gig workers are paid for all of their online time, with gig employers assuming responsibility for scheduling them efficiently (something normal employers manage to do every day). This could be accomplished simply, by the Province affirming that gig workers are covered as employees under our existing Employment Standards Act.

But DPWRA's loopholes remain in place, gig workers' pay can consistently fall below the hourly minimum wage unless regulators also pass measures that require platforms to use worker time efficiently – by, for instance, capping the number of licensed ride-hail/delivery drivers at market capacity or requiring platforms to reach target utilization rates. Otherwise we are likely to see platforms continue to waste workers' time, contributing to plummeting productivity in Canada.

Note: This briefing note should not be considered legal advice. Please consult a labour lawyer regarding the interpretation and enforcement of your workplace rights.