

For Immediate Release

Serving More People Than You Can Tax: The Fiscal Impact of Municipal “Fringe Populations” in Northern Ontario

June 02, 2026 – Municipal leaders in Northern Ontario have long raised concerns that some municipalities are financially burdened by the costs of serving residents of nearby unorganized areas. Living outside the municipal boundary, these “fringe populations” are unreachable by traditional property taxes. Northern Policy Institute’s latest publication finds that there is evidence to support this claim.

Through comparing spending by municipalities across Northern Ontario – and controlling for other factors that may influence spending – the report finds that municipalities with large fringe populations spend more per resident, on average, on various services. Specifically, municipalities with large fringe populations tend to spend more on protection services (such as police and fire), recreation and cultural services (such as libraries and parks) and social and family services (such as assistance for seniors). These results are a strong indication that in many communities in Northern Ontario, residents of unorganized areas benefit from the services of neighbouring municipalities without an offsetting contribution to tax revenues.

This arrangement where municipalities serve more people than they can tax can create financial challenges for municipalities. In some cases, municipalities may cut services or raise taxes on residents to offset the cost of serving non-residents. People living in unorganized areas can be disadvantaged too if they rely on services provided by a nearby municipality where they have no right to input into decision-making.

Addressing these issues will require cooperation to find mutually beneficial solutions. “Municipalities, residents of unorganized areas, and the province should work together to ensure people across Northern Ontario have access to adequate services, pay their fair share for these services, and have a voice in decision-making” said author William Dunstan. Potential options for reform include municipal annexation of certain unorganized areas, or adopting a system of regional government in Northern Ontario modelled on British Columbia’s regional districts.

Want to learn more? Read the report here: <https://www.northernpolicy.ca/municipal-finance>

Media Interviews: NPI Vice President, Research William Dunstan is available for comment. To arrange an interview, please contact:

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About the Author:

William Dunstan is Vice President, Research at Northern Policy Institute. He first came to Northern Ontario through NPI's Experience North program in 2021, and he has spent time living in Hearst, Timmins, and Kirkland Lake. William has a Bachelor of Public Affairs and Policy Management from Carleton University and a Master of Public Policy from the University of Calgary.

About Northern Policy Institute:

Northern Policy Institute is Northern Ontario's independent, evidence-driven think tank. We conduct research, analyze data, and disseminate ideas. Our mission is to grow Northern Ontario by supporting evidence-based decision-making through education and direct community engagement.

We believe in partnership, reconciliation, collaboration, communication, and cooperation. Our team seeks to do inclusive research that involves broad engagement and delivers recommendations for specific, measurable action. Our success depends on our partnerships with other entities present in or passionate about Northern Ontario.

Our permanent locations are in Thunder Bay and Timmins. During the summer months, we have satellite offices in other regions of Northern Ontario staffed by teams of Experience North placements. These placements are for university and college students working in your community on issues important to you and your neighbours.