

# INFORMATION LETTER – SEPTEMBER 2022

## 1 STATUS APPLICATION FOR AQUACULTURE PERMIT

### 1.1 Åfjord municipality

#### Public review and statement from Åfjord municipality - Kvidul AS - Brennholmen

Åfjord municipality addressed the case (084/22) in the permanent planning committee on 26 August 2022.

Åfjord kommune

#### ► Planbeskrivelse med konsekvensutredning

Detaljregulering Brennholmen - høringsforslag

PlanID: 2020-001

The councilor's submission states, among other things:



*"Åfjord municipality has previously adopted a zoning plan for the area (planID:202001). The regulatory plan specifies the future use of the area. Within the deadline, a statement was received from Fosen Nature Conservation Association (Fosen Naturvernforening). A significant part of the statement addresses matters considered clarified through the zoning plan process.*

*Åfjord Municipality does not assess the statements beyond that, as this will form part of the proceedings in the Trøndelag County Authority (Trøndelag Fylkeskommune).*

*In the municipal plan for Åfjord, aquaculture is an important growth industry with great potential going forward. This means that Åfjord municipality will facilitate aquaculture where it does not conflict with other interests and current legislation.*

*Based on the information provided in the permit application from Kvidul AS, it cannot be seen that the measure will have significant negative effects on the current situation. Based on the information that appears in the impact assessment in connection with the regulation of the area, it will probably have a positive effect."*

*The councilor's assessments:*

*"This is a matter where Åfjord municipality is a hearing party. Trøndelag County Authority (Trøndelag Fylkeskommune) has decisive authority on the permit application for establishment. The measure is in line with the purpose of the area and can be permitted under the Planning and Building Act. As aquaculture is defined in the municipal plan as an important growth industry in Åfjord municipality, Åfjord municipality is positively disposed to the application, and therefore has no objections."*

The permanent planning committee made the following decision in case 084/22 at a meeting on 26 August 2022:

***"Åfjord municipality has defined aquaculture as an important growth industry and has no objections to the establishment of a land-based aquaculture facility on Brennholmen."***

## 1.2 The County Governor (Statsforvatler) in Trøndelag

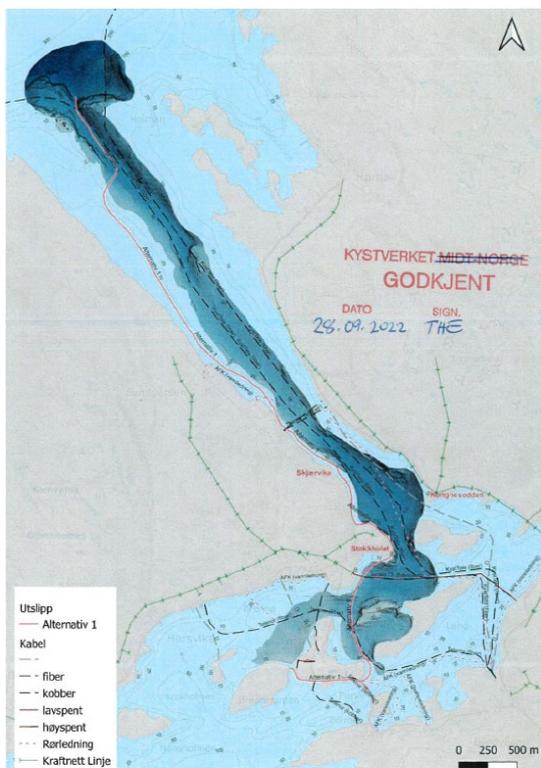
Kvidul has a weekly dialogue with a case manager at the County Governor (Statsforvatler) in Trøndelag's Climate and Environment Department. The responsible case manager has reviewed the documentation, and the feedback is that the documentation is very well developed.

## 1.3 The Norwegian Food Safety Authority (Mattilsynet)

Kvidul has an ongoing dialogue with the case manager at the Norwegian Food Safety Authority (Central Region). The Norwegian Food Safety Authority assesses and decides the application for an aquaculture permit according to laws and regulations related to fish welfare and health. Kvidul has supplemented previously submitted documentation related to fish welfare and health, and the feedback from the responsible case manager is that the documentation is very well developed.

## 1.4 The Norwegian Coastal Administration (Kystverket)

The Norwegian Coastal Administration has assessed the aquaculture application and, in a letter dated 28 Sep 2022, has authorized the installation of underwater pipes and cabling to the land-based aquaculture facility at Brennholmen.



Figur 1: Planlagt trasé for avlopsledning fra oppdrettsanlegget på Brennholmen ut til utslippspunkt utenfor Stokken

*"The Norwegian Coastal Administration refers to the project owner its application dated 05 Apr 2022 for a license to establish a land-based aquaculture facility with underwater pipes and cabling. Trøndelag County Authority (Trøndelag Fylkeskommune) has on 19 May 2022 and 09 Sep 2022 forwarded the application with associated documents to the Norwegian Coastal Administration (Kystverket) for handling under the Ports and Waterways Act (Havne- og farvannsloven). Applications for aquaculture facilities must first be handled by the County Governor (Statsforvalter), the Norwegian Food Safety Authority, and the Norwegian Coastal Administration in accordance with their regulations, the Norwegian Directorate of Fisheries and the municipality must be heard. The county council then makes a collective decision based on the Aquaculture Act (Akvakulturloven). The facility cannot be established before the county authority has given its final permit under the Aquaculture Act (Akvakulturloven). The decision in this letter is based on the "Ports and Waterways Act (Havne- og farvannsloven)".*

### Resolution:

***"In accordance with Section 14 of the Ports and Waterways Act (Havne- og farvannsloven), Kvidul AS is granted a license to install underwater pipes and cabling linked to a land-based aquaculture facility at the location of Brennholmen in Åffjord municipality, Trøndelag county, as applied for and in accordance with the attached stamped map."***

## 1.5 The Norwegian Directorate of Fisheries (Fiskeridirektoratet)

In a letter dated 6 Oct 2022, the Norwegian Directorate of Fisheries issued the following conclusion regarding the application for aquaculture permits for hatchery fish and food fish of salmon at Brennholmen in the municipality of Åfjord:

***"The Directorate of Fisheries (Central Region) has assessed that an application for hatchery and food fish facilities on land at Brennholmen in Åfjord municipality will not entail any significant negative effect on fisheries interests in terms of land use at the routes for intake and discharge lines. This requires, however, that they are properly laid so that they do not form free hangings, float up or change direction."***

## 2 RESOURCE RENT TAX

The government proposes introducing a resource rent tax on aquaculture from 1 January 2023.

The proposal includes taxation of income from activities based on a limited number of aquaculture permits for food fish farming of salmon, trout and rainbow trout in seawater.

Here is KPMG's summary of the main features of the proposal:

<https://home.kpmg/no/nb/home/nyheter-og-insikt/2022/10/regjeringen-innforer-grunnrenteskatt-pa-havbruk.html>

### Resource rent tax for the production of salmon, trout and rainbow trout.

- Only applies to the production linked to ordinary commercial food fish permits in seawater
- Development permits (before conversion), special permits and land-based farming are not applicable
- Resource rent tax rate of 51.3% (effective resource rent tax of 40%)
- A minimum deduction of 4,000-5,000 tons MTB, corresponding to NOK 54-67.5 million, which can be deducted from the positive base resource rent income
- To counteract tax-motivated adjustments, taxable income for salmon is determined based on a standard price (stock market prices on Nasdaq). Actual sales prices are used for trout and rainbow trout
- Investments are deducted when calculating the resource rent tax. For investment in operating assets before the introduction of resource rent tax, tax-related depreciation is deducted
- Costs related to the purchase of growth (MTB) or aquaculture permits are not deductible
- The production tax is retained and increased to NOK 750 million for 2023. A natural resource tax is also being introduced, estimated at NOK 750 million in 2023
- The production tax and the natural resource tax can be deducted kroner for kroner against the fixed resource rent tax
- The tax revenue from the resource rent tax is estimated at NOK 3.65-3.8 billion annually and must be distributed equally between the state and the municipal sector