



FISKERI- OG KYSTDEPARTEMENTET

*Norwegian Ministry of Fisheries and Coastal Affairs*

# The Aquaculture Act



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## **Introduction**

This document presents the new Aquaculture Act, its background and main content. The Act will enter in to force on 1 January 2006.

A brief introduction of the aquaculture industry and details of some elements in the Act are included. It must be remarked that this document is not a translation of the proposition to the Odelsting (Chamber in the Norwegian Parliament).

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# 1 The background of the Aquaculture Act

The Fish Farming Act was adopted almost 20 years ago at a time when the focus was on incorporating the existing enterprises into the licensing system and ensuring that new aquaculture activities were established in a responsible manner. This influenced the content and structure of the Act. The purpose and scope of the revisions and amendments of the Act up until today have been limited, and there has been no comprehensive revision.

There has been extensive development of the aquaculture industry since 1985. The industry has exhibited strong growth, and the ownership/structure, size, production technology, localisation and operating patterns have changed. Certain problems have become less relevant over the years, while new problems have arisen.

The outlook for the potential of the marine sector also indicates a high rate of change for the industry in the years to come. Aquaculture will become a more

diversified concept through the establishment of activities based on unexploited production opportunities. In addition, environmentally friendly production considerations, the weighing of land use interests in the coastal zone, market access, as well as food safety, health and fish welfare issues will be topics that one will be expected to take into consideration to an increasing extent.

It is not just the industry, the political goals and views of the public sector's role have also changed since the Fish Farming Act was adopted. Experience with the current Fish Farming Act shows that the Act does not adequately provide for the development and optimisation of the aquaculture industry's value creation potential. There is a need for legislation that provides better for a future-oriented development of the industry and establishes a more modern framework for the exercise of public administration.

The Ministry of Fisheries and Coastal Affairs has worked on the legislation on the basis of four special focus areas:

- Growth and innovation in the industry – profitability and innovation in light of Norway's international competitive situation
- Simplification for the industry and public administration – greater efficiency and user friendliness
- The environment – modern and comprehensive environmental regime
- Relationship to other user interests in the coastal zone – efficient land utilisation

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## 2 Main content of the Aquaculture Act

The new Aquaculture Act replaces the Fish Farming Act and Sea-Ranching Act. Important goals of the aforementioned acts will be maintained, but the focus on how these goals should be achieved will be changed.

The purpose of the new act is to promote the profitability and competitiveness of the aquaculture industry within the framework of a sustainable development and contribute to the creation of value on the coast.

The Aquaculture Act is an instrument that shall facilitate the industry players' creation of value, through profitable operations, in a socio-economically optimal manner. The Act will therefore establish the framework for the industry's future growth through a responsible management of national interests, such as the environment and use of the coastal area. The industry's goals can thus be achieved while other national and regional interests are also realised.

Profitability is the basis for the existence and development of the industry in the coastal regions, and this is reflected in the Act's measures. The focus will change from who owns the enterprise to how it is managed.

This means that the administration's opportunity to regulate ownership will be phased out, and the industry will be given greater freedom to seek an optimal structure for how the enterprise should be managed to create value. The industry's contribution to the development of the coast is primarily through profitable companies that are naturally located in coastal communities with good natural conditions for aquaculture. The administration's opportunity to limit the

number of licenses that are allocated for salmon and trout and to prescribe a geographic distribution of the licenses will be retained in the Act. Regional considerations can thus be made in the allocation policy.

The new Act introduces the right to transfer and mortgage licenses. These amendments are a consequence of the fact that ownership regulation will be phased out. Deregulation of the ownership requirements in combination with the right to transfer and mortgage licences will normalise the industry in relation to other industries and make the industry more adaptable with respect to meeting future challenges.

A simplification of the application process for the establishment of all types of aquaculture is also laid down in the Act. This will be accomplished through the introduction of mandatory efficiency improvement and coordination between the sector authorities and the local municipality. The stipulation of time limits for the application process is also inducted.

The allocation of licenses for the farming of salmon and trout, which currently takes place through a traditional applicant competition, can be carried out in a less resource demanding manner pursuant to the Aquaculture Act. Alternatively the qualification and subsequent selection of applicants can be carried out through drawing of qualified applicants or through auctions. This will result in resource savings for both the industry and the administration, since it will no longer be necessary to finely screen the applicants to determine who is best, and an assessment will be made as to which applicants are