

A Recycling Renaissance?

After several years of foundering, responsible recycling is becoming financially attractive again.

Internationally, positive shifts are occurring towards the mounting global waste problem. In a world of shrinking space and resources, rubbish may actually become an economic treasure if we can learn to manage it correctly.

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Other Australian companies and research organisations are producing high-potential enabling technologies in everything from recycling of concrete to rubber tyres.

In the United States, however, the past few years have been dismal ones for recycling. Electronic waste exported to China and Thailand has been mishandled, resulting in health and environment problems. Last summer in New York City, the Mayor suspended recycling of glass and plastic, declaring that it was far cheaper to incinerate or landfill these products.

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turn the glass feedstock into manufacturing construction materials and other items. For waste paper and scrap metal waste, Hugo Neu has the ever-increasing level of overseas demand for US rubbish. For example, massive deforestation and desertification in China has made wood a precious commodity. China is paying increasing amounts for US paper waste from which to make paper.



European states, and further afield, Japan, are bringing in product stewardship legislation requiring manufacturers to take back their product and recycle it¹. Interestingly, Japan is one of the first countries to require by law that the nation becomes a recycling society.²

In Ireland, a levy on plastic bags has stunningly reduced their usage by 90% within six months. Levies seem to work.

Across Australia there are some similar stand-out success stories, like South Australia's levy on soft drink, beverage and milk containers, implemented over 25 years ago, which recycles 85% of containers.

Australian recycling firms Visy Industries and the Alex Fraser Group are investing significantly in New York and Singapore, respectively, and doing very well.

¹ Fowler, L., 'From Technical Fix to Regulatory Mix: Japan's New Environmental Law' (2003) 441 Pacific Rim Law & Policy Journal

² Environment Agency, Japan, The challenge to establish the Recycling-based Society (2000) Environment Agency (<http://www.env.go.jp/recycle/panf/fig/e-guide.pdf>)

New York once sent much of its waste to the adjoining state of Pennsylvania at minimal cost, but after the City suspended glass and plastic recycling, Pennsylvania charged more for the increased waste heading to its landfills. This was an unanticipated cost to New York's overburdened budget. Suddenly, the 'away' that the City assumed it could throw its waste into became expensive.

But the metal salvage company Hugo Neu Schnitzer East saw an economic opportunity in New York's waste. It has offered to take on recycling the City's metal and plastic by the middle of this year, for a significantly lower fee than other waste management companies quoted. By 2004, Hugo Neu will recycle the city's metal, plastic, and glass, and will pay the Big Apple US \$5.10 per ton for metal and plastic.

Glass is the hardest product to recycle in a financially successful manner, but Hugo Neu has found a partner company that will

So the fate of recycling in New York City has become particularly interesting. When glass and plastic recycling was suspended, citizens stopped sorting paper out of their rubbish as well. Paper has consistently been the most profitable material to recycle—and, with increasing demand abroad, prices for recycled paper feedstock should continue to rise.

The City was thus hit with a double blow: it suddenly had less of the profitable waste paper available, and more of the paper was mixed into waste for disposal, leading to *more* rubbish to be landfilled or incinerated – again, at higher prices.

Recycling in New York is a cheaper alternative to landfilling – possibly for the first time. It's an interesting case study of how sustainability principles often pay off in ways no one could have originally foreseen.

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