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SUBMISSION TO INQUIRY INTO SANCTIONS AGAINST THE RUSSIAN
FEDERATION

Committee Secretary

Foreign Affairs, Defence and Trade References Committee

Department of the Senate

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AUSTRALIA

I thank the committee for the opportunity to contribute to this inquiry.

Introduction

The issue of fuel produced using Russian feedstock being sold to Australians is of great concern to myself and to the community I represent in Western Australia. As I said in the Senate on 31 July 2025:

“Western Australians need to be sure that, when they’re pulling the trigger at the bowser, they aren’t helping to pull triggers in Ukraine.”

On ships like the *Seferis*, the *Proteus Bohemia* and the *STI Madison*, more than 3 million tonnes¹ of fuel refined from Russian feedstock have been conducted to Australia, offloaded and sold to Australians since the outbreak of the Russia-Ukraine war. The Centre for Research on Energy and Clean Air has estimated that the value of Russian-origin fuel imports to Australia since 2022 was \$3.8 billion². As there are many people more qualified to inform the committee on the logistics of this practice than I, my submission will focus on what I have learned about Australia’s response, through my scrutiny of the government.

¹ <https://www.thesaturdaypaper.com.au/news/environment/2025/11/29/australias-crude-russian-oil-secret>

² <https://www.smh.com.au/national/last-drinks-at-the-omani-cantina-the-shadow-fleet-behind-australia-s-fuel-supply-20251204-p5nkzv.html>

The Government

In response to a question without notice I asked the Minister for Foreign Affairs on 31 July 2025, Senator Wong said:

“regrettably the mechanisms we would need to track and monitor all energy products via third countries are not in place in those countries”

Senator Wong’s responses mirrored, often word-for-word, a statement drafted by her office in response to a media enquiry the previous day³. It is not contested that there is a problem. The government contends, however, that there is little it can do. More than 150 ships have been sanctioned⁴ since I asked that question, but these vessels have been reported to fly false flags, and, ultimately, it is not the ships that are the problem, but their cargo. Senator Wong, elsewhere in her answer to that question, laid responsibility at the feet of Australian businesses. Certainly, business has its role to play, but the necessity of the government’s involvement is obvious.

The Minister for Communications, Anika Wells, in justifying Australia’s world-leading social media ban, described the situation for our young people as “too important for us not to have a crack.” While I have been vocal in my opposition to the social media ban, if the government approaches that problem in this way, why should sanctions on laundered oil be any different?

I raised the European Union’s crackdown on laundered Russian oil in my question. Senator Wong responded by saying:

“I note the European Union has not yet issued any guidance about how that would in fact be implemented.”

Why would we wait? Why would we not, like the social media ban, lead the world in taking decisive action against a clearly harmful practice? I would suggest that, relative to the social media ban, such action would have greater, if not unanimous, support across the Parliament.

The Australian Border Force

On 8 October 2025, at the Legal and Constitutional Affairs Legislation Committee’s hearings held as part of the 2025-26 Supplementary Budget Estimates process, the following exchange, between myself and Mr Gavan Reynolds AO, Commissioner of the Australian Border Force, occurred:

Senator PAYMAN: My questions are around oil product shipments. I have two questions to Border Force, and the first is: has Border Force investigated whether any oil product shipments to Australia have been in breach of autonomous sanctions regulation with regard to Russian oil content?

Mr Reynolds: Not to my knowledge, but I'll check with my staff. No.

In response to question on notice no. 97 of that hearing, the ABF clarified that:

³ https://www.aph.gov.au/Parliamentary_Business/Tabled_Documents/13253

⁴ <https://www.foreignminister.gov.au/minister/penny-wong/media-release/australia-takes-further-action-constrain-russian-oil-revenue>

Yes, the Australian Border Force (ABF) has conducted enquiries into oil product shipments to Australia in order to assess their compliance with Australian autonomous sanctions. The ABF conducts such activity in close collaboration with the Australian Sanctions Office within the Department of Foreign Affairs and Trade.

A similar exchange occurred a moment later in the same hearing:

Senator PAYMAN: Have there been any reports or requests to investigate oil product shipments?

Mr Reynolds: No.

Senator PAYMAN: I've actually got a copy of a letter dated 22 August from Mr Mark Corrigan, addressed to Border Force, asking them to stop a ship called STI Madison from docking at Botany Bay because it was full of fuel from a refinery that uses Russian oil. Did you guys receive the complaint? If so, how did you handle it?

[...]

Mr Reynolds: I'm not aware of that letter from Mr Corrigan, so I'll take that on notice.

Again, in response to question on notice no. 98 of that hearing, the ABF clarified that:

The Australian Border Force (ABF) has received allegations related to oil product shipments and compliance with Australian autonomous sanctions via the Border Watch Program. The ABF is unable to comment on specific reports and allegations received, however can confirm that all reports are taken seriously and assessed for further enforcement action.

It is clear from these exchanges that Russian fuel products are not top of mind for the ABF. As Mr Reynolds noted, quite fairly, during that hearing:

"[W]e may not necessarily be able to determine exactly where that oil has come from."

If the ABF were to inspect the product that these ships carry, it would not be apparent to them whether the fuel did or did not originate from Russia. There's no brand on a liquid. What is known is which refineries are producing fuel products using substantial amounts of Russian feedstock. The Jamnagar refinery in India used more than 50% Russian feedstock in its refineries since the outbreak of the Russia-Ukraine war. It has since committed to stop using Russian feedstock⁵. The Vadinar refinery in India, Reuters reports, is operating using only Russian oil⁶. Both refineries supply Australia.

Recommendations

- 1. That the Australian Government implement (with legislation, if necessary) a prohibition on the importation of fuel products from refineries that are known to use substantial amounts of feedstock from relevantly sanctioned countries, including Russia.**
- 2. That the Australian Government, as a matter of urgency, develop a framework to address the evasion of Australia's sanctions regime through the laundering of oil through third**

⁵ <https://www.theage.com.au/world/europe/indian-refinery-pulls-russian-oil-from-australian-petrol-amid-backlash-20251119-p5ngjm.html>

⁶ <https://www.reuters.com/business/energy/russia-backed-sanctioned-indian-refiner-boosts-crude-runs-90-sources-say-2025-10-31/>

countries, which provides a pathway for refineries to certify the provenance of the fuel products they export.

3. That the Australian Border Force be empowered to prevent ships carrying fuel products from refineries that are known to use substantial amounts of feedstock from relevantly sanctioned countries, including Russia, from offloading their cargo.