



Submission to the Senate Inquiry into the Effectiveness of Australia's Sanctions Regime on Russia

Associate Professor Anton Bogdanovych on behalf of Ukrainians in Sydney
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Dear Senate Committee,

Thank you for the opportunity to make a submission to this inquiry. I write on behalf of a large grassroots community comprised of Ukrainians, Australians and people of many other nationalities, who for the past four years have been supporting Ukraine through weekly rallies, fundraising efforts and other forms of advocacy.

Just like it is clear to us, I am sure that it's also clear to the Australian Government that Ukraine's victory and the restoration of the international law are not only important for Ukraine, but also for Australia. The right of smaller countries, like Australia, to exist – and the legal mechanisms that protect them from invasion by a larger neighbour – are what Ukraine has been defending for the past 12 years. It is critical for Australia's future that Ukraine wins this fight and that International Law is restored. This is why it's paramount for Australia to support Ukraine through every available mechanism, including sanctions against Russia.

Sanctions help make sure that Russia's economy is unable to sustain the aggression against Ukraine. In my view, which is shared by our community, Australian sanctions against Russia can be substantially improved by following the example of the European Union¹, which not only banned all imports of Russian crude oil, but also prohibited the import of refined petroleum products from Russia. Banning all oil products made from Russian crude oil in third countries (such as India, Singapore and Turkey) is critical and should be achieved in Australia through future sanctions.

Oil represents one of the key revenue streams for the Russian war machine. Oil and gas revenue makes up approximately 25% of the Russian federal budget proceeds². It is estimated that around 40% of the Russian Government's budget is spent on the war³. Sadly, instead of making every effort to avoid financing the Russian war

¹ https://commission.europa.eu/topics/eu-solidarity-ukraine/eu-sanctions-against-russia-following-invasion-ukraine/sanctions-energy_en

² <https://www.reuters.com/business/energy/russias-oil-gas-budget-revenue-set-sink-46-january-reuters-calculations-show-2026-01-19/>

³ <https://theconversation.com/russias-economy-is-now-completely-driven-by-the-war-in-ukraine-it-cannot-afford-to-lose-but-nor-can-it-afford-to-win-221333>



machine, Australia has become the world's largest single buyer of products refined from Russian crude⁴.

In its submission to this inquiry, the Centre for Research on Energy and Clean Air (CREA) estimates that since the beginning of the Russia's full-scale invasion of Ukraine, Australia has paid USD 5 Billion (AUD 7.35 Billion) for oil products refined from Russian crude. This amount is more than four times higher than the aid Australia sent to Ukraine during the same period.

Our community, along with many others, was highly vocal on the issue of Australia introducing a ban on products refined from Russian crude. Unfortunately, other kinds of sanctions were introduced by the Australian Government instead. While we welcome the latest sanctions, which include lowering the Oil Price Cap and banning Russian shadow fleet⁵, we agree with experts who say that such sanctions are barely symbolic and that their impact is negligible⁶.

Since March 2022 Russian crude imports were banned in Australia⁷. According to the Minister for Foreign Affairs, Penny Wong, this ban has been effective and "imports of Russian energy products have fallen from \$80 million before Russia's invasion to zero"⁸. Given that no Russian crude oil arrives on Australian shores as the result of the ban, introducing a price cap on this crude oil or banning ships that never arrive for the purpose of delivering crude oil is purely symbolic. The same applies to banning shadow fleet that could have potentially entered Australian waters for the purpose of carrying Russian oil to other countries. Given Australia's geographic position, the presence of such ships in our waters is highly unlikely.

Given the above, I insist that the most impactful measure would have been for the Australian Government to **follow the example of the European Union and introduce sanctions that prohibit the import of all refined petroleum products made from Russian crude.**

Over the past year there have been many discussions in the media regarding the difficulty of tracking petroleum products refined in Russia. In my opinion, the simplest

⁴ <https://energyandcleanair.org/fact-sheet-australias-imports-of-oil-products-refined-from-russian-crude-twice-their-aid-to-ukraine>

⁵ <https://www.foreignminister.gov.au/minister/penny-wong/media-release/australia-takes-further-action-constrain-russian-oil-revenue>

⁶ <https://www.sbs.com.au/news/article/australias-new-move-against-russias-shadow-fleet/jiqo91774>

⁷ <https://www.dfat.gov.au/news/news/russia-extension-sanctions-russia-prohibit-import-australia-russian-oil-and-other-energy-products>

⁸ <https://www.minister.defence.gov.au/media-releases/2025-12-04/australia-stands-nato-partners-support-ukraine>



and the most impactful measure would be to ban imports of oil products from all foreign refineries that have active contracts for purchasing Russian crude oil.

There has also been speculation that such sanctions could have a significant impact on the oil prices locally and on the cost of living in Australia more broadly. However, the latest analysis published in *The Sydney Morning Herald* shows that completely banning all Russian oil products could result “a jolt before it settles back down again – a jolt would be 5¢ to 7¢”⁹. A temporary rise of a few cents per litre of petrol is an insignificantly small price to pay for restoring peace and International Law. I urge the Australian Government to act and **fully ban all refined petroleum products made from Russian crude oil**.

While the main focus of my submission has been on the Russian oil sector – where the Australian Government could achieve the highest impact – there are also other ways Australia could contribute to ending Russia’s aggression against Ukraine sooner through sanctions. These include freezing Russian assets in Australia; banning Australian imports of Russian products and services; and prohibiting Australian businesses from operating in Russia and funding its war machine through taxes and salaries paid there. These are avenues the Australian Government should explore as a matter of urgency.

The sooner the Russian economy reaches a point at which it can no longer sustain the war machine, the sooner Russian aggression against Ukraine ends. I am hopeful that the Australian Government stands by the words often repeated in press releases: “The Australian Government maintains a steadfast and unwavering position of support for Ukraine in its defence against Russia's invasion.” Introducing the aforementioned sanctions is the form of unwavering support that Ukraine urgently needs.

Best Regards,
Dr Anton Bogdanovych
President of Ukrainians in Sydney Incorporated

⁹ <https://www.smh.com.au/business/consumer-affairs/will-australians-pay-more-at-the-petrol-pump-to-cut-off-putin-s-blood-oil-20251120-p5nh1d.html>