Opening statement - Senate Enquiry Committee hearing - 18/02/2026

Thank you for inviting us to make a submission for this inquiry and giving us an opportunity to present our findings and suggestions.

CREA is an independent research organisation that provides data-led analysis, research, investigations & policy insights on how fossil fuel revenues enable Russia's invasion of Ukraine. We believe global reliance on fossil fuels perpetuates conflict, energy insecurity as well as air pollution and climate change.

Our submission focussed on the Committee's inquiry into '*curtailing the importation into Australia of fuels derived from Russian crude oil'.* CREA has been advocating for this policy for over three years now.

This is quite coincidentally, a very good moment to discuss sanctions on this trade. In three days time, the EU's ban would have been in place for a complete month. We can already see signs of success.

The biggest indicator of this success has been the decline of Russian crude sales globally. Russian crude exports dropped by 9% month-on-month in January and is on track to drop further by an estimated 8% in February. The volume of crude aboard vessels has also climbed to a record high, and vessels have also slowed speeds in transit, both signs of buyer hesitation.

At the same time, there has been no major disruption in supplies to the EU. EU imports since the sanctions kicked in have held the same volumes month-on-month. Europe's imports from India and Turkiye — identified as high risk countries by the guidance — have dropped by 56% and 25% respectively, but these volumes have been absorbed by Saudi Arabia and the US.

Members of the Committee, it is necessary to iterate that sanctions do not work in isolation. We have seen them fail when not imposed by allies equally or when enforced weakly. A lack of coordination between Ukraine's allies has helped Russia find circumvention techniques that require further sanctions adaptation. We encourage all of Ukraine's allies to plug this loophole together.

Australia is the single biggest buyer of oil products refined from Russian crude. Some refineries that do not consider the EU an important market do consider Australia to be one. A lack of Australian sanctions means they have continued to, and will continue to buy Russian crude, and sell the refined products onward. Australia, therefore holds an unique position of being able to further constrict Russian revenues from crude by banning this trade.

Buyers of Russian seaborne crude remain concentrated in a few regions of the world. In 2025, there were only 13 countries buying the commodity. To attract new buyers Russia will need to provide deeper discounts, ship larger volumes to recover losses and avoid production cuts, while risking leaving them at sea.

At the very least it will severely reduce the amount of tax the Kremlin generates from them and prevent their funding of the full-scale invasion of Ukraine.