

Will Australians pay more at the petrol pump to cut off Putin's 'blood oil'?



By [Nick Toscano](#), Sydney Morning Herald and The Age, November 21, 2025

Banning fuel imports from overseas refineries that still use Russian oil could raise petrol prices in Australia, but any immediate jump would probably be limited to a few cents a litre, industry executives and experts say.

The Albanese government is under pressure to widen Australia's four-year ban on direct Russian crude oil imports to also prohibit shipments of refined fuels from foreign facilities known to have recently processed Russian oil.

The government's consideration of the move, which could bring Australia in line with European sanctions taking effect in January, comes amid [revelations](#) that some petrol and diesel being shipped to Australia from India's biggest oil refinery has been made from Russian crude and is therefore helping finance Vladimir Putin's invasion of Ukraine.

Australia is among the world's largest importers of fuel products from India that have potentially been refined from Russian oil, according to the Centre for Research on Energy and Clean Air, a think tank.

However, as the federal government evaluates further measures, it is considering the cumulative impact that more sanctions could have on the cost of petrol and diesel for Australian motorists, especially as recent moves by the United States and European Union are already expected to put upward pressure on prices.



If Australia replicated the EU bans, it could create “further tightness” in the market for some fuel products and increase the risk that sudden global supply shocks could hike prices at the pump, said Janiv Shah, a vice president at global consultancy Rystad Energy.

“This would likely pose a challenge for consumers, as prices could become more volatile as the buffer in the system reduces,” he said.

Indian refineries account for about 10 per cent of Australia’s imported petrol and diesel. Most of this is typically shipped to Western Australia, according to industry insiders not authorised to speak publicly about the matter, while smaller volumes are sent to terminals along the eastern seaboard.

Tougher sanctions [curtailing Indian deliveries](#) would force petrol station operators to boost orders from other refineries in South Korea, Taiwan, Malaysia and China, and may impact prices locally by narrowing the pool of supplies, they said.

While announcements of incoming sanctions by the US and EU had sent some fuel product prices higher since October, the impact of Australia adopting tougher measures would be much less significant, said one Australian fuel executive, since benchmark petrol and diesel prices were set globally and Australia was not a large enough market to make a major difference.

Local prices would “have to go up”, they said, but how and when any increase flowed through to motorists would most likely get “lost in the noise” of many other factors, like geopolitics, that affect the price of oil and fuels all the time.

Following the closures of ExxonMobil’s Altona refinery in Melbourne and BP’s Kwinana plant in Perth in 2021, just two local refineries remain: the Viva Energy-owned Geelong

refinery and Ampol's Lytton refinery in Brisbane. This has left Australia reliant on imports for about 90 per cent of its fuel.

AMP chief economist Shane Oliver said Indian refiners' 10 per cent share of Australia's fuel imports was significant in its size, but banning it "probably wouldn't be enough to impact the price".

"There could be a jolt before it settles back down again – a jolt would be 5¢ to 7¢," he said. "Most people wouldn't notice it within a monthly discounting cycle."

Australian fuel prices go through cycles of varying durations, during which retailers progressively discount their fuel by a few cents each day to compete for customers, until prices bottom out and then rapidly rise again by up to 40¢ a litre.

Despite market jitters this year about the risk that fighting the Middle East may affect oil supplies, average fuel prices have remained relatively stable. The Saudi-led cartel of oil-producing countries, known as OPEC+, had been [expanding output](#), keeping benchmark oil prices subdued, Oliver said.



Peter Khoury, a spokesman for the NRMA motoring body, said he would be shocked if any new restrictions on Indian fuel cargoes had a noticeable impact at the pump.

"I don't think there would be much outrage if the government were to enforce harder sanctions," he said. "We know that the Australian population is not supportive of Russia's decision to invade, and the impact on our prices is likely to be negligible."

Ukrainian ambassador to Australia Vasyl Myroshnychenko said buying petrol and diesel refined from Russian oil was not just an economic choice, but a moral one.

“The blood of Ukrainian men, women, and children stains the fuel that ends up in the tanks of Australian cars,” he wrote on social media last month.

Myroshnychenko this week stepped up calls for the Albanese government to immediately require three of the biggest Australian fuel suppliers – Ampol, BP and Viva – to guarantee that the products they were sourcing and importing were free of Russian oil.

In a statement, Viva said none of the crude oil it processed into fuels at its Geelong refinery came from Russia. About 1 per cent of its refined fuel imports were from India in the past year, and it had no Indian fuel imports scheduled to arrive, it said. “Our governance and risk management procedures ensure that we continually monitor and promptly adapt to any changes in sanctions regulations to maintain strict compliance,” Viva said.

Ampol and BP, however, declined to say whether or how much of their fuel came from Indian refiners. Ampol said it was in talks with suppliers and government officials about “levels of assurances and solutions” to ensure it continued to comply with laws and sanctions across its supply chains.

“Ampol remains deeply concerned about the ongoing situation in Ukraine and the profound impact it is having on Ukraine’s people,” a spokesperson said.