

Russian 'blood oil' slipping through sanctions net

The Australian, by Elizabeth Pike

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More Australian taxpayer dollars are flowing to Russia than Ukraine, a government inquiry has heard, because of a loophole that has made Australia one of the largest importers of refined Russian crude oil in the world despite hundreds of active sanctions.

On Wednesday a Senate inquiry into the effectiveness of sanctions against the Russian Federation was told "blood oil" products from Moscow had been imported to Australia from third countries including China, India and Brunei.

Submissions by the Australian Federation of Ukrainian Organisations claimed the loophole transferred an estimated \$2.4bn to the Kremlin in direct tax revenue since the start of the war in 2022, compared with the \$1.7bn worth of aid given to Ukraine.

Analysis cited from the Centre for Research on Energy and Clean Air (CREA) found Australia purchased more than \$24bn worth of refined petroleum products from countries that processed Russian crude oil between 2022 and November 2025.

In its submission, AFUO claimed the tax revenue from these imports "directly supports Russia's war economy" despite the continued military and humanitarian aid Australia has supplied to Kyiv.

Direct Russian imports are banned under the Albanese government's sanctions against Russia, but CREA-affiliated chemical engineer Mark Corrigan called for an immediate ban on "third-party refined Russian product" in step with the EU and Britain.

"What we are seeing since the full-scale invasion is that there are holes all over the place, and leakage of Russia's main income source, that's oil, is going to Australia via places like India, Singapore and Malaysia," Mr Corrigan said.

"Loopholes appeared but were not dealt with by policy adjustment ... and refined products appeared to be entering our markets without restraint through intermediaries."

Mr Corrigan said the current legislation had failed to stop Australian businesses from engaging with third parties and accessing Russian products.

During a Senate hearing last November, Foreign Minister Penny Wong conceded the government "unfortunately" did not have the mechanisms needed to track and monitor products that had been refined from Russian oil. She suggested responsibility lay with the private sector to ensure supply chains "don't inadvertently fund Russia's illegal and immoral invasion of Ukraine".

In response to questions from The Australian on Wednesday, Senator Wong said Australia had imposed more than 1600 sanctions and travel bans on Russia and would "consistently" review its measures against the country.

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