



Australian Government
Department of Foreign Affairs and Trade

s 47E(d)

Ministerial Submission

Cleared by: Michael Growder

Date sent to MO: 10 August 2022

Action Requested By: 12 August 2022

Reason for Urgency: s 47E(d)

FOR: Senator the Hon Penny Wong

INFO: Senator the Hon Don Farrell,

Senator the Hon Tim Ayres and the Hon Tim Watts MP

US proposal to implement a price exception to a services prohibition relating to Russian oil

Key Issues: We seek your (Minister Wong) approval to s 33(a)(iii)

s 33(a)(iii) Departments assess the proposal will have minimal direct impact on Australia. s33(a)(iii)

s33(a)(iii) we will revert with advice on how to implement the price cap under our sanctions framework, and its interaction with our extant import prohibition on Russian oil.

Recommendation: That you:

s 33(a)(iii)

Decision:

Agreed / Not Agreed

Signed / Not Signed

c) Note DFAT will revert with options to implement the proposal under the Autonomous Sanctions Regulations 2011, once technical details are settled and s33(a)(iii)

Noted

d) Note DFAT will revert with advice on the outlook for international crude and refined oil markets, and likely impacts on the Indo-Pacific region.

Noted

Domestic/Media Considerations: Nil.

Action:

Penny Wong

Information:

Noted

Don Farrell

Tim Ayres

Tim Watts

From: Michael Growder, AS, TEB | TID | TIG - s22(1)(a)(ii)
Lindsay Buckingham, AS, ASO | RLD | SLG - s22(1)(a)(iii)

Contact: Michael Growder, AS, TEB | TID - s22(1)(a)
s22(1)(a)(ii) Dir, ASO | RLD - s22(1)(a)(ii)

Can this proposal be funded from within your existing divisional allocation (departmental/aid)? Not Applicable

If the proposal high risk/high value (over \$100m) concept has been approved by the Aid Governance Board? Not Applicable

Consultation: ELD, OCE, OTL, IPD, Treasury, DCCEEW, PM&C



Background: On 3 June, the European Union (EU) announced a sixth package of sanctions in response to Russia's invasion of Ukraine. This package includes a ban on EU companies insuring and financing the global maritime trade in Russian oil and refined petroleum (the EU prohibition), to come into full effect in December 2022. The United Kingdom (UK) has announced it will also prohibit UK insurers from providing insurance services for imports of oil and oil products from Russia that are destined for the UK from 31 December 2022.

2. EU and UK firms dominate the maritime financing and insurance sectors. s 33(a)(iii)

3. Since 25 April 2022, Australia has, through the Autonomous Sanctions Regulations 2011 (the Regulations), prohibited Australians from importing, purchasing or transporting Russian energy products, including oil, gas, refined petroleum and coal. This prohibition applies extraterritorially and extends to the provision of financial assistance or services (including insurance) for the import, purchase or transport of Russian energy products. The Regulations provide the framework for Australia's implementation of the US proposal, if agreed.

4. DFAT has consulted Treasury, the Departments of Climate Change, Energy, the Environment and Water, and the Prime Minister and Cabinet, on the US proposal. Our joint assessment is that a price cap is expected to have only a minimal direct impact on Australia, given our limited involvement in the oil transport services industry, and our existing import prohibitions on Russian energy products. s 42(1)

Conversely, Australia would be indirectly affected by any oil price increases. It is too early to know the effect on Australian consumers, but to the extent that the cap ameliorates oil price rises, it would be expected to reduce the price impact at the petrol bowser. We will revert on the outlook for crude and refined oil markets, and likely impacts on the Indo-Pacific region.

5. G7 leaders issued a joint communique on 28 June stating the price cap was under consideration. s 33(a)(iii), s 33(b)

s 33(a)(iii)

s 33(a)(iii)

s 47E(d)

If agreed by the Prime Minister, and once further details are confirmed, we will provide separate advice on options to implement the US proposal under the Regulations.



Ministerial Submission

Cleared by: Michael Growder

Date sent to MO: 1 September 2022

FOR: Senator the Hon Penny Wong

Action Requested By: 1 September 2022

INFO: Senator the Hon Don Farrell,
Senator the Hon Tim Ayres, The Hon Tim Watts MP

Reason for Urgency: To issue a statement
of support following the G7 announcement
on 2 September

Australian announcement to support price caps on Russian oil and refined petroleum

Key Issues: G7 Finance Ministers will announce price caps on Russian oil and refined petroleum late on the evening of Friday 2 September. This submission seeks your (Minister Wong) approval to issue a joint public statement, with the Treasurer, in support of the price caps. s 33(a)(iii)

s 47E(d)

Following the forthcoming G7 announcement, a multi-country working group will be formed to discuss technical and implementation details for the price caps. DFAT will then revert with advice on how to best implement the price caps under our sanctions framework, and seek your policy approval to do so.

Recommendation:

That you:

- a) Note G7 Finance Ministers will announce price caps on Russian oil and refined petroleum late on Friday 2 September;
- b) Agree to issue a joint public statement with the Treasurer, in support of the G7 price caps proposal (a draft statement will be provided to your Office after the G7's 2 September announcement);
- c) Sign the letter at **Attachment A** to the Prime Minister, copying the Treasurer and the Minister for Climate Change and Energy (among others), seeking approval for Australia to issue a statement in support of the G7 position; and
- d) Note that, once technical details are settled, DFAT will revert with advice on how to implement the price caps proposal under the Autonomous Sanctions Regulations 2011 and seeking your policy approval to do so.

Decision:

Noted

Agreed / Not Agreed

Signed / Not Signed

Noted

Domestic/Media Considerations: The direct domestic implications of Australian participation in the price caps are negligible. However, the Government could highlight its contribution to this global effort to help stabilise global energy prices and limit Russian revenues for its war in Ukraine. There is likely to be some Australian media interest in the G7 statement and your proposed joint statement of support; DFAT and Treasury are preparing media talking points.

Penny Wong

/ /

Information:

Noted

Don Farrell

Tim Ayres

Tim Watts

/ /

/ /

/ /

From: Michael Growder, AS, TEB | TID | TIG – s22(1)(a)(ii)
Lindsay Buckingham, AS, ASO | RLD | SLG – s22(1)(a)(ii)

Contact: s22(1)(a)(ii), Dir, REN | TID – s22(1)(a)(ii)
s22(1)(a), Dir, ASO | RLD – s22(1)(a)(ii)

Can this proposal be funded from within your existing divisional allocation (departmental/aid)? Not Applicable

If the proposal high risk/high value (over \$100m) concept has been approved by the Aid Governance Board? Not Applicable

Consultation: ELD, TLD, IPD, Treasury, DCCEEW, PM&C



Background:

On 9 August, we briefed you (Minister Wong) on s33(a)(iii)

2. Late on Friday 2 September, G7 Finance Ministers (including the European Commission) will announce their joint intention to implement price caps on the trade in Russian oil and refined petroleum. s 33(a)(iii)

3. We consider a high-level statement in support is appropriate to encourage adoption of the price caps proposal more broadly, given media reports that Russia is already offering some countries discounts on long-term oil contracts in response to the price caps proposal. Like all sanctions responses, the effectiveness of the price caps proposal will be amplified if it is supported by a broad coalition of countries.

4. As noted in s 47E(d), since 25 April 2022, Australia has prohibited Australians from importing, purchasing or transporting Russian energy products (including oil and refined petroleum), through the Autonomous Sanctions Regulations 2011 (the Regulations). The prohibition applies extraterritorially and extends to the provision of financial assistance and services (including insurance) to Australians engaged in trading in Russian-origin oil and refined petroleum.

5. s 33(a)(iii)

DFAT will then revert to you (Minister Wong) with advice on how to best implement the price caps under our sanctions framework, and seek your policy approval to do so.

6. Implementing the price caps would likely require an amendment to our current sanctions framework, by prohibiting Australians from providing financial assistance (including insurance) to any person or entity (regardless of nationality or location) importing, purchasing or transporting Russian crude oil and refined products above certain prices. We anticipate this would be achieved via a change to the Autonomous Sanctions Regulations 2011 and not via amendment to the *Autonomous Sanctions Act 2011*. This approach would not represent a weakening of our current sanctions, but instead be a supplementary extension of our existing sanctions posture.

7. Further to DFAT's consultation with the Department of the Prime Minister and Cabinet, the Treasury and the Department of Climate Change, Energy, the Environment and Water, we recommend you and the Treasurer issue a joint high-level public statement in the week beginning 5 September, in support of the G7 oil price caps announcement. Should you agree, we recommend you write to the Prime Minister, copying the Treasurer and the Minister for Climate Change and Energy (among others), seeking approval to issue a joint statement with the Treasurer and reiterating your intention to implement the proposal once technical details are settled (letter at Attachment A). This will allow us to consider how the price caps proposal can best be implemented under the Regulations and ensure it aligns with Australia's overarching Russia sanctions policy.



Ministerial Submission

Cleared by:

Date sent to MO: PLE to complete

FOR: Senator the Hon Penny Wong

Action Requested By: 5 December 2022

INFO: Senator the Hon Don Farrell, The Hon Tim Watts MP

Reason for Urgency: to align with price cap commencement on 5 December

Autonomous Sanctions: Implementation of the Russian oil price cap

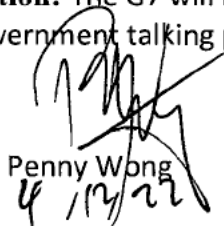
Key Issues: As per s 47E(d), you (Minister Wong) and the Treasurer announced (20 Sep 2022) that Australia would join the G7 price cap on Russian oil. This is designed to prevent Russia from profiting from its war of aggression against Ukraine, support stability in global energy markets and minimise negative economic spillovers s 33(a)(iii).

We recommend you grant a general permit (with conditions) to implement Australia's commitment to the G7. This will authorise provision of certain services relating to the import, purchase or transport of Russian oil below the price cap. You may grant a sanctions permit if you are satisfied that it would be in the national interest. We will provide separate advice on amending the Regulations to include two further service categories to complete Australia's implementation of its G7 commitment.

<p>Recommendation:</p> <p>That you:</p> <ul style="list-style-type: none"> a) Agree to grant a general sanctions permit authorising the provision of financial assistance or financial services if they assist with, or are provided in relation to, the import, purchase or transport of Russian oil if that oil was purchased at a price below the agreed price cap; b) If you agree to a), sign and date the permit at Attachment A; c) Sign the letter to the Prime Minister providing an update at Attachment B; d) Agree that, under existing delegations, DFAT SES may amend the permit to reflect future changes made by the G7 to the price cap value; and e) Note we will provide further advice on: i) amending the Autonomous Sanctions Regulations 2011 to complete Australia's implementation of the price cap; and ii) future price caps for refined petroleum products. 	<p>Decision:</p> <p><u>Agreed / Not Agreed</u></p> <p><u>Signed / Not Signed</u></p> <p><u>Signed / Not Signed</u></p> <p><u>Agreed / Not Agreed</u></p> <p><u>Noted</u></p>
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Domestic/Media Considerations: Ongoing media attention is likely.

Action: The G7 will issue a statement that references Australia's implementation of the price cap. Whole of government talking points have been provided to your office.


Penny Wong
4/12/22

<p>Information:</p> <p style="text-align: right;">Noted</p> <p style="text-align: center;">Don Farrell Tim Watts / / / /</p>
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<p>From: Emily Roper, A/g FAS Regulatory Legal Division (RLD), s22(1)(a)(ii) Helen Stylianou, FAS Trade and Investment Division (TID), s22(1)(a)(ii)</p>	<p>Contact: Lindsay Buckingham, AS AST, RLD, s22(1)(a)(ii), s22(1)(a)(ii) 22 Warren Hauck, A/g AS TEB, TID, s22(1)(a)(ii)</p>
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Can this proposal be funded from within your existing divisional allocation (departmental/aid)? Not Applicable

If the proposal high risk/high value (over \$100m) concept has been approved by the Aid Governance Board? Not Applicable

Consultation: ELD, AGS, Treasury, DCCEEW, Industry, AMSA



Background: On 2 September 2022, the G7 announced an intention to impose a price cap on Russian oil and refined petroleum products. This is designed to maintain a reliable supply of oil to the global market while reducing the revenue Russia earns from oil after its invasion of Ukraine inflated global energy prices. As recommended in s 47E(d), you (Minister Wong) wrote to the Prime Minister on 2 September 2022 seeking approval for an Australian statement in support of the G7 position. Following the Prime Minister’s approval, on 20 September 2022 you and the Treasurer announced Australia would join the oil price cap.

2. On 2 December 2022, G7 countries plus Australia agreed the price cap of USD 60 per barrel on seaborne Russian-origin crude oil, to apply in all participating jurisdictions on 5 December 2022 or very soon thereafter. There has been debate in international media about whether the price cap will punish Russia sufficiently since this price is either equal to or higher than the current trading price for Russian oil. Ukrainian President Zelenskyy criticised the cap as a ‘weak position’ and not ‘serious’ enough to damage the Russian economy. At USD 60, the cap is intended to limit Russia’s export revenue, without being so low as to further unsettle global supply or foster non-compliance. The cap will be reviewed regularly by G7 plus Australia.

s 42(1)

4. To give effect to the price cap commitment for services currently prohibited under Australian sanctions law, it is necessary for you to grant a general sanctions permit under the Regulations authorising the provision of financial assistance and financial services if they assist with, or are provided in relation to, the import, purchase or transport of Russian oil, if that oil was purchased below the price cap (**Attachment A**). This does not affect the extent of sanctions applied in the Russia-Ukraine context, but enables adjustments to ensure a reliable supply of oil to the global market despite sanctions. s 33(a)(iii)

5. As Foreign Minister, you may grant a Minister-initiated permit under regulation 18 if you are satisfied it is in the national interest to do so. We assess Australia should grant the permit as, despite criticisms of the level of the price cap, it will contribute to the holistic global effort to support stability in energy markets, implement the agreement made at a ministerial level, and demonstrate solidarity with our G7 partners. The cap will be reviewed regularly by G7 plus Australia to ensure it is meeting its policy goals to minimise shocks to global oil markets (which would adversely affect Australia) while still reducing Russia’s oil revenues. We will continue to monitor actions by G7 members to ensure alignment, and advise should adjustments to the permit be required. You may also withdraw the permit at any time.

6. s 33(a)(iii)

Given Australia’s limited exposure to these activities, s33(a)(iii) Australian entities may seek approval for these activities through requests for individual permits.

7. We have focused efforts on operationalising the price cap in services areas most relevant to Australia via the proposed permit. To fully implement the price cap commitment, the Australian sanctions framework will require expansion to prohibit the full range of shipping activities (including shipowners, charterers, sub-charterers, shipbrokers, and agents) and flagging (i.e. registration) which are not currently covered by our sanctioned service prohibition. s 47E(d) As Australia’s market exposure in these service categories is negligible, we do not consider that amending the Regulations after commencement of the price cap will undermine our commitment.

8. Additional price caps are intended to be implemented in February 2023 for refined petroleum products. We will provide advice on this when the approach has been settled by the G7 plus Australia working group.



Ministerial Submission

s 47E(d)

Cleared by: Andrew Walter

Date sent to MO: 10 February 2023

Action Requested By: 10 February 2023

Reason for Urgency: : to align with price cap announcement by G7+ on 5 February

FOR: Senator the Hon Penny Wong

INFO: Senator the Hon Don Farrell, The Hon Tim Watts MP

Autonomous Sanctions: Implementation of the Russian oil price cap - refined petroleum products

Key Issues: Members of the G7 plus Australia have agreed on two price caps for high and low value Russian-origin refined petroleum products. We recommend you grant two general sanctions permits to implement these price caps. The permits would authorise the shipping of Russian refined petroleum products to countries other than Australia, and the provision of certain services relating to the import, purchase or transport of Russian refined petroleum products where those products were purchased below the respective price caps. Additionally, we recommend you grant a new oil price cap permit that authorises the shipping of Russian oil to countries other than Australia where it was purchased below the relevant price cap to ensure maximum alignment with partners.

Recommendation:

That you:

- a) Agree to two general sanctions permits regarding Russian refined petroleum products:
 - i) authorising the shipping of low and high value refined petroleum products if those products were purchased below the relevant price cap; and
 - ii) authorising the provision of financial assistance or financial services if they assist with, or are provided in relation to, the import, purchase or transport of Russian refined petroleum products if purchased below the relevant price cap.
- b) If you agree to a) i) and ii)
 - i) sign and date the permit at **Attachment A**; and
 - ii) sign and date the permit at **Attachment B**.
- c) Agree to grant a new Russian oil price cap permit authorising the shipping of oil purchased below the relevant price cap.
- d) If you agree to c) sign and date the permit at **Attachment C**.
- e) If you agree to a) and c)
 - i) sign the letter updating the Prime Minister at **Attachment D**; and
 - ii) agree that, under existing delegations, DFAT SES may amend all three permits to reflect future changes made by the G7 to the price cap values.

Decision:

Agreed / Not Agreed

Agreed / Not Agreed

Signed / Not Signed

Signed / Not Signed

Agreed / Not Agreed

Signed / Not Signed

Signed / Not Signed

Agreed / Not Agreed

Domestic/Media Considerations: Ongoing media attention is likely.

Action: Whole of government talking points have been provided to your office.

Penny Wong

15/2/23

Information:

Noted

Don Farrell

Tim Watts

From: Andrew Walter, FAS Regulatory Legal Division (RLD), s22(1)(a), s22(1)(a)

Contact: Lindsay Buckingham, AS AST, RLD, s22(1)(a), s22(1)(a)(ii)

Can this proposal be funded from within your existing divisional allocation (departmental/aid)? Not Applicable

If the proposal high risk/high value (over \$100m) concept has been approved by the Aid Governance Board? Not Applicable

Consultation: TID, ELD, PMC, AGS, Treasury, DCCEEW, Industry, AMSA, ABF, Infrastructure, APRA



Background:

On 2 September 2022, the G7 announced an intention to impose a price cap on Russian oil and refined petroleum products. This is designed to maintain a reliable supply of oil and refined petroleum products to the global market while reducing the revenue Russia receives after its invasion of Ukraine inflated global energy prices. On 4 December 2022, you (Minister Wong) granted a general sanctions permit to give effect to the first stage price cap of USD60 per barrel for Russian-origin crude oil (as recommended in **s 47E(d)**).

2. On 4 February 2023, the G7 plus Australia agreed to additional price caps for high (USD100 per barrel) and low (USD45 per barrel) value refined petroleum products, to take effect from 5 February 2023 or shortly thereafter.

Effect of the price caps on the price of oil and refined petroleum products

3. The price cap on crude oil contributed to a decline in crude prices in late 2022, but new Russian measures to evade the cap could put upward pressure on prices. Several factors, including the EU's ban on Russian refined petroleum imports (from 5 February), could also increase global diesel prices. It is too early to determine the impact of the caps on the prices of diesel and other refined products, which will be influenced by Russia's response. Australian participation in the caps is unlikely to materially impact prices, given few (if any) Australian companies provide relevant services. Relevant departments will monitor any price impacts in our region.

Implementing the price cap on refined petroleum products

4. Under Australia's sanctions framework, the import, purchase or transport of an import sanctioned good, or provision of a financial assistance or a financial service that assists with, or is provided in relation to, the import, purchase or transport of an import sanctioned good (including Russian origin refined petroleum products) is prohibited without a sanctions permit.

5. To give effect to the price caps on Russian-origin refined petroleum products you can grant sanctions permits to authorise the shipping of Russian refined petroleum products and the provision of certain services that assist with, or are provided in relation to, the import, purchase or transport of Russian refined petroleum products where those products were purchased below the price caps (**Attachments A and B**). The shipping permits will only authorise shipping activities to countries other than Australia. Imports, purchase or transport (other than by ship) by persons subject to Australian jurisdiction remains prohibited.

Services covered by the price cap

6. In **s 47E(d)** , we advised that under the Autonomous Sanctions Regulations 2011 some shipping services and flagging were not prohibited in relation to import sanctioned goods. **s 42(1)**

The US, EU and UK allow the shipping of oil and refined petroleum products purchased below the relevant price caps. **s 33(a)(iii)** , we recommend mirroring this approach in our sanctions permits **s 47C(1)**

An additional oil price cap permit which permits the shipping of oil purchased below the price cap is at **Attachment C**.

s 47E(d)

Granting permits

8. As Foreign Minister, you may grant a Minister-initiated permit if satisfied that doing so is in the national interest. **s 33(a)(iii)**

The price caps will be reviewed regularly by the G7 plus Australia to ensure they are meeting these goals. We will advise should adjustments to the permits be required. You may revoke the permits at any time.

Sanctions

s22(1)(a)(ii)

s22(1)(a)(ii)

What sanctions measures has this Government imposed since assuming office [23 May 2022]?

- s22(1)(a)(ii)
- The Government s22(1)(a)(ii) implemented the G7 price cap on Russian oil [2 December 2022].
- s22(1)(a)(ii)

Prepared By:

Name: s22(1)

Branch: AST/RLD

Phone: s22(1)(a)(ii)

Cleared By:

Name: Andrew Walter

Position: First Assistant Secretary

Branch/Division: ISG | Regulatory Legal Division

Phone: s22(1)

s22(1)(a)(ii)

Why hasn't the Government imposed further sanctions in relation to Russia?

• s22(1)(a)(ii)

• We have also implemented a range of trade measures, including banning:

- the import of Russian oil, refined petroleum products, coal and gas

s22(1)(a)(ii)

• We have implemented the G7+ price cap on Russian crude oil, and supported legal mechanisms to hold Russia accountable.

s22(1)(a)(ii)

Prepared By:

Name:
Branch: AST/RLD
Phone:

Cleared By:

Name: Andrew Walter
Position: First Assistant Secretary
Branch/Division: ISG | Regulatory Legal Division
Phone:

Division: ISG RLD Australian Sanctions Office and Transnational Crime Branch	
PDR No: s 47E(d)	
Prepared by: s22(1)(a) Mob: s22(1)(a)(ii) Ext: s22(1)() Date: 11 January 2023	Cleared by Branch/Division Head: Emily Roper Mob: s22(1)(a)(ii) Ext: s22(1)() Date: 20 January 2023
Consultation: MPD/HRB/HRA Name: s22(1)(a)(ii)	Date: 12 January 2023 Mob: Type mobile. Ext: s22(
Consultation: SRD/SBB/MRP Name: s22(1)(a)(ii)	Date: 12 January 2023 Mob: s22(1)(a)(ii) Ext: s22(1)()

Prepared By:
 Name:
 Branch: AST/RLD
 Phone:

Cleared By:
 Name: Andrew Walter
 Position: First Assistant Secretary
 Branch/Division: ISG | Regulatory Legal Division
 Phone:

Consultation: ISD/CYB/CYS	Date: 12 January 2023
Name: s22(1)(a)(ii)	Mob: s22(1)(a)(ii) Ext:s22(1)
Consultation: ELD/ELB/RMS	Date: 12 January 2023
Name: s22(1)(a)(ii)	Mob: s22(1)(a)(ii) Ext:s22(1) () (ii)
Consultation: MAD/MEB/IIS	Date: 12 January 2023
Name: s22(1)(a)(ii)	Mob: s22(1)(a)(ii) Ext: s22(1) ()
Cleared by Deputy Secretary:	Date: 6 February 2023

s22(1)(a)(ii)

Prepared By:

Name s22(1)(a)(ii)
Branch: AST/RLD
Phone: s22(1)(a)(ii)

Cleared By:

Name: Andrew Walter
Position: First Assistant Secretary
Branch/Division: ISG | Regulatory Legal Division
Phone s22(1)(a)(ii)

s22(1)(a)(ii)

[QoN 149 – Budget Estimates](#)

[Topic: Ukraine](#)

[Senator Simon Birmingham](#)

Question

1. Please provide an updated table following the Budget of all Australian support provided to Ukraine in its fight against Russia's illegal invasion.
 - a. Please include the date the support was announced, and whether it is has been delivered in whole, in part, or remains committed but undelivered.
2. Please provide an updated table of all sanctions applied against Russia and those who support Russia's invasion of Ukraine, by date of application.
3. Has DFAT been asked for advice on a Ukrainian proposal for Australia to commit to helping with reconstruction? If so, when was it requested? Has a decision been made?
4. Has DFAT been asked for advice on a proposal for a Free Trade Agreement with Ukraine? If so, when was it requested? Has a decision been made?
5. How is Australia contributing to the case Ukraine is taking to the International Court of Justice?

Prepared By:

Name:
Branch: AST/RLD
Phone:

Cleared By:

Name: Andrew Walter
Position: First Assistant Secretary
Branch/Division: ISG | Regulatory Legal Division
Phone:

s22(1)(a)(ii)

Table 4. New designations of goods

Prepared By:

Name:
Branch: AST/RLD
Phone:

Cleared By:

Name: Andrew Walter
Position: First Assistant Secretary
Branch/Division: ISG | Regulatory Legal Division
Phone:

Number	Topic	Date in force (2022)
1	Designated list of goods in Chapter 27 of the Australia's tariff codes (oil, refined petroleum products, coal and gas) as 'import sanctioned goods' for Russia	25 April

s22(1)(a)(ii)

Prepared By:
Name:
Branch: AST/RLD
Phone:

Cleared By:
Name: Andrew Walter
Position: First Assistant Secretary
Branch/Division: ISG | Regulatory Legal Division
Phone:

RUSSIA/UKRAINE TRADE MEASURES

Issue

How is Australia using trade measures to support Ukraine and maintain pressure on Russia?

s22(1)(a)(ii)

Talking Points

- s22(1)(a)(ii)
- Australia has also prohibited, via the autonomous sanctions framework:

– the import of Russian oil, refined petroleum, coal and gas

s22(1)(a)(ii)

- In early December 2022, Australia joined the G7 to implement a price cap on Russian crude oil.
- In February 2023, we also joined the G7 to implement two additional price caps on Russian refined petroleum products
 - a price cap of USD 100 per barrel will apply for high value products such as gasoline, diesel and kerosene

Contact:

Contact No: s22(1)(a)(ii)

Division: DMG | EUD | Eastern and South-East Europe Branch

Date Updated: 30/10/2023

Cleared by: AS ERB Geoff Bowan

Contact No:

Cleared by Adviser:

PDR Number:

- a price cap of USD 45 per barrel will apply for lower value products such as fuel oil.

s22(1)(a)(ii)

If pressed: What sanctions and trade measures against Russia s22(1)(a)(ii) has the Government introduced since May 2022?

- The Albanese Government has:

s22(1)(a)(ii)

refined petroleum products; s22(1)(a)(ii) price caps on Russian oil and

s22(1)(a)(ii)

If pressed: why has Australia joined the G7 oil price caps?

- The price caps are designed to moderate the upward pressure from Russia's war on global energy prices, stop Russia profiting from higher oil and refined petroleum product prices and curtail Russia's ability to fund its invasion.
- Supporting the caps demonstrates Australia's commitment to limiting the global economic impact of Russia's invasion while maximising pressure on Russia to end the war.

If pressed: Is the oil price cap effective?

- The price cap is an effective, appropriate measure and it is working.
- Implementation of the price cap and a decline in global oil prices drove a steep discount on Russian oil and sharp fall in its oil revenues in the first half of 2023
 - Russian federal government oil revenues were nearly 50 per cent lower in the first half of 2023 than a year earlier.

If pressed: Is Australia still importing Russian energy?

- Australians and Australian businesses are prohibited from importing Russian energy products.
- No shipments of Russian oil or petroleum products have arrived in Australia since 25 April 2022.

If pressed: How do sanctions on Russian products, such as oil and gas, impact imports from third countries?

- Products originating from Russia that have been substantially transformed in a third country are not sanctioned.
- All Australians should continue to undertake appropriate due diligence to ensure they comply with their obligations under Australian sanctions law.

s22(1)(a)(ii)

Contact:
Contact No: s22(1)(a)(ii)
Division: DMG | EUD | Eastern and South-East Europe Branch
Date Updated: 30/10/2023

Cleared by: AS ERB Geoff Bowan
Contact No:
Cleared by Adviser:
PDR Number:

Russia/Ukraine - Australia's response

s22(1)(a)(ii)

Prepared By:

Name:
Branch: RMS/UKS | ELB | ELD
Phone:

Cleared By:

Name: Chris Cannan | Penny Toledo
Position: First Assistant Secretary | A/g AS ELB
Branch/Division: SGG | ELD | Latin America and Eastern Europe Branch
Phone:

s22(1)(a)(ii)

Sanctions and trade measures [ELD and TLD co-lead]

. s22(1)(a)(ii)

- . Australia has also introduced trade sanctions, banning the:
 - import of Russian oil, refined petroleum products, coal and gas (from 25 April)

s22(1)(a)(ii)

- . Australia will join the G7 to implement a price cap on Russian oil (announced by Foreign Minister and Treasurer on 20 September; price cap originally announced by the G7 on 2 September).

s22(1)(a)(ii)

s22(1)(a)(ii)

If pressed: Why is Australia joining the G7's oil price cap? [ELD and TLD co-lead]

- The G7's proposal is designed to stop Russia profiting from higher oil prices, curtail its ability to fund its invasion, and moderate the impact of the war on global energy prices.
- Supporting the cap demonstrates Australia's resolve to limit the global economic impact of Russia's invasion while maximising the pressure on Russia to end the war.

Prepared By:

Name:
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If pressed: What impact will Australia joining the G7 price cap on Russian oil have on Australia's existing sanctions? [TLD and RLD co-lead]

- Australia already has in place a complete ban [from 25 April] on Australians importing, purchasing and transporting Russian oil, gas, refined petroleum and coal, anywhere in the world
 - Australia's existing ban extends to the provision of financial assistance and services (including insurance) to Australians engaged in trading in Russian-origin oil and refined petroleum products.
- Our participation will not involve any weakening of our existing sanctions.

If pressed: How will Australia implement the oil price cap? [RLD lead]

- We anticipate that the price cap will be implemented under Australia's autonomous sanctions framework.
- Australia will work across government, and closely with our international partners, to finalise and implement the price cap.

If pressed: Is Australia still importing Russian energy? [OTN lead]

- Certain Russian energy products [including oil and refined petroleum] are import sanctioned goods under Australian sanctions law [from 25 April 2022].
- Australians and Australian businesses anywhere in the world are prohibited from importing, purchasing or transporting these products.
- No shipments of oil or petroleum products from Russia have arrived in Australia after 25 April.

If pressed: How do sanctions on Russian products, such as oil and gas, impact imports from third countries? [RLD lead]

- Products originating from Russia that have been substantially transformed in a third country are not sanctioned.
- All Australians should continue to undertake appropriate due diligence and comply with their obligations under Australian sanctions law.

s22(1)(a)(ii)

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Sanctions and trade measures

s22(1)(a)(ii)

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New designations of goods

Number	Topic	Date in force
1	Designated list of goods in Chapter 27 of the Australia's tariff codes (oil, refined petroleum products, coal and gas) as 'import sanctioned goods' for Russia	25 April 2022

s22(1)(a)(ii)

Division: SGG ELD Latin America and Eastern Europe Branch	
PDR No: s22(1)(a)(ii), s 175/11	
Prepared by: s22(1)(a)(ii) Mob: s22(1)(a)(ii) Ext: s22(1)(a)(ii) Date: 5 November 2022	Cleared by Branch/Division Head: Chris Cannan / Penny Toledo Mob: s22(1)(a)(ii) Ext: s22(1)(a)(ii) Date: 1 November 2022
Consultation: EAD, LGD, CCD, CSD, ASNO, IGD, HPD, TLD, ISD, NSD, ACD, OTN, EXD,	Date: 28 October 2022 Mob: Various Ext: Various

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OPO, PPD, DSD, FND, CTF, PRB, Kyiv Post,
PM&C, Defence, Home Affairs

Cleared by CFO / CPO: N/A

Date: N/A

Cleared by Deputy Secretary: Michelle Chan

Date: 8 November 2022

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Russia - Ukraine - Australia's response

Handling Note:

s22(1)(a)(ii)

FAS RLD [Andrew Walter] leads on sanctions; and the foreign arrangements scheme;

s22(1)(a)(ii)

s22(1)(a)(ii)

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Sanctions and trade measures [ELD and TLD co-lead]

• s22(1)(a)(ii)

• Australia has also introduced trade sanctions, banning the:

- import of Russian oil, refined petroleum products, coal and gas (from 25 April 2022)

s22(1)(a)(ii)

• In early December 2022, Australia joined the G7 to implement a price cap of US \$60 per barrel on seaborne Russian-origin crude oil.

• We will also join the G7 to implement two additional price caps on Russian refined petroleum products

- a price cap of USD 100 per barrel will apply for high value products, e.g. gasoline, diesel and kerosene
- a price cap of USD 45 per barrel will apply for lower value products, e.g. fuel oil.

• The price cap on Russian crude oil was implemented by way of a general permit issued by the Foreign Minister in early December 2022

- we intend to adopt a similar implementation approach to the price caps on Russian refined petroleum.

s22(1)(a)(ii)

If pressed: Why did Australia join the G7's oil price cap? [ELD and TLD co-lead]

- The G7's price caps on oil and petroleum products are designed to reduce the profits and revenue that Russia generates from higher oil prices, curtail its ability to fund its invasion, and moderate the impact of the war on global energy prices.
- Supporting the cap demonstrates Australia's resolve to limit the global economic impact of Russia's invasion while maximising the pressure on Russia to end the war.

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Date of public announcement via media release	Announcement/event
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s22(1)(a)(ii)

20 September 2022 [media release was shared with media outlets, but not published]	Foreign Minister Wong and Treasurer Chalmers announced Australia would join the G7 to implement a price cap on Russian oil.
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Table 4. New designations of goods

Number	Topic	Date in force (2022)
1	Designated list of goods in Chapter 27 of the Australia's tariff codes (oil, refined petroleum products, coal and gas) as 'import sanctioned goods' for Russia	25 April

s22(1)(a)(ii)

