EXPLAINER

Chris Taylor

Australia and the upending of US intelligence:

Further down the rabbit hole

Summary

- Australia's intelligence partnership with the United States will continue to underpin our national security, and there is no readily available 'Plan B' to replace exquisite capabilities shared through the Five Eyes alliance.
- Should both Australia and the US continue to assess China as the pacing threat internationally, the intelligence partnership will likely remain mutually beneficial and strong.
- But US policy relating to traditional relationships has changed, eroding predictability and potentially exposing allies—Australia included.
- Five Eyes cooperation is currently under visible strain, with disruptions and exclusions risking undermining trust—including in shared intelligence assessments.
- Regardless of whether this is permanent or temporary, Australia should enhance the fields in which we have, or can develop, genuinely sovereign intelligence capabilities and thinking.
- Gaining a better understanding of, and then addressing, where we can reduce critical dependencies will help Australia protect national interests in a volatile alliance landscape while positioning us to be a better ally whether times are stable or unstable.

Introduction

> *"'I could tell you my adventures—beginning from this morning," said Alice a little timidly: "but it's no use going back to yesterday, because I was a different person then."'*
> – Alice's Adventures in Wonderland *by Lewis Carroll*

Contrary to some criticism of the Five Eyes intelligence alliance, conduct of intelligence activities, including in Canberra, is one of the sharpest expressions of sovereignty and realism in international affairs. But even the most hardnosed spooks have been surprised by developments over the past year—most notably assertions of American power against friends and foes alike—that have driven home the point that even intimate intelligence relations cannot exist independently of foreign policy. And, in the US system in 2026, foreign policy means presidential whim. Australia will need to redouble efforts to build genuinely sovereign intelligence capabilities—not only to meet requirements of a more transactional alliance relationship but also to hedge against future dislocation.

The US Intelligence Community, one year in

On President Donald Trump's return to the White House, two known unknowns loomed[1]: would Trump use the US intelligence community (USIC) to advance American power

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in a different way to his first term? And, if so, how would a revised approach affect Australia, as a close intelligence ally?

The answer to the former question is clearly yes. Unlike in his first term, in which US intelligence agencies struggled to secure the President's confidence, the first year of his second term has seen Trump wield intelligence power, especially through the auspices of the Central Intelligence Agency (CIA), to both advance his conception of American interests overseas (in Iran, Venezuela and even Greenland) and prosecute his domestic agenda. And his appointees have striven to mould their agencies and the intelligence community (in personnel, priorities and approach) to those objectives. In this way, the Trump 2.0 approach to intelligence has mirrored a broader, and perhaps unexpected, proactivity and ideology on the administration's part.

Arguably, this should be good news for a close, long-time intelligence ally, right? After all, a principal Australian concern was that, beset by leadership turmoil and the Department of Government Efficiency's cost-cutting, the USIC would be distracted and sidelined. And, indeed, there have been disruptions, including for the electronic eavesdroppers at the National Security Agency, who went eight months without a director. The director of the Defense Intelligence Agency, Lieutenant General Jeffrey Kruse, was sacked in August, three months after the same fate befell the acting National Intelligence Council chair. Meanwhile, the Federal Bureau of Investigation (FBI) has seen wholesale leadership and structural changes.

The CIA, in particular, has fared much better under Trump than expected

In those circumstances, partner agencies, including in Australia, could struggle to engage and collaborate. Yet, at least for Australian agencies, this has not transpired.

The CIA, in particular, has fared much better under Trump than expected or even than was recommended by the influential Heritage Foundation's blueprint for intelligence community reform.[2] For example, the think tank's recommendations envisaged the agency's covert action responsibilities being transferred to the military, a move which has clearly not come to pass. Instead, CIA Director John Ratcliffe is being lionised in some American media and by White House sources as indispensable (the 'Quiet Hammer') to the President.[3]

If US intelligence agencies have not been sidelined, then other factors require a more hard-edged assessment and action by Australia.

First is the seismic shift in the US's approach to historic allies. Yes, intelligence relations can empower, shape and ground a broader relationship, as has clearly been the case between Five Eyes nations in general over 75 years and through the Anglo-American 'special relationship' in particular. And, while intelligence is unavoidably downstream from (at times unhelpful and chaotic) policy such that no amount of intelligence cooperation and fraternity has saved Canada or the UK from Trump's threats and sanctions, those sanctions and policy tensions have not ended intelligence cooperation.

Second, and most fundamentally for Australia, is whether Ratcliffe's earlier conception of the existential threat posed by China as an organising principle for US intelligence (and by extension the Five Eyes) has survived. The answer is… probably.

It is true that the US administration's (and in turn, the CIA's) focus has squarely been on the western hemisphere and Middle East, to the point where Ratcliffe was sent to Caracas just 12 days after Nicolas Maduro's abduction, to negotiate with Maduro's successor.[4] The CIA has itself since been identified as the vanguard of efforts to overtly engage with and influence that regime's next steps.[5]

But the USIC's assessment that China is America's economic, technological and military peer competitor has not subsided. The US and Indonesia's February trade agreement included a requirement that Indonesia consult with the US on suppliers of concern relating to critical technology such as 5G, satellites and cables. This was about China and was significant for embedding strategic competition in trade deals.

Meanwhile, the great espionage game continues. Last May, much was made of the release of CIA advertising intended to encourage Chinese officials to offer their services as spies. There has since been media reporting, citing agency sources, claiming those efforts have been 'enormously successful in getting new volunteers from inside and outside the Chinese government and in procuring other valuable resources'.[6]

The US National Defense Strategy—which was released in January and builds on December's National Security Strategy—underscores that the Indo-Pacific is not the only game in town. But to a certain extent, that is the point—Australia needs the US to be powerful, ambitious and confident enough to take on multiple threats to American interests. So far, the judgment is that the US can tackle its immediate region while remaining focused on China's rise. As Trump re-engages with Chinese President Xi Jinping, including through a much-anticipated trip to China in April, this assessment will remain under constant review.

Cult and power of personalities

The impact of personalities and leadership style has been even more consequential than anticipated. While former politician Ratcliffe has proven more circumspect, Director of National Intelligence Tulsi Gabbard, and FBI Director Kash Patel remain prolific MAGA commentators and social media posters.

A question for the Office of the Director of National Intelligence (ODNI) is whether its influence is chained to Gabbard's own political fortunes—up when she was fiercely advocating for Trump through her Director's Initiatives Group but down when excluded from planning on US strikes against Iran (to the point where Trump contradicted Gabbard's views on Iran's nuclear program, publicly stating 'I don't care what she said'.[7]) or on policy towards Syria (where she was long a defender of the ousted Assad regime).

Despite the internal machinations, it seemed that the all-important ODNI relationship with Australia's counterpart, the Office of National Intelligence (ONI), remained strong under the leadership of recently retired head, now Ambassador to Tokyo, Andrew Shearer. That relationship will be a principal focus for new ONI head, Kathy Klugman.

Implications for Australia

Can an alliance like the Five Eyes survive a fundamental divergence in allies' policy perspectives, even if it's only measured in years? Of course, that isn't a strictly new question— it's a matter of historical record that events such as the Suez crisis, the Vietnam and Yom Kippur wars, the 1983 invasion of Grenada, New Zealand's banning of nuclear armed or powered vessels, and the 2003 Iraq War all strained and sometimes even suspended aspects of intelligence cooperation. These were largely able to be treated as isolated instances, with the possible exception of New Zealand's anti-nuclear policies between 1986 and the 2000s. But are we now seeing an actual divergence in strategic perspectives and objectives, as the Trump administration endeavours to remake world politics? Clearly, distrust and uncertainty have now been injected into the alliance system (at least as it relates to NATO) and that can't be undone, irrespective of political corrections (either by a chastened Trump administration or by a successor). Meanwhile, Australia is mostly keeping its head down. That's arguably sensible in the circumstances, but is it sustainable long-term?

There is apparent evidence of specific strains within the broader Five Eyes.

Allegations have been made about Patel's behaviour at a key conference of Five Eyes leaders.[8] Relatedly, withdrawal of a key FBI liaison post in London angered MI5. There are reports that the UK refused to share intelligence on the Caribbean that might inform US strikes on shipping there.[9] In August, there was the imbroglio resulting from apparent ODNI prohibitions on sharing intelligence relating to Russia–Ukraine peace talks with Five Eyes partners[10], noting that partners have always reserved the right to keep certain judgments and reporting to themselves as 'eyes only' (or NOFORN in the US system). As one anonymous British official was quoted on relations: 'It is all smiley faces on the surface but beneath there is real anxiety.'[11]

These instances have largely related to the UK and Canada. Australia and New Zealand have not been involved in controversy—though there was the embarrassment of the 3D-printed guns given as gifts by the FBI to New Zealand partners, which were subsequently found to be illegal and were destroyed.[12]

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Of particular concern would be any potential impact on the exchange of intelligence assessments, a cornerstone of the intelligence alliance. By sharing their respective assessments, Washington, London, Canberra, Ottawa and Wellington have long been able to share insights, build a more comprehensive view of the strategic environment and complement their approaches to common problems. This exercise has been founded on significant trust and confidence in each other's analytical tradecraft and rigour and publicly broken rarely, as temporarily seen in the debate on China's involvement in 5G telecommunications. Questions should be asked about whether public foreign policy tensions could bleed into the intelligence relationship. It should be noted that following the Iraq weapons of mass destruction debacle, the US, UK and Australia all committed to ensuring intelligence judgments were not swayed by executive preferences. This separation of analysis and policy needs to survive for the health of the alliance and the intelligence-sharing system.

Conclusion

Australia's national intelligence community should adopt a more strategic, purposeful approach to its intelligence relationship with the US. This includes engaging in a classified, forensic audit of interdependencies[13]—as the British did, for example, when they realised in 2024 that US control over geospatial targeting data meant that Washington exercised ultimate control over the use of Storm Shadow missiles, provided by London to Kyiv.[14]

Australia should commit to developing and fielding consciously sovereign intelligence capabilities that can be exercised unilaterally, if necessary, while continuing to leverage and nurture an intelligence alliance relationship that has long served Australian interests. This dual-track approach means that Australia can contribute to the alliance materially and in a genuinely supplemental fashion, satisfying even those transactionalists in Washington who ask, 'what have you done for us/US lately.'

There might be no easy return from the rabbit hole into which the world has descended. Demonstration of mutual benefit across the alliance no longer seems wholly sufficient, nor is the apparent good health of peer-to-peer relationships. However, Australia's own interests are ultimately in being able to clearly demonstrate that in strengthening ourselves we have strengthened the alliance. Hope isn't a strategy, but neither is hopelessness.

Endnotes

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About the author: Chris Taylor is head of ASPI's Statecraft and Intelligence Policy Centre. AI contributed no ideas to this report.

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