

C h a p t e r   O n e

1956–1960

W e s t f i e l d  
S t i r s

From Productive Partnership  
to Private Enterprise  
to Public Company

# The Pioneer Retail Giants

When the two men who were to found Westfield arrived in Australia after the Second World War, there was not a shopping centre in the entire country.

Serious shopping took place in the cities, where large department stores continued to dominate the retail scene as they had done previously for more than a century. Women wore hats and gloves and a visit to a multistorey department store, with its sweeping aisles, doormen and stylish windows, was a special occasion.

David Jones, arguably the world's first department store, had been trading in Australia since 1838. In the wake of its success, other nineteenth-century retail giants such as Anthony Hordern, Farmer's and Grace Bros opened their doors too.

As the cities buzzed, Australia's suburbs remained quiet and undisturbed, with little promise of change.

Through their department stores, the so-called 'dukes of drapery' experienced unprecedented growth. By 1896, for example, Anthony Hordern had a showroom 100 metres long, employed 4000 people, was serving customers six million times across its counters and delivering two million parcels in its horse-drawn vans.

By the dawn of the twentieth century, the department store dynasties had become part of Australia's economic elite, ranking alongside the 'squattocracy' of rich wool growers in social prestige. As the century progressed, the dynasties disappeared but many of their names continued.

There is some irony in the fact that today these retail pioneers, whose names are cornerstones of Australia's economic history, are among the anchor tenants of the regional shopping centres pioneered by two European immigrants whose nous for small business and retailing had its genesis in Czechoslovakia and Hungary.



*Left: Monolithic and eternal – at the turn of the twentieth century it seemed department stores like Anthony Hordern would dominate retailing forever. They provided a world within a world – a place to visit by carriage or by catalogue.*

*Right: Farmer & Co. in 1912. It was grand, modern, and packed with up-to-date merchandise and imported fashion items. Farmer's was a place to see and to be seen. How could it not continue to flourish indefinitely?*



# Arcades

## The First Shopping Centres

Towards the end of the nineteenth century, the concept of the ‘shopping arcade’ reached Australia and was embraced with much enthusiasm in Melbourne and Sydney.

Arcades or gallerias, originally an Arabian concept and later refined in Italy, had proved fashionable in London, Naples, Milan, Brussels and Moscow.

Australian builders immediately set to work on a series of lofty and ornate glass-roofed atriums built to house hundreds of new city shops.

They gave them names redolent of Australia’s British heritage — The Strand, The Victoria, The Imperial, The Royal, Her Majesty’s, and The Piccadilly.

Crowds flocked to these contemporary and sophisticated centres to marvel at the marble and iron lacework and to promenade under their chandeliers.

These arcades of the 1890s could arguably be seen as early shopping centres, or at least forerunners of the modern centres built in the Australian suburbs by Westfield over half a century later.

First among these nineteenth-century arcades was Sydney’s Queen Victoria Building, a palatial retail centre bigger than any of its European models, and so ambitious that it was doomed to failure.

It began life as a municipal market, offering the convenience of one-stop shopping. However, although it was a triumph of the visual, its commercial viability was weak. Its ratios were unsustainable, with rentable space sacrificed for public or decorative space.

Suffering constant and unsustainable financial losses, it fell into neglect and disrepair for decades until eventually being restored, almost 100 years later, and becoming what French fashion designer and retailer Pierre Cardin considered to be ‘the most beautiful shopping centre in the world’.

Like all other modern suburban shopping centres, the reborn QVB offered parking on site.

*Stylish, ornate and protected from the elements, arcades offered diversity, interest and a fashionable place to promenade. They were like an enclosed 'high street'.*





*John Saunders, aged 25, in Hungary before migrating to Australia.*

## John Saunders

As a child, John Saunders would often spend time in his father's leather-goods shop in north-eastern Hungary. It was the 1920s and as he watched his father negotiating, he never imagined that in a few years he would find himself behind the same counter.

Following his father's untimely death from illness, John gave up school and committed himself to the business. He was 13 and, with the entrepreneurial flair that would eventually become his trademark, he doubled the shop's turnover in a year.

Business flourished until 1943 when the pro-Nazi state police singled Saunders out. At the age of 21, he found himself in a detention centre for Jews.

It wasn't long, however, before he began to extract privileges, managing on several occasions to visit the family home. Through natural charm and intuition he always found a way to better his lot.

Later he was taken to a concentration camp. Driven by his highly developed instinct for survival, he again organised for himself a relatively comfortable situation with good

access to food.

When the war was over, he returned home to resume the leather trade and begin a new woodworking business which thrived, eventually employing 40 people.

But the new communist regime nationalised his businesses without offering compensation, and in 1949 Saunders decided to escape from Hungary.

In mid January 1950 his ship docked in Sydney. In his luggage was an English dictionary in which the word 'impossible' had been scratched out.



*His future awaiting him over distant shores, Frank Lowy, aged 21, photographed before leaving Israel for Australia.*

## Frank Lowy

Growing up in a small rural town in southern Czechoslovakia in the 1930s, Frank Lowy witnessed financial hardship at close quarters. His family was of modest means and during his childhood Lowy would help in his mother's grocery shop. When the Second World War broke out, his family sold the shop and sought sanctuary in Budapest. The family pitched in to help each other out financially and by the age of 13, Frank was assisting his brother who had a small enterprise, buying and selling metalware.

He also had a minor entrepreneurial venture himself.

When his formal education ended with the Nazi invasion of Hungary in March 1944, young Lowy was forced to live by his wits. Living mostly on the streets, he quickly learned the value of vigilance and developed a respect for detail that would serve him for the rest of his life.

After the war he left Europe for Palestine and, at the age of 17, became a commando in the Golani Brigade, which was fighting for Israel's independence. It was during

this period that he discovered the power of trust and teamwork. When the Israeli War of Independence ended, he found a job at a bank and studied accountancy at night.

In the meantime, the surviving members of his family had immigrated to Australia. By 1952, propelled by the desire to be reunited with his family, he left Israel and arrived in Sydney on 26 January, Australia Day. All he possessed was a small suitcase, a little knowledge of English and a debt — his airfare to Sydney.



**BLACKTOWN**

**PARRAMATTA**

**SYDNEY**

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**KEY MAP**  
TO  
*Robinson's* DIRECTORY  
OF SYDNEY & SUBURBS



# Go West, Young Men!

**I**n the early 1950s, the recently arrived John Saunders set himself up in business at Sydney's Town Hall railway station. He had persuaded the authorities to let him have what was no more than 'a hole in the wall' from which he could sell sandwiches and smallgoods to commuters who flowed constantly in and out of the station.

It was here that Saunders first came into contact with Frank Lowy, who had a smallgoods delivery run. Lowy, also of similar background, impressed Saunders with his reliability, natural courtesy and accuracy. Saunders never had to weigh the goods Lowy brought because they matched his invoices, neither too much nor too little — right on the mark.

Saunders, who already had several years of business experience in Europe, had a gut feeling that young Lowy, eight years his junior, would make an excellent partner. In him, he saw qualities they shared — energy, drive and a determination to make a success of himself in the new country.

A partnership was duly forged and together they took a step that would set the direction for their commercial future. They both knew the food business and, instead of taking the easier option of opening a new shop in the inner city, they looked to the suburbs for more daring but lucrative opportunities.

The outlying western suburb of Blacktown was on the brink of a boom. The railway had just been electrified and newly arrived immigrants were pouring into the area. Many had come to work in industries associated with the massive Snowy Mountains Hydro-Electric Scheme.

The partners found a vacant shop in Blacktown and telephoned its owner, Jim Simpson, whose reluctance to rent his shop to immigrants eventually gave way as a result of the duo's persistent badgering.

An hour's train ride from the city, the shop was situated directly opposite Blacktown railway station, perfectly positioned to catch the tide of daily commuters.

With its barrels of olives and herrings, rounds of cheese, meats and fresh rye bread, it supplied Blacktown's burgeoning population with continental fare they couldn't get anywhere else.

As Saunders used to say, 'In the city delicatessens, Australians buy devon by the slice; in Blacktown, immigrants buy salami by the yard.'

The shop flourished. Just as the suburbs had proved a boon for this first venture, so they would continue to provide the budding partners with undreamed-of opportunities in the future.

*Left: Robinson's Street Directory of 1956 showing the route from Sydney to Parramatta and on to Blacktown. New to Sydney, the pioneering Westfield pair established themselves in an area more than an hour's drive from the CBD.*



*Top Left: 1950s Sydney. The bitumen and telegraph poles of Parramatta Road heading west out of Sydney. Together, and often singing, Saunders and Lowy drove down this road six days a week.*



*Bottom Left: Blacktown's Main Road in the early 1950s. Not yet a thriving metropolis, the town was on the cusp of dramatic economic change. Soon, the railway would be electrified and immigrants would flood in. Saunders and Lowy would buy the GG store, knock it down and build shops on the site.*

*Right: A celebration to mark the electrification of the railway in 1955. The next big celebration in Blacktown would be the opening of Westfield Place some four years later.*



## Buying Into the Boom

Each day, over the counter at their shop, Saunders and Lowy heard about people who had come to Blacktown but had nowhere to live. The situation was unusual because there was employment to be found in companies like EPT (Electric Power Transmission), an Italian operation which built electric cables for the Snowy Mountains Hydro-Electric Scheme, but no ready accommodation.

The Snowy scheme, described as one of the world's great engineering feats and perhaps the most imaginative of all post-war

Australian construction projects, needed vast supplies of manpower to build a system of dams and tunnels for the development of hydro-electricity and to irrigate the dry western areas of New South Wales.

Although the scheme drew workers from all over the world, most came from Europe. These Europeans would have found outlying Blacktown provincial, if not plain dull. Sensing this, Saunders and Lowy found another shop a few doors down and opened their next business, a coffee lounge. With its tables and chairs on the footpath, music, genuine espresso

and continental atmosphere, it offered people a small taste of the life they had left behind.

But something bigger was exercising the partners' minds — instead of just providing coffee, why not provide houses too!

Between 1954 and 1961 the population of Blacktown almost tripled. It was the biggest increase the area had ever experienced, and to meet the demand for housing, the local council began to rezone farmland for residential use. Typically, it allowed a ten-acre farm to be subdivided into small plots which could then be sold off for £1000 each. Onto these plots,



people could bring inexpensive mobile homes.

The process seemed relatively straightforward so Saunders and Lowy borrowed money and plunged in. They persuaded a local farmer that it was an excellent time to sell. Six months later, they were counting their profits, which were encouraging rather than large.

The coffee shop had become something of a talking point in Blacktown, and when a Greek couple offered a staggering £10 000 to buy it, the partners agreed immediately and put their £8000 profit into their next property venture.

Using the back shelf of the delicatessen as an office, they did all the property development work themselves — negotiating the purchase, employing contractors to put down roads, advertising, and then selling off the plots.

While Saunders would converse easily with customers and acquaintances and, in the process, learn about new opportunities for development, Lowy began to learn about the Australian banking system, the value of leverage and the importance of legal documentation.

A solid relationship with the local bank manager helped the partners through many tight squeezes. One minute Lowy would be behind the counter, in his white coat, weighing sausages, and the next he would be in a suit and tie, sitting across the desk from the bank manager. One transaction might have been worth sixpence, and the other £10 000, but to the partners they were equally important — every detail mattered.

Then one day something happened which would change the course of their remarkable lives once again.



*Following the Second World War, Australia threw open its doors to immigrants. 'Populate or Perish' was the slogan of its nation-building drive. Here immigrants arrive on the ship Empire Brent in 1948 (far left). After lining up and posing for an official photograph (centre), they boarded buses waiting to take them away from Circular Quay (left).*

## Hey, We Can Do That Too!

From time to time Erwin Graf, a Hungarian-born architect who was putting up houses around Blacktown, would drop into Saunders and Lowy's delicatessen to buy lunch. He and the partners would chat about prospects in the area.

When Graf's company bought some land near their shop and, instead of putting up houses, unexpectedly built half a dozen shops, Saunders and Lowy had a bright idea: they could do that too!

By then their property business had brought them £30 000 and, on advice from their solicitor, they transformed their partnership into a private company. But what to call it? One day, while travelling home from Blacktown together, they hit on the name 'Westfield'. As they were doing business in the western suburbs, the word 'west' was a natural choice and, as they were subdividing farmland, 'field' seemed appropriate. It felt right and Westfield Investments Pty Ltd was born.

Energised by their new venture, the pair began searching for land suitable for retail development. They didn't have to look far because, a short while later, a customer told Saunders that a couple of old shops, owned by a local resident, would be coming up for sale. The shops were around the corner from the delicatessen and, as they were located between the Graf shops and the local post office, well positioned for passing trade. The partners took one look and saw potential. The two existing shops could be pulled down and more built on the same site.

Soon four new shops went up on this site. There was

a ready market and they were swiftly sold.

Word quickly spread and the partners were approached by the clothing store Sydney Snow Pty Ltd. Snow's wanted its own large and spacious new shop next door to the line of four and it wanted Westfield to build it as a package deal.

Neither Saunders nor Lowy knew what a package deal was, but they soon found out, agreed to the deal and delivered. This project yielded Westfield a tidy £8000 profit.

Very early in 1958 Saunders and Lowy were ready to take off their aprons and concentrate on the lucrative margins of the property development business.

The delicatessen was sold for £20 000 and they took offices above some shops around the corner.

Interested in the retail scene, they would devour any international magazines and journals about trends and innovations they could get their hands on. The fast-growing shopping centre phenomenon in the United States captured their imagination. What was stopping them from getting a piece of the action?

Shopping centres were just beginning to emerge in Australia. In 1957 two centres opened, the Chermiside Drive-In Shopping Centre in Brisbane, and the Top Ryde Shopping Centre in Sydney.

Westfield bought an acreage abutting the shops below its office from landlord Jim Simpson and began to plan its first shopping centre. While the plans were on the drawing board, Saunders took a trip to the United States to see this mall phenomenon with his own eyes.



*1950s merchandise. Men's suits being carefully inspected.*



*A child roadtesting the latest tricycle.*

# Modern, American, Convenient and New

## Westfield Opens its First Shopping Centre

The official opening of Westfield Place in July 1959 was the biggest event in Blacktown since the celebrations marking the electrification of the railway in 1955.

Newspapers described it as ‘the most modern American-type combined retail centre’. People flocked to see it.

The NSW Minister for Labour and Industry, Mr J. J. Maloney, who officially opened the new centre, predicted it would establish Blacktown as a major shopping venue on the now fast and efficient Western Line.

With its supermarket, two department stores and 12 shops built around a

courtyard, Westfield Place was a showcase for new trends and technology.

Individual shops, harmoniously decorated in accordance with the centre’s colour scheme, were arranged to allow individual expression by their shopkeepers.

There were large show windows, special sprayed plastic finishes ‘carried out under licence to an American company’, imported mosaic tiles arranged in candy stripes, and stairs with distinctive imported plastic handrails.

From his visit to the United States, John Saunders had witnessed first-hand the

importance of the car in the future of shopping centres, and Westfield Place provided for its customers 50 free on-site parking spaces.

The centre cost £250 000 and gave the principals of Westfield Investments Pty Ltd their first tough lesson in adapting to council regulations.

Although there were moments when the project looked wobbly, the principals’ determination to succeed never waned.

Within weeks of the opening, Westfield Investments Pty Ltd found itself in great demand as offers of new partnerships and joint ventures flooded in.



*Left: Newspapers of the time described Westfield Place as ‘a most modern centre with its own car park, situated in the heart of Blacktown shopping area, only 50 yards from the railway station’. One paper speculated that ‘it could well be the forerunner of a new deal for the harassed housewife who has had to put up with so much in the post-war period’.*

*Right: Westfield Place — the modest first link in a chain of shopping centres that was destined to stretch across continents.*





Having established a base, a reputation, and some working capital, the Westfield partners felt ready for bigger challenges. Were they to base themselves in the city, rather than on its outskirts, it was likely more opportunities would come their way. There, they could mingle with bigger business and be closer to their other projects. So it was that they made the far-reaching decision of keeping an office in Blacktown, while turning their eyes to the CBD and also, as it turned out, to the Sydney Stock Exchange.



*By Christmas 1959, Westfield Place was established as the commercial hub of Blacktown's 100-odd businesses and services. With the railway line and parking, it attracted shoppers from all over the area. For people in outlying districts, there was also a bus network to bring them to the 'progressive shopping centre'.*