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media release

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Hills and S.A. Government join forces for new national design and innovation centres

The South Australian Government and one of Australia's most iconic businesses, **Hills Limited (Hills, ASX:HIL)**, today announced they had joined forces in a \$A5 million, three-year partnership to create two major centres of development excellence in South Australia.

South Australian Premier, The Hon Jay Weatherill, and Hills Group Managing Director and CEO, Mr Ted Pretty, today unveiled plans for two "hubs of innovation" – the **Lance Hill Design Centre**, named after the inventor of the renowned Hills Hoist – and the **Digital Research and Commercialisation Centre** (to be known as "**The D-Shop**").

University of South Australia (**UniSA**) and the Flinders University will play pivotal roles with both of the proposed new centres, with Mr Pretty also announcing Hills had signed Memoranda of Understanding with the universities to collaborate on projects at the two facilities.

The South Australian Government and Hills will each contribute \$A2.5 million over three years to support the creation and operations of the two major centres for development in the State:

1. the **Lance Hill Design Centre (LHDC)** embracing user-centred design, particularly in the area of solutions for health care, aged and home care; and
2. a **Digital Research and Commercialisation Centre (The D-Shop)** to encourage and as appropriate to fund development projects and pilots as well as support early stage start-ups in the areas of Internet of Things (IoT) applications, including health and well-being (wearable devices), safety and security.

Announcing the joint initiative today, Hills' Group Managing Director and CEO, Mr Ted Pretty said:

"We are delighted to work with the South Australian Government, the Premier and Minister Kenyon and thank them for their encouragement and support.

"Hills is undergoing a major transformation to meet the challenges of the global marketplace. We believe this mirrors the challenges facing South Australia. We both need new opportunities for renewal and growth.

"Our collaboration with the South Australian Government and UniSA and Flinders University is a positive step towards supporting new and innovative opportunities in South Australia. Hills is pleased to contribute funding as the private sector must play a role in generating economic prosperity.

"We are optimistic that creating the two centres in Adelaide will act as a catalyst for new products and businesses to be incubated from within the State.

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“We must act decisively and quickly to reposition the economy to be able to compete in the global market place. All of these initiatives should receive wide bi-partisan support”.

Mr Pretty said Hills estimates that the new centres could create up to 50 new highly-skilled jobs in South Australia. These jobs could be across a number of disciplines including product and service design, advanced fabrication, user experience as well as engineering and communications.

“Both new centres will be located in Adelaide at sites to be determined after further evaluation and discussion with the universities”, Mr Pretty said.

Key Elements

Key elements of the South Australian Government-Hills joint initiative are as follows:

- the **LHDC** will be owned and controlled by Hills and draws its name from Hills founder, Mr Lance Hill. It is the intention of Hills to retain local design to complement its existing teams and to collaborate with key educational institutions and the rich pool of independent designers in the State and elsewhere.
- the **D-Shop** will be managed by Hills which has undertaken to work closely with leading South Australian institutions such as UniSA and Flinders University and also local start-ups to incubate new projects and businesses in the State. Hills and or its partners as appropriate will own or jointly own the Intellectual Property created based on contribution.

The location of the centres will be determined by Hills but may involve satellite facilities at various South Australian institutions.

Hills will also endeavour to secure further Federal Government support during 2014 for the D-Shop facility to stimulate innovation in the State.

Benefits

It is expected that five new permanent roles will be created immediately with the potential of material increases of up to 50 people as the centres mature. It is hoped that the centres will also stimulate and indirectly support up to 30 additional local researchers and developers.

Hills has committed that it will reinvest 50% of after tax profits earned in the first three years on any Intellectual Property developed in the centres up to the \$A2.5 million committed by the South Australian Government.

Hills Memoranda of Understanding with UniSA and Flinders University

Hills has today also signed Memoranda of Understanding with both UniSA and Flinders University to co-operate on projects within both of the new centres.

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UniSA Prof David Lloyd said:

"We have been in discussions for some time with Hills on how both organisations could work together on innovation. The creation of the proposed centres will act as a catalyst for identifying specific projects for co-development. We are committed to finding ways for the academic and business sectors to jointly create world class technologies capable of commercial development".

Flinders University Prof Michael Barber said:

"We are most enthusiastic about the proposed new centres of development excellence and to be working with the Hills team and its positive approach to such activity in South Australia".

Mr Pretty said: "Professor Lloyd and his team at UniSA and Professor Barber and his Flinders University team are unique in their energy, focus and speed to market. We are delighted to work with them. Both UniSA and Flinders have also offered facilities to undertake joint activities".

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