Topic 3: Mobile phone ownership

Financial literacy for young people
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Introduction to ‘mobile phone ownership’

Moneysmart’s Rookie series helps people aged 16-25 avoid expensive mistakes or ‘rookie errors’ when they make their first financial decisions.

This topic is about the costs associated with mobile phone ownership. It will help young people:

- Recognise the differences in mobile deals
- Consider common issues when signing a mobile phone contract
- Know where to go to get help if there is a problem.

Overview

- **Year level:** 9-12
- **Duration:** 5 hours (Educator guide - 3 hours + Additional lessons - 2 hours)
- **Learning areas:** Economics and Business, English
- **Audience:** Youth and community workers, student advisers, mentors.

Topics

The Moneysmart Rookie education initiative covers six topics:

1. Car ownership
2. Credit and debt
3. **Mobile phone ownership**
4. Moving out of home
5. Online financial transactions
6. First job

Rookie resources

This Educator Guide for Topic 3: Mobile phone ownership will be used in combination with the following digital resources which have been designed to suit the various levels of knowledge and understanding of students.

<table>
<thead>
<tr>
<th>Required Moneysmart resources</th>
<th>Optional Moneysmart resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Video: Phoney deals (6:58 mins)</td>
<td>• Rookie: Mobile phone ownership – Teaching resource page which includes the Curriculum alignment</td>
</tr>
<tr>
<td>Video: Peter decides on the wrong mobile plan (0:46 sec)</td>
<td>• Student life and money section on Moneysmart</td>
</tr>
<tr>
<td>Optional video: Getting the best mobile deal (0:36 sec)</td>
<td>• Mobile, phone, tablet and laptop insurance page on Moneysmart</td>
</tr>
<tr>
<td>Digiactivity: Digital Convo – Shopping for a mobile - Students interact with a mobile phone salesperson and learn how to find a mobile phone deal that suits their needs.</td>
<td>• Teaching resources (filter by year) on Moneysmart</td>
</tr>
</tbody>
</table>
Knowledge levels

What content will suit your students? The level of information you use will depend on how much understanding your students have of a topic. The following describes the content that best suits different levels of understanding (1, 2, and 3):

<table>
<thead>
<tr>
<th>Your audience has this level of knowledge</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level 1: No or a limited understanding</td>
<td>If your students cannot answer any of your questions or can only answer them a bit, they have no or a limited understanding. You can help them to understand more by showing the <em>Moneysmart Rookie</em> videos for the topic. You can also go through the Level 1 activities in the guide. After watching the video, see if your students have developed some understanding of the topic by asking them to answer the questions again.</td>
</tr>
<tr>
<td>Level 2: Some level of understanding</td>
<td>If your students answer one or more of your questions, they have some level of understanding. You can show them the <em>Moneysmart Rookie</em> videos to review the topic. You may wish to pause the video in sections and discuss key issues shown. You can also go through the Level 2 activities and stories in the guide, as these are for students with some level of understanding.</td>
</tr>
<tr>
<td>Level 3: Good level of understanding</td>
<td>If your students are able to answer all of your questions, they have a good level of understanding. You can show them the <em>Moneysmart Rookie</em> videos to review the topic. You can also go through the Level 2 and 3 activities in the guide, as these are for students with a good level of understanding.</td>
</tr>
</tbody>
</table>

Note: Educators can use these levels as progressions, starting points and extensions to suit students’ needs.

Reflection questions

At the end of each section, use the following questions to reflect on the effectiveness of the session:

- What worked well? What did not work well?
- Did the students understand the key messages?
- Did the activity engage the students? How could the activity have been more effective?
- What questions unexpectedly emerged and how did you handle them?
- What might you do differently next time?

Knowledge level check

Ask these types of questions to check the students’ existing level of understanding and knowledge about owning a mobile phone:

- What are some of the costs involved with owning a mobile phone?
- How much can you afford to pay for a mobile phone plan?
- What kinds of things could a mobile phone plan include?
Decide what information students need based on their level of knowledge. Refer to the ‘Knowledge levels’ table in the topic overview.

Sub-topic: Knowing what you can afford

**Key messages**

- Know how much you can afford to spend on a mobile phone

**Notes for the educator**

The best way for young people to keep out of money trouble is to know how much they can afford to pay:

- for their mobile phone now
- for the length of a mobile phone plan.

A good start is to make a simple budget. A budget is a written plan that includes what you need to pay. For a budget to work, it needs to be reviewed regularly.

Their income (money coming in, for example, from a job) and expenses (money going out, for example, on fares, entertainment, rent, food and bills) will determine the amount of money they have to spend on a mobile phone.

To create a simple budget, go to Moneysmart’s budget planner so students can:

- complete online budget planner
- download the excel version.

**Activity 3.1: Jeremy wants to buy a mobile phone**

<table>
<thead>
<tr>
<th>Level</th>
<th>Duration</th>
<th>Resources needed</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>15 mins</td>
<td>Worksheet 3.1</td>
</tr>
</tbody>
</table>

This activity uses Jeremy’s story as an example for the students to think about how much they can afford to spend on using a mobile phone.

**Steps**

Ask students to either individually or in pairs/small groups complete the following activity:

- Using the activity sheet (or whiteboard), ask students to determine Jeremy’s income and expenses and note these in the table.

Follow up with the following questions:

1. What expenses does Jeremy have to pay each week?
2. Jeremy’s income varies each week – what does this mean for his budget?
3. How much is left over for Jeremy to spend on a mobile phone each week?

**Suggested answers**

- Jeremy must pay $140 week in expenses – $70 for food and bills, $20 on train tickets, and $50 on going out with friends.
Jeremy’s income varies from week to week. Jeremy has $130 left over to spend on a mobile phone each week when he earns $250 per week. When he works extra shifts, he has up to $280 to spend each week.

If Jeremy gets an expensive mobile phone plan that is more than his minimum earnings (i.e. greater than $30 per week), he could end up without enough money for the week and might have to give up a fun activity like going out with his friends.

Check for understanding

After completing the activities, you can check the students’ level of understanding and knowledge by asking questions such as:

- **What is a budget?**
  A: A budget is a written plan that includes the money you have coming in and what you need to pay.

- **Why is a budget important if you want to buy a mobile phone?**
  A: A budget is important as you need to work out if you can afford a mobile phone.

- **How can you work out how much you can spend on a mobile phone?**
  A: Look at your income and expenses to see if you have enough money left over for a mobile phone.
Sub-topic: Understanding mobile phone deals

Key messages

- A contract is a legal agreement
- Do not sign or agree to anything you do not understand
- Get help to understand the contract.

Notes for the educator

If a young person is over 18, and they sign up for a mobile phone deal, it is a legally binding contract.

Young people can end up with debts running into the hundreds or thousands of dollars if they sign up for a mobile phone contract that they do not understand.

It is important that they understand common words included in a mobile phone contract before they sign up for a plan. If they do not understand these words, it is important to know who they can ask for help – such as a friend, relative or co-worker. They can also ask a mobile phone sales person to explain any terminology that they do not understand, as well as their responsibility as the mobile phone owner.

On the following page is a list of common terminology that comes up when talking about mobile phone deals.

Activity 3.2: Mobile phone contract terms and definitions

<table>
<thead>
<tr>
<th>Level</th>
<th>Duration</th>
<th>Resources needed</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>15 mins</td>
<td>Worksheet 3.2</td>
</tr>
</tbody>
</table>

This activity refers to the list of common mobile phone deal terminology below.

Step one

Ask students to match the term with the correct definition. This will help the students understand key elements included in contracts, and what to look for in deal packages.

Step two

Then ask students to answer the following questions:

- What words or terminology were new to you?
- Which words or terminology will be useful to compare and understand in different mobile phone deals?
- Who could you ask for help to understand a mobile phone contract before signing it?

Note: Responses above are expected to be individual for each student – there are no expected or suggested responses.
Common mobile phone deal terminology

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plan</td>
<td>A description of the services a mobile phone company will give you, what they will charge you and how you will pay.</td>
</tr>
<tr>
<td>Contract</td>
<td>A legal agreement saying that you accept everything in the agreement and if you do not follow it, you could end up in court.</td>
</tr>
<tr>
<td>Included value</td>
<td>Everything you get for your regular monthly payment under a mobile phone plan – e.g. allowances for calls, data.</td>
</tr>
<tr>
<td>Excluded value</td>
<td>Anything that is not included in a mobile phone plan for a regular monthly payment and that you have to pay extra for.</td>
</tr>
<tr>
<td>Allowance or limit</td>
<td>How many calls, texts or data you can use in your plan each month. If you go over this, there is usually an extra charge.</td>
</tr>
<tr>
<td>Cap</td>
<td>A check that prevents you from going over your limit on calls, texts or data.</td>
</tr>
<tr>
<td>Data</td>
<td>What you use to connect to the internet, send emails, live video chat, download apps or send pictures in a text message.</td>
</tr>
<tr>
<td>Flag fall</td>
<td>A fixed fee for connecting a phone call. It is added to the charge of the length of the call.</td>
</tr>
<tr>
<td>Roaming charges</td>
<td>Charges when you make or receive calls, texts or connect to the internet on your mobile phone when you are overseas.</td>
</tr>
<tr>
<td>Locked phone</td>
<td>A phone that is locked to one service provider that will not work if you leave that provider.</td>
</tr>
</tbody>
</table>

Activity 3.3: What if…

<table>
<thead>
<tr>
<th>Level</th>
<th>Duration</th>
<th>Resources needed</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>10 mins</td>
<td>N/A</td>
</tr>
</tbody>
</table>

Ask students to answer the following questions:

- **If you use your mobile phone to call a friend and you leave a message, which terms and/or costs from the table would apply?**
  A: Flag fall, included value, plan, contract, allowance or limit.

- **You are on holiday overseas and send a picture of the beach to a workmate. You also update the photo to your profile picture on social media. Which terms and/or costs from the table would apply?**
  A: Roaming charges, data, plan, contract.
Check for understanding

After completing the activities, you can check the students’ level of understanding and knowledge by asking questions such as:

- **What is a contract?**
  A: A legal agreement.

- **What are examples of important mobile phone deal terminology or words to remember?**
  A: Flag fall, included value, excluded value, allowance or limit, cap, roaming charges.

- **What should you do if you do not understand parts of the contract?**
  A: Ask the salesperson to explain the words and their responsibilities as the mobile phone owner, or ask a friend, relative or co-worker.

Sub-topic: Being in control

**Key messages**

- Do not sign up to a mobile phone plan unless you understand your contract commitments
- Get help to understand the contract.

**Notes for the educator**

Young people should not be afraid to ask a salesperson questions if they sign up for a mobile phone deal in the store. They can also get information about mobile phone deals from the internet.

Signing up for a mobile phone deal means that young people are in a legally binding contract – so asking questions will ensure they do not end up with a service that is not right for them or that they cannot afford to pay!

A great tip is to look at the Critical Information Summary (CIS) before signing up for a plan.

A CIS a free document that a mobile phone company must provide about their phone or service. The CIS is set out in a way that is easy to read, and it can help people to understand what a phone service is really going to cost them, and what they will get for their money.

Remember – mobile phone companies must give customers a CIS before they sign up for a mobile phone plan (unless the sale is made over the phone).

**Activity 3.4: Identify the rookie errors**

<table>
<thead>
<tr>
<th>Level</th>
<th>Duration</th>
<th>Resources needed</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>20 mins</td>
<td>Video: Phoney deals (6:58 mins)</td>
</tr>
</tbody>
</table>

This activity is based on the Moneysmart Rookie: Phoney deals video. Students discuss rookie tips offered by the people interviewed in the video.

**Step one**

Students watch the video from start to finish and look out for any ‘rookie errors’ the young people in the video have made.
Educator note: There is a list of the errors and consequences on the following page to assist discussions following the video.

**Step two**

Ask students to answer the following questions:

- What 'rookie errors' did you see the young people on the video make or hear them talking about?

Educator note: For each of the rookie errors the students remember, ask them two more questions:

- What happened to those young people because of the rookie error they made?
- What could that person do differently to avoid making that same error in future?

Educator notes:

- If they can’t answer those two questions, share the answers in the list below.
- There may be more rookie errors in the video that the students do not remember or identify, so check the list on the following page and discuss any errors they missed.
- For each error, ask the two prompting questions above. Again, if they cannot answer those two questions, share the answers in the list on the following page.

**Suggested answers**

<table>
<thead>
<tr>
<th>Rookie error</th>
<th>What happened to them because of that rookie error?</th>
<th>They could avoid making that rookie error in future by ...</th>
</tr>
</thead>
<tbody>
<tr>
<td>Making too many phone calls on a limited plan (young woman in vox pop)</td>
<td>She had to pay more money for her mobile phone than she expected for the month ($179 instead of $49 for the month).</td>
<td>Not making too many calls and going over their limit for the month, choosing a pre-paid phone plan or seeing if they can switch to a plan with a higher limit.</td>
</tr>
<tr>
<td>Signing up for a long-term contract with an out-of-date phone (young man with the phone playing snake)</td>
<td>He got stuck with an out-of-date phone for a long time. If he wants a more up-to-date phone, he will have to pay for a new one or pay cancellation fees to get out of his contract early.</td>
<td>Being careful about signing up for long term contracts: you can be stuck with the phone you get and any other terms of the plan for a long time.</td>
</tr>
<tr>
<td>Making too many calls over the limit on a monthly plan and using social media that was not included in the data available on a monthly plan (Danny)</td>
<td>He ended up having to pay a $1000 bill then he had to take on extra shifts and avoid going out so he could pay it all back.</td>
<td>Not making calls or using data over the limit of your plan. If you use a lot of social media, make sure that the sites you use are included in the data on your plan.</td>
</tr>
<tr>
<td>Not paying your bills on time (Danny)</td>
<td>A debt collector came to his house.</td>
<td>If you cannot afford to pay your bills on time, call the phone company and explain the situation to see if you can get more time to pay or a payment plan before a debt collector starts chasing you.</td>
</tr>
</tbody>
</table>
Accidentally dropping your phone in the toilet (Danny)

If his phone was damaged, he might have had to spend money on getting a new phone.

Getting insurance to cover the cost of replacing or repairing a phone in case an accident happens.

Using your phone overseas (young woman who went on an overseas holiday)

She had to pay $1500 for making overseas calls.

Avoid using your phone when you are overseas or, if you have to use it, look into getting an International Data Pack to reduce your costs by making internet calls instead.

### Activity 3.5: Learning from experience

<table>
<thead>
<tr>
<th>Level</th>
<th>Duration</th>
<th>Resources needed</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>10 mins</td>
<td>N/A</td>
</tr>
</tbody>
</table>

#### Step one

Ask students to answer the following questions:

- Have you (or someone you know) made a rookie error with mobile phones before that you are comfortable sharing?
- What happened as a result of that error?
- What could you/they do to avoid making the same error in the future?

**Educator note:** Responses above are expected to be individual for each student – there are no expected or suggested responses.

#### Check for understanding

After completing the activities, you can check the students’ level of understanding and knowledge by asking questions such as:

- **What are some of the tips the people in the video shared about understanding your contract commitments?**
  
  A: Don’t ignore bills – speak with the phone company to organise a repayment plan if you have difficulties, don’t run out of credit or go over your limit, read the contract and charges – discuss with a parent or teacher if possible, consider phone insurance – but know what it covers.

- **What should you do if you don’t understand the mobile phone contract?**
  
  A: Before signing the contract ask someone who can help explain it to you.
Sub-topic: Choosing the right mobile phone deal

Key messages

- How you use your mobile phone affects the cost
- Each contract is different and doing research may save you money
- Look for an option that is best for you.

Notes for the educator

Each mobile phone deal is different, so it’s important for anyone about to sign up for a plan to think about how they are going to use their phone.

Some people make lots of calls while others send lots of texts. Some use their phone a lot to check emails and do their social networking. Some take and send lots of photos and videos. Some use their mobile to make phone calls overseas.

It is also important for young people to think about whether they are able to commit to a long-term contract or whether their financial situation and priorities might change. For example, they might want to get a better phone or switch plans after a short time, so it’s not always a good idea to commit to a 24-month contract because there are usually high cancellation fees.

If a young person is on a low income, they won’t have a lot of money spare to account for unexpected costs. They may want to consider options such as pre-paid or services that prevent them from making calls, texts or using data over their limit.

The following activities help your students to know how to find the best mobile phone deal at the lowest cost.

Activity 3.6: Shopping for a mobile phone – asking the right questions

<table>
<thead>
<tr>
<th>Level</th>
<th>Duration</th>
<th>Resources needed</th>
</tr>
</thead>
</table>
| 1     | 10-20 mins | **Digiactivity:** [Digital Convo – Shopping for a mobile](#)  
Students have a conversation with a friend about buying their first car. |

In the digiactivity students interact with a mobile phone salesperson in a text and audio simulated conversation. Students receive feedback on their choices, such as the questions they choose to ask. Students can go back to change their actions.

The conversational tool supports the student to develop confidence in dealing with salespeople. It also highlights the importance of asking questions to find out whether a potential purchase or contract meets their needs.

This activity is aimed at Level 1 but can be undertaken by all levels and should take approximately 10 to 20 minutes.
Activity 3.7: Jeremy wants to buy a mobile phone

<table>
<thead>
<tr>
<th>Level</th>
<th>Duration</th>
<th>Resources needed</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>10 mins</td>
<td>Worksheet 3.7</td>
</tr>
</tbody>
</table>

This activity revisits Jeremy’s story as an example for the students to now think about which mobile phone option might be best, depending on Jeremy’s priorities (needs and wants).

**Step one**

Read Jeremy’s story and ask students to answer the following questions:

- **What are Jeremy’s priorities for buying a mobile phone?**
  A: Newest smartphone on the market, download lots of apps and play games, budget of no more than $30 per week (see topic A budget activity).

- **Given these needs and wants, what else should Jeremy think about when selecting plan?**
  A: Data limits for downloading, insurance costs and cover, length of plan if he wants to always have an up-to-date smartphone, included value of calls and texts.

**Educator note:** The focus of discussion about Jeremy’s story in topic A was how much he could afford to pay for a mobile phone. In the context of this topic, discussion will focus on how Jeremy will use his phone and select a deal that is right for him.

Activity 3.8: A deal for Jeremy

<table>
<thead>
<tr>
<th>Level</th>
<th>Duration</th>
<th>Resources needed</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>15 mins</td>
<td>This activity builds on Activity 3.7. Worksheet 2.1</td>
</tr>
</tbody>
</table>

**Description**

Refer to the advertisements in the worksheet and ask students to answer the following questions:

1. Thinking about Jeremy’s priorities, which deal should he choose? What makes this deal suitable for Jeremy?
2. What should Jeremy be careful of with this deal?

**Suggested Answers**

1. Deal #1 – Latest Smartphone, 30 GB data included, within budget.
2. There are extra charges if he exceeds call, text or data limits; it is a 24-month contract, so he needs to commit to this new model of Smartphone.
Activity 3.9: Your priorities; your deal

<table>
<thead>
<tr>
<th>Level</th>
<th>Duration</th>
<th>Resources needed</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>20 mins</td>
<td>Worksheet 3.9</td>
</tr>
</tbody>
</table>

This activity asks the students to consider what their priorities (needs and wants) would be, and how they would use a mobile phone when researching a deal. It will help them to understand that research is important, as not all deals are right for everyone.

**Step one**

Refer to the worksheet and ask each student to think about how they would use a mobile phone, or how they currently use their phone.

1. Ask them to decide which of the above would be the most important priority for them. Get them to write down any other priorities they have that aren’t on this list.

**Step two**

1. Then ask students to tell you which priority was most important to them as a mobile phone user (e.g. No cancellation fees).
2. Ask students to tell you why it is the most important priority (e.g. ‘My priority is paying a set amount because I do not have much spare income for extra costs’ or ‘My priority is using a lot if social media because I like to update Facebook and Twitter while I’m out and about’).

**Step three**

Ask students to review the mobile phone plans on the worksheet.

1. Ask each person to look back at their list of priorities and to write their top three priorities out in the table below.
2. Then ask each person to fill out the right-hand column with which deal they think meets each of their top three priorities the best.

Ask students to answer the following questions:

- Did one offer appear more than once in your table?
- Which offer would you choose?

**Educator note:** Suggested responses or reasoning for each option is provided in the table on the following page.
Suggested answers

<table>
<thead>
<tr>
<th>Priority list</th>
<th>Which deal is best?</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Paying a set amount with no surprises because I don’t have much spare money</td>
<td>3</td>
<td>With prepaid, you don’t have to pay extra charges once you reach your limit and Deal #3 is cheaper per month than Deal #2.</td>
</tr>
<tr>
<td>2. Downloading and using lots of apps</td>
<td>2</td>
<td>This deal has the most data allowance, but consider: Can you afford to pay $99 a month for 24 months?</td>
</tr>
<tr>
<td>3. No cancellation fees</td>
<td>3</td>
<td>With prepaid options like this deal, you don’t have to pay cancellation fees.</td>
</tr>
<tr>
<td>4. Making lots of phone calls</td>
<td>2</td>
<td>This deal allows you to make unlimited calls, but consider: Can you afford to pay $99 a month for 24 months?</td>
</tr>
<tr>
<td>5. Using a lot of social media (eg Facebook)</td>
<td>1</td>
<td>You will need a high data allowance but Deal #2 excludes Facebook in its data allowance. Consider: Can you afford to pay $70 a month for 24 months?</td>
</tr>
</tbody>
</table>

Check for understanding

After completing the activities, you can check the students’ level of understanding and knowledge by asking questions such as:

- **What are examples of possible cost differences in contracts?**
  A: Data downloads versus call or texts, limited/unlimited data, calls or texts, monthly total costs, cancellation fees.

- **How can you choose the best mobile phone deal for you?**
  A: Do your research to choose the best option for you, consider prepaid plans, services that prevent you from making calls, texts or downloading data once you are over your limit.
Sub-topic: Getting mobile phone insurance

Key messages
- Mobile phone insurance covers different things
- Understand what mobile phone insurance covers and decide if it is right for you
- Get help to understand mobile phone insurance.

Notes for the educator
If a young person signs up for a plan and they lose their mobile phone or it gets damaged, their contract will continue. One way to make sure they do not have to spend money on replacing their phone is to sign up for mobile phone insurance.

It is a good idea to shop around because a mobile phone insurance policy can vary greatly in price and cover.

It is important to think of the excess you have to pay if you try to claim a new phone on your insurance: it might cost you more than the phone is worth if the phone is an old or out-dated model.

Important things to look for in a mobile phone insurance deal include:
- Replacement cost if the phone is stolen
- Payments to cover unauthorised calls
- Travel cover
- Replacement or repair if the phone is damaged

Most policies don’t cover:
- Phones stolen in an unlocked vehicle or visible in a vehicle or left unattended in a public place
- General wear and tear

Activity 3.10: Cassie’s story

<table>
<thead>
<tr>
<th>Level</th>
<th>Duration</th>
<th>Resources needed</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>10 mins</td>
<td>Worksheet 3.10</td>
</tr>
</tbody>
</table>

This activity shows a simple but common scenario where having mobile phone insurance can be useful. It will help the students to consider the importance of insurance, and what insurance cover may or may not protect them from.

Step one
Read Cassie’s story and ask students to answer the following questions:
- What else could Cassie consider buying in addition to the plan?
  A: Options could include insurance, a phone cover, charger, headset, iTunes voucher, phone memory upgrade…

Step two
Return to Cassie’s story – two months later …
Ask students to answer the following questions:

- **What would help Cassie in this situation?**
  A: The right mobile phone insurance cover – she may be able to make a claim to receive a replacement phone.

- **If she signed up for insurance, what should she have looked for in her insurance cover?**
  A: Replacement if the phone is stolen, payments to cover unauthorised calls, travel cover, replacement or repair if the phone is damaged.

### Activity 3.11: Advice for Cassie

<table>
<thead>
<tr>
<th>Level</th>
<th>Duration</th>
<th>Resources needed</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>10 mins</td>
<td>Builds upon activity 3.10</td>
</tr>
</tbody>
</table>

Ask students to answer the following questions:

- **Do you think that Cassie should cancel her contract? Why/why not?**
  A: No, because she will have to pay a lot of money ($1,440) but she won’t have a phone or a connection to a service.

- **Do you have any ideas on what Cassie could do next?**
  A: She could buy a new phone that she can afford, or get a new SIM card and use it in an old phone she has or one she can borrow one from someone else.

### Check for understanding

After completing the activities, you can check the students’ level of understanding and knowledge by asking questions such as:

- **What are examples of important things to look for in a mobile phone insurance deal?**
  A: Replacement if the phone is stolen, payments to cover unauthorised calls, travel cover, replacement or repair if the phone is damaged.

- **What are examples of things most policies do not cover?**
  A: Phones stolen in an unlocked vehicle or visible in a vehicle or left unattended in a public place, general wear and tear.

- **What can you get help to understand mobile phone insurance?**
  A: Ask the salesperson to explain inclusions and exclusions, ask a friend or relative, search the Moneysmart website for ‘mobile phone, tablet and laptop insurance’.
Sub-topic: What to do if things go wrong

Key messages

- Get help if you are experiencing financial difficulty
- You may have legal problems if you do not pay what you owe

Notes for the educator

Common problems young people experience with mobile phones are things like:

- Their phone is faulty
- They don’t get enough network coverage or internet connection
- Unexpected costs come up
- They can’t afford to pay their bills

If young people experience these problems, they should first contact the phone company providing the service. If the phone company can’t fix the problem, young people can ask for complaints to be escalated to a supervisor, manager or a special complaints team.

If the problem is related to unexpected costs or bill payment, young people can discuss a payment arrangement with the service provider.

If young people feel that the company has not treated them fairly, or they are unhappy with the outcome, they can go to the Telecommunications Industry Ombudsman (TIO).

The TIO is a free, independent service that helps people who are not satisfied with a mobile service provider’s handling of their problem. They can help with problems relating to bills, payments, faults, poor network connection or poor handling of complaints by a mobile phone company.

The TIO cannot investigate complaints about things that happened more than a year ago, mobile phones bought outright, the amount companies charge or disputes that have already gone to court.

Once the TIO investigates a complaint, they can make recommendations or ‘binding’ decisions that mobile phone companies must follow.

If a young person is having difficulties paying their bill or debts, they can contact a free financial counsellor to help them with their money management.

If a mobile phone company is going to take a young person to court, they can contact a lawyer from a community legal centre.

Activity 3.12: When things go wrong

<table>
<thead>
<tr>
<th>Level</th>
<th>Duration</th>
<th>Resources needed</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>15 mins</td>
<td>Worksheet 3.12</td>
</tr>
</tbody>
</table>

This activity asks the students to consider sample scenarios and the potential outcomes or impacts of decisions made. It will help them to determine where to get help if things go wrong.

Step one

Ask students to brainstorm things that can go wrong with someone’s mobile phone service.
**Suggested answers**

- Faulty phone
- No reception or internet connection
- Being charged incorrectly
- The salesperson did not explain the contract to them properly
- The company lost or did not record a payment that was made
- Not being able to pay your bills on time
- Owing a mobile phone company more than they can afford to pay

Educator note: Explain to the students that there are different ways a person can try and solve a problem they have with their mobile phone service. You can summarise from the content above or use the example answers below:

**Suggested answers**

<table>
<thead>
<tr>
<th>Who can help</th>
<th>How can they help</th>
</tr>
</thead>
<tbody>
<tr>
<td>The telephone company or their complaints team</td>
<td>They can try and fix the problem e.g. fix the fault, replace the phone, give you more time to pay or a payment plan.</td>
</tr>
<tr>
<td>Telecommunications Industry Ombudsman (TIO)</td>
<td>If you have already tried to solve the problem by contacting the telephone company but you are not happy with the outcome, the TIO can investigate and make recommendations or make a decision about how the dispute between you and the telephone company can be resolved.</td>
</tr>
<tr>
<td>Financial counsellor</td>
<td>If you have trouble with paying bills or you have a debt for a mobile phone service, they can help you make a budget or sort out your finances so you can get back on track or they can help you negotiate with the phone company or a debt collector to reduce debts, get more time to pay or a payment plan you can afford.</td>
</tr>
<tr>
<td>Lawyer from a community legal centre</td>
<td>If the phone company are going to take you to court, you can get free legal advice about what to do next.</td>
</tr>
</tbody>
</table>

**Step two**

Hand out worksheets with incomplete scenarios #1 and #2.

1. Ask students to consider and suggest potential outcomes of OPTION A.
2. Discuss OUTCOME A and compare it to their suggestions.
3. Ask students to suggest other possible OPTIONS and potential OUTCOMES for the scenario. Use the suggested answer of OPTION B and OUTCOME B to guide discussion.
Scenario #1 & #2

<table>
<thead>
<tr>
<th>Scenario #1: Ng’s story</th>
<th>Scenario #2: Fatima’s story</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ng can’t afford to pay next month’s mobile phone bill because he just lost his job.</td>
<td>Fatima’s phone contract was confusing so she got charged more than she expected. She has called customer service complaints a number of times to tell them that what they are charging her isn’t what she thought she was signing up. They wouldn’t listen.</td>
</tr>
<tr>
<td><strong>Option a:</strong> Do nothing and ignore all letters and phone calls from the company.</td>
<td><strong>Option a:</strong> Contact the Telecommunications Industry Ombudsman (TIO) to make a complaint.</td>
</tr>
<tr>
<td><strong>Option b:</strong> Contact the company and tell them.</td>
<td><strong>Outcome a:</strong> The TIO agreed with Fatima that the contract was confusing and made the company reduce the amount she has to pay on her bills.</td>
</tr>
<tr>
<td><strong>Outcome a:</strong> The phone company got a debt collector involved and Ng now has to pay his phone bill plus extra costs.</td>
<td><strong>Outcome b:</strong> The phone company gave Ng more time to pay so he can look for another job and go on a payment plan if he needs to pay the bill off slowly.</td>
</tr>
<tr>
<td><strong>Outcome b:</strong> The phone company gave Ng more time to pay so he can look for another job and go on a payment plan if he needs to pay the bill off slowly.</td>
<td></td>
</tr>
</tbody>
</table>

Activity 3.13: Options, outcomes and advice

<table>
<thead>
<tr>
<th>Level</th>
<th>Duration</th>
<th>Resources needed</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>15 mins</td>
<td>Worksheet 3.13</td>
</tr>
</tbody>
</table>

**Step one**

Refer to scenarios #3 and #4 from the worksheet.

1. Ask students to suggest two options for what they could do (OPTION A and OPTION B). Use the suggested answers to guide discussion.
2. Ask students to consider and suggest the potential outcomes of both OPTION A and OPTION B. Use the suggested answers to guide discussion.
3. Ask students to suggest what advice they could give about how Sara and Theo could seek help earlier next time.

Scenario #3 and #4.

<table>
<thead>
<tr>
<th>Scenario #3: Sara’s story</th>
<th>Scenario #4: Theo’s story</th>
</tr>
</thead>
<tbody>
<tr>
<td>A debt collector has been calling Sara because she hasn’t paid her mobile phone bills for ages. Sara tried to tell them that she has too many other debts to pay but they won’t listen.</td>
<td>Theo gets a notice in the mail saying his mobile phone service provider is taking him to court because he hasn’t paid off a debt he owes them.</td>
</tr>
<tr>
<td><strong>Option a:</strong> Go to see a financial counsellor.</td>
<td><strong>Option a:</strong> Do nothing. Theo can’t afford a lawyer so there is no point going to court.</td>
</tr>
<tr>
<td><strong>Option b:</strong> There’s nothing Sara can do so ignore the debt collector and hope the</td>
<td><strong>Option b:</strong> Contact a community legal centre to see if Theo can get free legal advice.</td>
</tr>
</tbody>
</table>
Outcome a: The financial counsellor went through all Sara’s finances and helped her figure out ways to save money on other expenses. They helped Sara negotiate a payment plan with the mobile phone company that she can afford to pay so they debt collector has stopped contacting her.

Outcome b: Sara gets a notice in the mail saying the phone company is taking her to court and she can’t get any more credit cards, loans or mobile phone plans.

Outcome a: The court made an order, even though Theo was not at court. Now he has to pay back his phone bill plus extra costs.

Outcome b: The lawyer talked to Theo about his situation and contacted the phone company. They negotiated and the phone company agreed to reduce Theo’s debt and then pay off what he owes bit by bit. The company ended up withdrawing the court case so Theo did not have to go to court.

Check for understanding

After completing the activities, you can check the students’ level of understanding and knowledge by asking questions such as:

- **If you do not pay what you owe, what can happen?**
  A: Phone can be disconnected, may be charged a termination fee, and you may have to pay extra costs.

- **Where can you go for help?**
  A: Phone company, financial counsellor, TIO.

Additional reflection questions

Reflect on the effectiveness of this session by considering the questions included at the start of this topic.

For more information or to search for words you don’t understand, go to the Moneysmart website and search for the word.

Complaints to the Telecommunications Industry Ombudsman can be made by phone on 1800 062 058 or online (search for tio.com.au).

A financial counsellor is another service young people should get in contact with if they are having trouble paying their bills on time or if they owe a mobile phone company a debt they are struggling to pay. A financial counsellor can help them make a budget or help them negotiate with a mobile phone company or a debt collector for more time to pay or a payment plan the young person can afford. Financial counsellors are free and young people can find their local service on the financial counselling section on Moneysmart.

If a telephone company takes a young person to court for a debt, the young person should contact a lawyer from a local community legal centre for free legal advice. To find their local community legal centre, young people can contact the National Association of Community Legal Centres (search for naclc.org.au).
Worksheet 3.1: Jeremy wants to buy a mobile phone

Jeremy’s story:

Jeremy has just turned 18. He really wants to get a mobile phone, and he would like to get the best smartphone on the market. He does not think he will make a lot of calls, but he would like to download lots of apps and play games.

He started a casual job about three months ago, and his income changes each week; some weeks he earns as little as $250 and some weeks he works extra shifts and earns as much as $400.

He lives with his parents and he pays them $70 a week for food and bills and usually spends about $20 a week on train tickets to get to and from work. He spends around $50 a week to go out with his friends.

<table>
<thead>
<tr>
<th>Jeremy's Income</th>
<th>Jeremy's Expenses</th>
</tr>
</thead>
</table>
Worksheet 3.2: Mobile phone contract terms and definitions

**Common mobile phone deal terminology**
Match the term with the correct definition.

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Included value</td>
<td>A description of the services a mobile phone company will give you, what they will charge you and how you will pay.</td>
</tr>
<tr>
<td>Cap</td>
<td>A legal agreement saying that you accept everything in the agreement and if you do not follow it, you could end up in court.</td>
</tr>
<tr>
<td>Excluded value</td>
<td>Everything you get for your regular monthly payment under a mobile phone plan – e.g. allowances for calls, data.</td>
</tr>
<tr>
<td>Locked phone</td>
<td>Anything that is not included in a mobile phone plan for a regular monthly payment and that you have to pay extra for.</td>
</tr>
<tr>
<td>Allowance or limit</td>
<td>How many calls, texts or data you can use in your plan each month. If you go over this, there is usually an extra charge.</td>
</tr>
<tr>
<td>Data</td>
<td>A check that prevents you from going over your limit on calls, texts or data.</td>
</tr>
<tr>
<td>Contract</td>
<td>What you use to connect to the internet, send emails, live video chat, download apps or send pictures in a text message.</td>
</tr>
<tr>
<td>Roaming charges</td>
<td>A fixed fee for connecting a phone call. It is added to the charge of the length of the call.</td>
</tr>
<tr>
<td>Plan</td>
<td>Charges when you make or receive calls, texts or connect to the internet on your mobile phone when you are overseas.</td>
</tr>
<tr>
<td>Flag fall</td>
<td>A phone that is locked to one service provider that will not work if you leave that provider.</td>
</tr>
</tbody>
</table>
Worksheet 3.7: Jeremy wants to buy a mobile phone

Jeremy’s story:

Jeremy has just turned 18. He really wants to get a mobile phone, and he would like to get the best smartphone on the market. He does not think he will make a lot of calls, but he would like to download lots of apps and play games.

He started a casual job about three months ago, and his income changes each week; some weeks he earns as little as $250 and some weeks he works extra shifts and earns as much as $400.

He lives with his parents and he pays them $70 a week for food and bills and usually spends about $20 a week on train tickets to get to and from work. He spends around $50 a week to go out with his friends.

1. What are Jeremy’s priorities for buying a mobile phone?

2. Given these needs and wants, what else should Jeremy think about when selecting plan?
**Worksheet 3.8: A deal for Jeremy**

**Mobile phone deal ads**

<table>
<thead>
<tr>
<th>DEAL #1</th>
<th>DEAL #2</th>
<th>DEAL #3</th>
</tr>
</thead>
</table>
| Latest Smartphone! $70 a month for 24 months Includes:  
- $150 worth of calls  
- $50 worth of texts  
- 30 GB data  
*Extra charges if you exceed call, text, data limit  
*Cancellation: must pay $70 for each month remaining on the 24-month contract | Last year’s Smartphone model clearance! $99 a month for 24 months Includes:  
- Unlimited calls  
- Unlimited texts  
- 60 GB data  
No extra charges if you exceed call or text limits!  
*Cancellation: must pay $99 for each month remaining on the 24-month contract | SIM card only $60 a month prepaid cap Includes:  
- $150 worth of calls  
- $50 worth of texts  
- 3 GB data  
Free calls and texts to friends and family on the same network from 6-8pm!  
Credit expires after 30 days  
No cancellation fee |

1. Thinking about Jeremy’s priorities, which deal should he choose? What makes this deal suitable for Jeremy?

2. What should Jeremy be careful of with this deal?
### Worksheet 3.9: Your priorities; your deal

**Example priority list**

<table>
<thead>
<tr>
<th>Priority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paying a set amount with no surprises because I don’t have much spare money</td>
</tr>
<tr>
<td>Downloading and using lots of apps</td>
</tr>
<tr>
<td>No cancellation fees</td>
</tr>
<tr>
<td>Making lots of phone calls</td>
</tr>
<tr>
<td>Using a lot of social media (e.g. Facebook, YouTube, Instagram)</td>
</tr>
</tbody>
</table>

**My top three priorities are …**

<table>
<thead>
<tr>
<th>Priority</th>
</tr>
</thead>
<tbody>
<tr>
<td>The best offer for each priority is …</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Priority</th>
</tr>
</thead>
<tbody>
<tr>
<td>The best offer for each priority is …</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Priority</th>
</tr>
</thead>
<tbody>
<tr>
<td>The best offer for each priority is …</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Priority</th>
</tr>
</thead>
<tbody>
<tr>
<td>The best offer for each priority is …</td>
</tr>
</tbody>
</table>
Worksheet 3.10: Cassie’s story

Cassie’s story

Cassie goes to her local mobile phone store and signs up for a 24-month plan. It is a bit expensive at $60 a month, and if she cancels her plan, she will be required to pay out the cost of the contract. However, she got the latest smartphone included in her plan – it would have been worth about $800 if she bought it separately.

Two months later…

When Cassie came home last night, she looked in her bag but could not find her mobile phone anywhere! She is not sure if her phone was lost or stolen. The salesperson at the store mentioned something about insurance at the time she purchased the phone, but it was an extra $15 per month so Cassie decided not to sign up for it.
### Worksheet 3.12: When things go wrong

#### Scenario #1 & #2

<table>
<thead>
<tr>
<th>Scenario #1: Ng’s story</th>
<th>Scenario #2: Fatima’s story</th>
</tr>
</thead>
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<td>Ng can’t afford to pay next month’s mobile phone bill because he just lost his job.</td>
<td>Fatima’s phone contract was confusing, so she got charged more than she expected. She has called customer service complaints a number of times to tell them that what they are charging her isn’t what she thought she was signing up. They wouldn’t listen.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Option a:</th>
<th>Option a:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Option b:</th>
<th>Option b:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Outcome a:</th>
<th>Outcome a:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Outcome b:</th>
<th>Outcome b:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N/A</td>
</tr>
</tbody>
</table>

### Worksheet 3.13: Options, outcomes and advice

#### Scenario #3 and #4.

<table>
<thead>
<tr>
<th>Scenario #3: Sara’s story</th>
<th>Scenario #4: Theo’s story</th>
</tr>
</thead>
<tbody>
<tr>
<td>A debt collector has been calling Sara because she hasn’t paid her mobile phone bills for ages. Sara tried to tell them that she has too many other debts to pay but they won’t listen.</td>
<td>Theo gets a notice in the mail saying his mobile phone service provider is taking him to court because he hasn’t paid off a debt he owes them.</td>
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</table>

<table>
<thead>
<tr>
<th>Option a:</th>
<th>Option a:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Option b:</th>
<th>Option b:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Outcome a:</th>
<th>Outcome a:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Outcome b:</th>
<th>Outcome b:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Additional lesson 1: Mobile phones — avoiding phoney deals!

- **Year level:** Year 9 and 10
- **Duration:** 60 minutes
- **Key learning area:** English, Economics and business

**Lesson description**

Students explore and investigate the diversity of consumer rookie errors associated with mobile phones. Learning begins with watching the Moneysmart Rookie ‘Phoney Deals’ video. Students then discuss and reflect on the key pitfalls of mobile phone purchases, plans, insurance, and data usage in a variety of learning and feedback formats.

In the second part of the lesson students complete an activity worksheet to investigate the necessary precautions and knowledge required to avoid making rookie errors when purchasing their next mobile phone.

**Long-term understanding/deep learnings:**

- Informed responsible choices around mobile plans and use AND/OR pre-paid mobile plans can save you money.
- You can save money and avoid common issues or 'rookie errors' if you research mobile phone options.
- You can access help from phone providers or other agencies when mobile phone issues arise.
Additional activity 1(a): Moneysmart Rookie – Phoney Deals video

<table>
<thead>
<tr>
<th>Level</th>
<th>Duration</th>
<th>Resources needed</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
<td>15 mins</td>
<td>Video: Phoney deals (6:58 mins)</td>
</tr>
</tbody>
</table>

**Task 1: Video**

Watch the Moneysmart Rookie 'Phoney Deals' video.

**Task 2: Discussion**

Facilitate a class discussion of some of the video's key messages. Ask the class, 'What mobile phone issues are highlighted in the video? Write responses on the board - responses should focus around:

- Selecting the right plan requires research
- Be aware of how you use your phone and how much data you will need
- You need to consider all the costs associated with a plan
- A contract comes with obligations
- Before you select a plan make sure you understand it
- Work out how much can you afford to spend
- You (or your parents) are responsible for paying phone bills and can get into debt
- You need to seek advice if you can't pay you mobile phone bill
- Take care if you travel overseas with your mobile.

Additional activity 1(b): Mobile phone inquiry

<table>
<thead>
<tr>
<th>Level</th>
<th>Duration</th>
<th>Resources needed</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
<td>45 mins</td>
<td>Worksheet 1(b), 1(c), 1(d), 1(e), 1(f), 1(g), 1(h)</td>
</tr>
</tbody>
</table>

Reference links include:
- Mobile phone, tablet & laptop insurance page on Moneysmart
- Mobile phone deals and plans page on Moneysmart
- ‘Mobile phone services’ section on ACCC
- ACCC Scamwatch website

**Task 1: Inquiry**

Introduce the inquiry activity by posing the following focus question to the class, 'How do we avoid or solve the mobile phone rookie errors we saw in the video'?

*Teacher tips:* The focus question could be written on the board or displayed on the projector or TV screen.

Allow 45 minutes of class time in this session for the groups to conduct their research online. However, they will require additional class time to develop and present their findings.

Establish groups and assign topics. Allocate students to groups (three – four). Provide each group with the set of 5 worksheet. If there are more than five groups, some topics will need to double-up.

Groups work through questions and present findings to the class. This could be in the form of a PowerPoint presentation, poster, brochure or skit.
Task 2: Report back to class

Students report their main findings about each topic back to the class using the following umbrella question as a starting point of reference:

“What do rookies need to know when they purchase their NEXT mobile phone?”

Task 3: Student records

Students record key findings on Worksheet 6: Key findings on solving mobile phone rookie errors.

Reflective/summative assessment

- List three new things that you learned today about mobile phone deals.
- In your opinion, which of these components is the most important?
- When you buy your next mobile phone, what will you do differently?

Students could be assessed on their presentations to the class. Teachers could also ask students to submit Worksheet 6 and assess this as well.

Extension or homework activity

Ask students to complete the Homework worksheet: Terminology in mobile phone contracts and check their answers in the next class. The handout can be found below.
Additional worksheet 1(b): Mobile Phone Insurance

NAME:

Go on the Moneysmart website, and search ‘Mobile phone, tablet & laptop insurance’ to answer the questions below:

1. What types of insurance cover can you get for a mobile phone?

2. What is the benefit of adding portable devices such as a mobile phone to an existing home content insurance?

3. List some examples of important things to look for in a mobile phone insurance deal.

4. Provide some examples of things most mobile phone insurance policies do not cover.

5. Outline the steps you would need to take to make a claim on insurance.
Additional worksheet 1(c): Prepaid or contract plans?

Go on the Moneysmart website, and search ‘Mobile phone deals and plans’ to answer the questions below:

1. Explain what pre-paid means.

2. Outline the advantages and disadvantages of a pre-paid mobile phone.

3. What do you need to check in a mobile phone contract before you sign it?

4. Outline the advantages and disadvantages of a mobile phone contract.

5. Plans - what rookies need to know when they purchase their NEXT mobile phone:
Additional worksheet 1(d): Choosing a plan

Visit the Moneysmart website, and search ‘Choosing a mobile phone plan’ to refer to when looking at the scenarios below.

You would like to get the newest smart phone on the market. You don’t think that you will make a lot of calls, but you would like to download apps and play games. Besides going out with friends, you don’t have many expenses. You earn approximately $250 per week from your part-time job and pay $30 on board (living at home) leaving $220 per week. Consider the following mobile phone deal ads:

<table>
<thead>
<tr>
<th>DEAL #1</th>
<th>DEAL #2</th>
<th>DEAL #3</th>
</tr>
</thead>
</table>
| Latest Smartphone! $70 a month for 24 months Includes:  
$150 worth of calls  
$50 worth of texts  
30 GB data  
*Extra charges if you exceed call, text, data limit  
*Cancellation: must pay $70 for each month remaining on the 24-month contract | Last year’s Smartphone model clearance! $99 a month for 24 months Includes:  
Unlimited calls  
Unlimited texts  
60 GB data  
No extra charges if you exceed call or text limits!  
*Cancellation: must pay $99 for each month remaining on the 24-month contract | SIM card only $60 a month prepaid cap Includes:  
$150 worth of calls  
$50 worth of texts  
3 GB data  
Free calls and texts to friends and family on the same network from 6-8pm!  
Credit expires after 30 days  
No cancellation fee |

3. Which deal/s would you choose? What makes this deal suitable for you?

4. Explain what you would need to be careful of with this deal.

5. Outline some examples of possible cost differences in mobile phone deals.

6. Costs - what you need to know when you purchase your NEXT mobile phone:
**Additional worksheet 1(e): Dealing with mobile phone problems**

NAME: ____________________________________________

Search Moneysmart and the ‘Mobile phone services’ section on ACCC to answer the questions below:

1. If your mobile phone is not working, what should you do?

2. If you do not pay what you owe on your mobile phone bill, outline what can happen.

3. Where can you go if your problem is with a network service provider or if you are being overcharged for bills?

4. What can you do if you are having problems managing your mobile phone bills or if you are in debt?

5. Financial problems - what do you need to know when you purchase your NEXT mobile phone?
Additional worksheet 1(f): Mobile phone scams

NAME:

Refer to the ACCC Scamwatch website to answer the questions:

1. Explain how a scam works.

2. Outline some examples of mobile phone scams.

3. Describe the best ways to avoid being scammed.

4. What can you do if you think you have been scammed?

5. Mobile phone scams – what do you need to know when you purchase your next mobile phone?
**Additional worksheet 1(g): Key findings on solving mobile phone rookie errors**

As each group reports on "what they need to know when they purchase their NEXT mobile phone", summarise their main points in the relevant spaces provided below.

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. Mobile phone insurance:</strong></td>
<td></td>
</tr>
<tr>
<td><strong>2. Pre-paid or contract plans:</strong></td>
<td></td>
</tr>
<tr>
<td><strong>3. Choosing a plan:</strong></td>
<td></td>
</tr>
<tr>
<td><strong>4. Dealing with mobile phone problems:</strong></td>
<td></td>
</tr>
<tr>
<td><strong>5. Mobile phone scams:</strong></td>
<td></td>
</tr>
</tbody>
</table>
Homework worksheet 1(h): Terminology in mobile phone contracts

NAME: 

Search the internet for a glossary term to answer the questions below:

1. What is a contract?

2. Match the following terms with their definitions by drawing a line between the term and the correct definition.

<table>
<thead>
<tr>
<th>Terms</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cap</td>
<td>A limit that prevents you from going over your limit on calls, texts or data (careful: plans introduced before September 2012 let you go over the cap and charge you extra!).</td>
</tr>
<tr>
<td>Excluded value</td>
<td>A legal agreement saying that you accept everything in the agreement and if you do not follow it, you could end up in court.</td>
</tr>
<tr>
<td>Plan</td>
<td>Everything you get in a mobile phone plan for a regular monthly payment.</td>
</tr>
<tr>
<td>Included value</td>
<td>Anything that is not included in a mobile phone plan for a regular monthly payment and that you must pay extra for.</td>
</tr>
<tr>
<td>Contract</td>
<td>How many calls, texts or data you can use in your plan each month. If you go over this, there is usually an extra charge.</td>
</tr>
<tr>
<td>Flag fall</td>
<td>A limit that prevents you from going over your limit on calls, texts or data (careful: plans introduced before September 2012 let you go over and charge you extra fees!).</td>
</tr>
<tr>
<td>Allowance or limit</td>
<td>Includes accessing the internet on your phone, send emails, live video chat, download apps or send pictures in a text message.</td>
</tr>
<tr>
<td>Locked phone</td>
<td>The amount you pay for just dialing a number and connecting that is added to charges for the length of a call.</td>
</tr>
<tr>
<td>Data</td>
<td>What you can be charged when you make or receive calls, texts or connect to the internet on your mobile phone when you are overseas.</td>
</tr>
<tr>
<td>Roaming charges</td>
<td>When you cannot use the phone/handset if you want to change to another phone company’s network.</td>
</tr>
</tbody>
</table>
Lesson plan 2: Mobile phones — the fine print

- **Year level:** Year 9 and 10
- **Duration:** 60 minutes
- **Key learning area:** English, Economics and business

**Lesson description**

Students will continue to explore and further investigate the previously identified range of mobile phone ownership rookie errors by revising their learnings from the previous lesson on mobile phones. In groups, students go on to complete an inquiry-based task where they delve more deeply into the underlying complexities of common rookie errors and financial pitfalls of mobile phone ownership. Students share their findings with the rest of the class. The lesson concludes with the students applying their richer knowledge of mobile phone rookie errors through the related 'Mobile phone' convo, in which they search for a suitable mobile phone deal.

**Long-term understanding/deep learnings:**

- Informed responsible choices around mobile plans and use AND/OR pre-paid mobile plans can save you money.
- You can save money and avoid common issues or 'rookie errors' if you research phone options.

**Additional activity 2(a): Know your mobile plan**

<table>
<thead>
<tr>
<th>Level</th>
<th>Duration</th>
<th>Resources needed</th>
</tr>
</thead>
</table>
| N/A   | 50 mins  | Video: Peter decides on the wrong mobile plan (0:46 sec)  
Worksheet 2(a) |

**Task 1: Case studies (15 minutes)**

Ask students to access the 'Peter decides on the wrong mobile phone' video case study which demonstrates what can happen if people select a mobile phone plan without researching the options.

Ask students what things Peter should have considered before choosing his plan? List the student responses up on the board and students suggest them. They should include:

- what networks their friends are on
- data allowance
- costs of different activities such as social networking
- network coverage
- contract length
- cost of getting out of contract
- getting a pre-paid plan instead of a post-paid plan.

Emphasise Peter's comment that he should have considered a pre-paid plan. Ask students Why does Peter comment that he should have considered a pre-paid plan? What is the benefit of having a pre-paid plan? Are there any drawbacks to pre-paid?
Make sure the following points are covered:

- A pre-paid plan means that you can't get a large bill.
- Pre-paid helps to spread out mobile phone costs.
- With pre-paid you can run out of credit which means you can't use the phone.
- Call rates can be higher for post-paid plans.
- It can be cheaper to access 'cooler' mobile phones with a post-paid plan.

**Task 2: Identify your mobile phone needs (30 minutes)**

Ask students to use the worksheet to record how they are currently using their mobile phone.

*Teacher tips:* If not all your students have a mobile phone, try an alternative way to approach this activity by accessing a digital mobile phone activity on the Moneysmart teaching resources page.

**Additional activity 2(b): Complete the Mobile Phone Convo**

<table>
<thead>
<tr>
<th>Level</th>
<th>Duration</th>
<th>Resources needed</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
<td>10 mins</td>
<td>Digiactivity: Digital Convo – Shopping for a mobile</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Students have a conversation with a friend about buying their first car.</td>
</tr>
</tbody>
</table>

Using computers (or sharing a computer), students complete the 'Mobile phone' convo.

Students work through the convo which gives them the opportunity to practise what they need to do and the questions to ask when buying a mobile phone.

*Teacher tips:*
- Encourage students to bring headphones for this activity.
- Moneysmart for teachers has several digital mobile phone activities available to explore additional topics to help with the responsible use of mobile phones including minimising the cost of use.

**Extension or homework activity**


They need to use the table completed in Worksheet 1 to work out how much the plan will cost based on their estimated usage for a month. The costs of their selected plan should be recorded in the third column.

Remind students the following:

- When researching plans keep in mind 'included value' and 'excluded value'. Check how much of your usage will fall into the included value (everything you get in a mobile phone plan for the monthly payment) and how will be part of 'excluded value' (how much you will have to pay extra for).
- Before starting this task explain to the students that a good starting point for researching a specific mobile phone plan is to check the Critical Information Summary. This document information to helps with comparison of different plans. Suggest that they try and locate a Critical information summary for the plan they are interested in.
- Also explain that mobile phone plan comparison can be complicated, and this task is designed to highlight some key things to think about rather than an activity which will fully inform plan selection.

*Teacher tips:*
- When debriefing this activity with students discuss the plans students have identified and their cost per month. Emphasise that pre-paid is a safer option for managing mobile phone expenditure.
- If websites are blocked search for an alternative website before the class begins.
Additional worksheet 2(a): Identify your mobile phone needs

NAME: ____________________________________________________________

Work through the following instructions to identify your mobile phone usage.

**Instructions**

1. In the middle column list the amount per month you would do against a particular activity. It is hard to think about a whole month at once! To make it easier, think about how much you use your phone on a typical day. Remember to allow for weekends versus weekdays. Calculate on a 28-day month.

   **Example:** 10 texts per day x 28 days = 280 texts per month

2. Data use can be difficult to work out, so the left-hand column provides you with an estimate of MB used per activity.

3. Identify any 'other needs' in the table such as network coverage. Write a brief description of your need.

**Usage per month**

<table>
<thead>
<tr>
<th>Activity</th>
<th>Estimated amount per month</th>
<th>Extension/homework activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Calls – off network (a different one to yours)</td>
<td>No calls:</td>
<td></td>
</tr>
<tr>
<td>Calls – on network (same as yours)</td>
<td>No calls:</td>
<td></td>
</tr>
<tr>
<td>SMS</td>
<td>No SMS:</td>
<td></td>
</tr>
<tr>
<td>Voice mail Pickups</td>
<td>No voicemail pickups:</td>
<td></td>
</tr>
<tr>
<td>Data - Downloads (songs, video, apps)</td>
<td>No downloads:</td>
<td>Total MB:</td>
</tr>
<tr>
<td>5 MB per download</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Data - Minutes on social media sites</td>
<td>Mins of social media:</td>
<td>Total MB</td>
</tr>
<tr>
<td>2MB per min on social media</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Websites visited</td>
<td>No of websites:</td>
<td>Total MB</td>
</tr>
<tr>
<td>1 MB per website</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other needs</td>
<td>Comments</td>
<td></td>
</tr>
<tr>
<td>Rural user/city user?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Network – what do family/friends use?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>International calls</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other?</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4. Describe briefly how you use your mobile phone. Do you mainly call, text, access content, use social media? Do you have any specific needs such as a network that can be accessed from a rural location?

**Class debrief.** Your teacher will debrief the class by asking students to volunteer to share descriptions of their mobile phone use.
Extension activity – Researching plans


Use the table completed in Worksheet 1 to work out how much the plan will cost based on your estimated usage for a month. Draw up a third column to record the costs of the selected plan.

Remember the following:

When researching plans keep in mind 'included value' and 'excluded value'. You will need to check how much of your usage will fall into the included value (everything you get in a mobile phone plan for the monthly payment) and how will be part of 'excluded value (how much you will have to pay extra for).

Before starting this task, a good starting point for researching a specific mobile phone plan is to check the Critical Information Summary. This document information to helps with comparison of different plans. Suggest that they try and locate a Critical information summary for the plan you are interested in. You should be able to locate the Critical Information Summary on the mobile providers website.

Optional handout

<table>
<thead>
<tr>
<th>Issue</th>
<th>First point of contact</th>
<th>Still need help?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobile handset problem</td>
<td>Mobile service provider</td>
<td>Where the handset is supplied as part of a contract go to Telecommunications Industry Ombudsman (TIO) 1800 062 058 or through their website at <a href="http://www.tio.com.au">www.tio.com.au</a>. Where the handset is bought outright by the consumer go to Fair Trading or Consumer Affairs in the consumer’s state.</td>
</tr>
<tr>
<td>Phone plan issue</td>
<td>Mobile service provider</td>
<td>Telecommunications Industry Ombudsman (TIO)</td>
</tr>
<tr>
<td>Post-paid account billing or pre-paid account issues</td>
<td>Mobile service provider</td>
<td>Telecommunications Industry Ombudsman (TIO)</td>
</tr>
<tr>
<td>Premium services</td>
<td>Premium service provider</td>
<td>Telecommunications Industry Ombudsman (TIO)</td>
</tr>
<tr>
<td>Theft – bank account</td>
<td>Banking provider</td>
<td>Mobile service provider</td>
</tr>
<tr>
<td>Theft – mobile hand set</td>
<td>Mobile service provider</td>
<td>Local Police</td>
</tr>
<tr>
<td>Service problem</td>
<td>Mobile service provider</td>
<td>Telecommunications Industry Ombudsman (TIO)</td>
</tr>
<tr>
<td>Scams</td>
<td>ACCC via the ScamWatch website at <a href="http://www.scamwatch.gov.au">www.scamwatch.gov.au</a> or 1300 795 995.</td>
<td></td>
</tr>
<tr>
<td>Spam</td>
<td>ACMA Spam SMS service 0429 999 888 (standard rates charged by your mobile provider will apply)</td>
<td></td>
</tr>
</tbody>
</table>

Note: State and territory consumer protection agencies can provide you with information and advice about your rights and options.