

## Written evidence submitted by Pete Woodroffe

### The Problem with Streaming:

Firstly thank you from the entire songwriting community for addressing this massive problem.

I have spent 37 years in the music business first as a producer (Def Leppard) and since 2000 as a songwriter (Simply Red, Melanie C, Cliff Richard and many more you probably won't be familiar with!) I was on the BASCA Songwriters Committee and stood for a place on the PRS board this year with a manifesto addressing the streaming problem (I came second to the incumbent and narrowly missed the place).

Even though the share songwriters and artists get from streaming services is poor there is another massive problem that needs to be addressed first. It is absolutely critical that your committee includes YouTube in its examination of the issues.

Half of all the music consumed in the world today is streamed via Google's free video service YouTube. Some consumers don't even watch the videos, but just listen to the music. If you examine the biggest videos on YouTube they are almost all songs. YouTube lobby their way out of this claiming that many of their videos are not music, but the reality is that YouTube is a free music streaming service that makes billions from putting advertising before songs and then takes that money out of the country having paid very little tax on it.

In their 2018 Music Consumer Insight Report the IFPI said that 35% of streaming music consumers cite user uploaded services like YouTube as the primary reason they don't subscribe to a paid audio subscription (such as Apple Music or Spotify premium).

How can paid streaming services like Spotify and Apple Music compete with YouTube? Every time I watch one of my songs on YouTube I watch the advertising at the front and end of the video and realise someone is making money out of my song, but rest assured it's not me.

**Looking at my own PRS income for the last 12 months only 1.4 % comes from YouTube. This is the streaming service where half the music in the world is consumed.**

How would Aldi or Lidl be able to exist if there was a supermarket that gave away all its produce and **paid its suppliers next to nothing**? The EU have decided to address this and remove 'safe harbour'. It is a disgrace that after all the work and lobbying the UK music industry did to make this happen that the UK government have decided not to side with the EU on this issue.

I have now set up my own record label so that I own the master rights which means I can at least share the streaming income from Spotify, Apple Music etc with the artists that usually goes to the labels. I also focus on getting my music used on TV and Film as this at least means the artists and I can earn some kind of living. But all of this is done because the artist/songwriters share from streaming is way too low.

Universal Music just earned a billion dollars in a single quarter from streaming. The deals that allow this were negotiated when labels would have to pay for expensive studio time, pay for manufacturing, creation of a sleeve, pay for a sales rep to drive up the M1 to play the latest releases to record shops, pay for the distribution of the records. Most of this doesn't exist anymore. Most records you hear on the radio are created on a computer in a home studio by the songwriters and producers. The labels only get involved if they see a great reaction online to an artist (saving millions in A+R) and then they pay an advance to the artist (not the songwriter/producer) and mop up their streaming income with an 80/20 split in favour of the label. The artist then has to earn back the advance from their 20% share of the income before they see any further income.

The UK has made billions out of its songwriting community... right now those billions are not going to the creators.