

Written evidence submitted by Fran O'Hanlon

My name is Fran O'Hanlon and I am a musician and songwriter. Alongside my musical career, I am a practising doctor. I am fortunate to have both of these careers side by side, however music would never be a sustainable option for me without the financial security of my medical career.

1. What are the dominant business models of platforms that offer music streaming as a service?

The music I release through a digital distribution company is uploaded to various DSPs including Spotify, Apple Music, Amazon Music, Youtube Music, Deezer and others. I have been making and releasing music commercially over the past ten years and have been able to build my audience in part thanks increased availability via streaming platforms. The income I receive as a result of streaming has never been sufficient to meet minimum wage and I rely entirely on a separate career in order to continue to make music. The approximate royalty rates per play on even the most generous platform would require 970 streams per hour to make minimum wage. On the least generous platform, it would require over 7,000 plays per hour. There is an enormous disparity across platforms but none of them offer a sustainable model for the vast majority of artists.

With newer record label deals which have been increasingly forced to take streaming into account, there is a more even split between the record label and artist, however profits of labels and streaming platforms are vast in comparison with the small amount paid out to artists themselves, who in turn produce the music that both labels and DSPs rely on.

In the current climate, with the Covid-19 pandemic, it has become abundantly clear that artists are heavily reliant upon live performance to survive. Making a living through the sale of music and physical merchandise is simply no longer possible and streaming platforms must confront the reality that they share a responsibility for supporting musicians. The current model is clearly unsustainable and must be addressed if we want to continue to benefit from recorded music in future.

Some platforms offer easily accessible data on where my music is being streamed, while others offer little or none. This makes it extremely difficult to keep track of any revenue I am due and where it comes from.

As set out by the Ivors Academy:

The streaming model must be equitable, fair, transparent, efficient, and pro-creator.

It must value the songwriter and performer contribution to streaming more highly.

It must include checks on the dominance of major music corporations on streaming marketing, licensing and distribution of streaming royalties.

It must stop information being hidden that enables conflicts of interest and prevents creators and performers understanding what they're being paid and why.

It must include modernised royalty distribution systems to stop bad and missing metadata, and mis-allocated payments.

It must create the strongest environment for UK creators and ensuring UK songwriters, composers and performers do not fall behind on basic rights and protections.

1. Have new features associated with streaming platforms, such as algorithmic curation of music or company playlists, influenced consumer habits, tastes, etc?

Undoubtedly so and there are many upsides to this, but again it only applies to a select few artists who favourably benefit. One of my songs was included in Spotify's editorial playlist, 'The Most Beautiful Songs in the World' and has now reached over 800,000 all time plays. This has seen an increase in my listenership and came about because of the weekly meeting my digital distributor has with Spotify. The world of playlisting, how a song is considered and who makes the decision about where, when and for how long it is placed in a playlist is a totally opaque process. A small number of DSPs offer the opportunity for artists themselves to 'pitch' for their track to be included in a playlist. However the sheer volume of songs uploaded on a weekly basis makes this totally implausible. It would require an army of curators constantly listening to music in order for this process to be fair. Major labels are major stakeholders in streaming platforms and they are afforded the best access and the most opportunity to pitch for editorial playlisting. It may be that the artists they represent also have the largest audiences, however this cycle is self-fulfilling, as I have seen with my inclusion in the Most Beautiful Songs playlist. There are a few artists who may have a number of songs in playlists like this one and this helps them both to grow their audience more quickly and also to be monetised more generously.

With regards algorithmic curation, this again is an extremely opaque process. How is it decided where a track will sit in the queue? The process is linked but there is little available information to explain how the process works.

Spotify have recently introduced a feature allowing fans to purchase physical merchandise from the artist, via a third party called Merchbar. This feature is not available to most artists.

I agree with the Ivors Academy recommendations in that there must be robust oversight of platforms so that algorithms are not biased, and provide equal access to the streaming market for all artists, songwriters and performers regardless of whether they are signed or not. At present, those with major label backing and backdoor access to playlist editors benefit the most. Additionally, therefore, there must be full auditing and disclosure of the relationships between rights owners (music publishers and record labels) and streaming platforms to expose agreements, marketing partnerships and non-licence revenues.

2. What has been the economic impact and long-term implications of streaming on the music industry, including for artists, record labels, record shops, etc?

Streaming has the potential to be enormously beneficial for artists and labels, as well as vendors such as promoters and record stores, however this would require far better

integration – for example for record stores to be able to list their products and provide an option to buy an album from a local vendor, or to buy concert tickets. There seems to be some effort from a number of DSPs to move in this direction. From an artist perspective, as streaming has overtaken physical sales, it has made making money from recorded music unviable and we are reliant upon live performance income or other jobs to sustain our living and professional costs. With the enormous profit margins that these platforms are able to generate, it is vital that artists are paid more generously. Without this, building a lasting career in recorded music will only be an option for a very slim minority of artists with considerable financial support behind them.

As set out by the Ivors Academy, the following changes should be implemented:

1. An equitable model that enables greater value to be placed on the song.
2. A fairer model where the major music corporations do not dominate the marketing, licensing and distribution of streaming royalties.
3. Greater transparency to stop information being hidden that enables conflicts of interest and prevents creators and performers understanding what they're being paid and why.
3. How can the Government protect the industry from knock-on effects, such as increased piracy of music? Does the UK need an equivalent of the Copyright Directive?

I think that with the emergence and dominance of music streaming, this has become the most convenient way for most people to listen to music, at a relatively low cost and with no risk attached for the music consumer. I do not believe piracy (i.e. criminal theft of music) to be an issue which affects me significantly, however I do believe that the royalty rates offered by DSPs amounts effectively to piracy as the fees given to artists do not reflect the value of their music to the industry.

I call for:

1. Better or equivalent copyright protections for creators to those awarded elsewhere, particularly in Europe.
2. Greater transparency amongst record labels, music publishers, streaming platforms and other licensing entities so that creators can effectively use their right to audit music companies they are signed to or who administer royalties for them.
3. Enshrine the liability of online platforms in UK law; this means that platforms, including those that host user-generated content, will be liable for hosting unlicensed music.
4. Contracts between music creators and companies tasked with exploiting their works should always ensure that all creators will be paid appropriately and proportionally to their music's success.
5. Be able to renegotiate contracts if the remuneration originally agreed under a license or transfer of rights turns out to be disproportionately low compared to revenues generated by a creator's music.
6. Assignment of rights to a music company should have a maximum term, after which the rights should automatically return to the creator, who could decide to extend or place their rights elsewhere.

4. Do alternative business models exist? How can policy favour more equitable business models?

I join the Ivors in calling for:

1. More transparency and opportunities for scrutiny, so that current market distortions can be exposed and reformed.
2. Ensuring a level playing field through regulation can enable ethical business models to become the norm. Not all platforms are the same, and not all music companies are the same; some are demonstrating that more equitable business models can be adopted.
3. The reclassification for performers of streaming as a 'communication to the public' rather than 'making available' (for songwriters, streaming already has this classification). This would generate royalties to be paid through a collection society such as PPL (like radio does), help unrecouped artists as it would generate new royalties for them that they wouldn't get direct from a label, and generate an income stream for session musicians who currently receive no streaming royalties.