

Written evidence submitted by Equity

Equity evidence to the DCMS Committee Inquiry: Economics of music streaming

1. Equity is a trade union representing over 47000 actors and creative workers including directors, designers, choreographers, dancers, singers, entertainers, comedians, stage management and audio artists.
2. We welcome this timely Inquiry as streaming services have a strong bearing on the ability of our members working as singers, whether in opera or the commercial and recording sectors, to earn a living. These members and our members working across the growing audio industry – producing content from audio books to voiceovers – also particularly welcome the opportunity to contribute evidence to the fourth question of the Terms of Reference:

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?

3. We strongly believe the UK needs to either transpose the Copyright Directive in full into UK law or legislate to introduce the key elements of Chapter III of the Directive which would substantially improve rights for performers and other creative workers.
4. The purpose of the Directive is to bring copyright law up to date at European level and specifically to meet the challenges of the growing digital economy.
5. The Directive requires all Member States to put in place:
 - transparency obligations, requiring parties to whom authors and performers have licensed or transferred their rights to provide information on the use of their works including revenues generated
 - a contract adjustment mechanism to allow authors and performers to claim additional remuneration when the revenues received are disproportionately low
 - a right of revocation where there is a lack of exploitation of the work
6. Failure to implement the copyright directive has the potential to damage the British creative industries. This sector is worth over £111bn to the economy, supports over 2 million jobs and has grown at nearly twice the rate of the economy since 2010.
7. Creative workers such as actors, singers, directors and designers and many other creative professions are crucial to the success of the UK's creative output but many rely on payments related to copyright to sustain their careers. Equity's most recent survey of members found that 67% earned just under £10k per year before any additional income from secondary payments.
8. In 2019 Equity distributed £21.5 million to performers arising from the re-use of their work across a range of media services. The union is constantly seeking to negotiate

agreements with established and emerging digital and online services such as Netflix in order to generate fair returns for those who perform and contribute to their content.

9. The new rights contained in the Directive would bolster the ability of individual creatives and their representative organisations to achieve fair returns for the use of creative content in new media services.
10. The UK was one of 19 EU countries that supported the Copyright Directive in the final European Council vote.
11. In July 2019 the then Creative Industries Minister Margot James MP “applauded the decision to pass the EU Copyright Directive” and met with bodies from the creative industries to discuss how best to implement it.
12. On 16th January 2020 Nigel Adams MP, the new Creative Industries Minister agreed that the Directive “contains many protections for our creative sector” but indicated that the decision would be taken over the coming year whether to adopt it.
13. On 21st January BEIS Minister Chris Skidmore MP clarified the Government’s position: “The deadline for implementing the EU Copyright Directive is 7 June 2021. The United Kingdom will leave the European Union on 31 January 2020 and the Implementation Period will end on 31 December 2020. The Government has committed not to extend the Implementation Period. Therefore, the United Kingdom will not be required to implement the Directive, and the Government has no plans to do so. Any future changes to the UK copyright framework will be considered as part of the usual domestic policy process.”
14. Performers and other workers across the creative industries were extremely disappointed with this development. The UK currently enjoys strong copyright protection that supports jobs and growth in the industry. EU Directives and international treaties have created and improved intellectual property rights for performers and authors and have facilitated trading across the EU as creatives can feel confident in their ability to enforce their copyright and trademarks.
15. There is concern that the UK could fall behind the EU in the level of protection given to copyright and to creators and that leaving the EU and trade deals with countries such as the US could undermine and weaken the current protective framework of IP rights UK creatives currently enjoy. This would threaten the ability of UK creatives to trade easily and could make the UK a less favourable home for creators to develop original content and for businesses to invest in them.