



SURUHANJAYA SYARIKAT MALAYSIA  
COMPANIES COMMISSION OF MALAYSIA



BEST BUSINESS PRACTICE CIRCULAR 1/2010

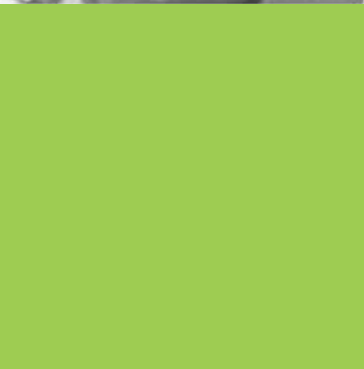


ESTABLISHMENT OF A  
**CHILD CARE CENTRE**  
AT THE WORK PLACE BY  
CORPORATE AND BUSINESS EMPLOYERS

**COLLABORATIVE EFFORT BETWEEN  
COMPANIES COMMISSION OF MALAYSIA  
AND UNITED NATIONS CHILDREN'S FUND**



# **Establishment of a Child Care Centre at the Work Place by Corporate and Business Employers**



# Objectives

1. The objectives of the Companies Commission of Malaysia's (SSM) Best Business Practice Circular 1/2010 (BBPC 1/2010) are:
  - To provide guidance for employers in the private sector on the setting up of child care centres for their employees.
  - To contribute towards the development of a high-income economy that is socially inclusive and sustainable by promoting a family-friendly work environment.
  - To ensure a child's care and early childhood development needs within the corporate work environment are met.

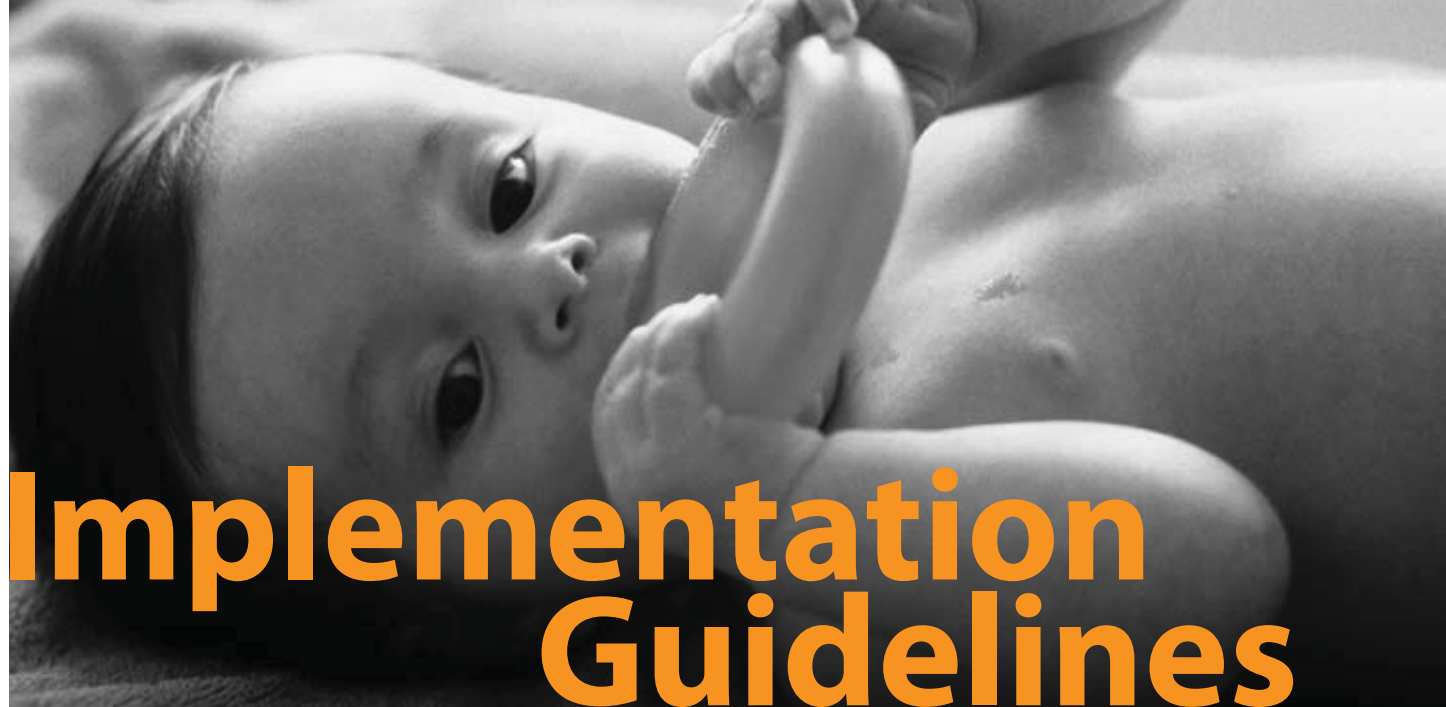
# Background

2. With economic development, out-of-home child care has become a reality in advanced and developing economies where children are spending increasingly long hours in child care centres<sup>1</sup>. As Malaysia is progressively moving towards becoming a developed nation by 2020 and looking to boost its female workforce participation, the provision of high-quality child care centres is becoming a priority. In 2008, the proportion of female workforce aged 25-34 years was 62.5 %, representing an increase by 58 % compared in 2001<sup>2</sup>. In the same year, the total number of children below 5 reached about 3 million, which accounted for 11% of the total Malaysian population.
3. International research has also confirmed the importance of high quality early childhood education and care as an investment in a country's overall social and economic development. Cost-benefit analyses of early childhood interventions have shown in different settings, that the returns on early childhood education and care can be as high as USD8 for every USD1 invested<sup>3</sup>.
4. In line with the National Plan of Action for Children, this circular focuses on the establishment of child care centres to be set up at or near business premises which operate during the usual work hours of the employer towards providing care for children between 0 and 4 years of age, as specified in the Child Care Centre Act 1984.

<sup>1</sup> The Child Care Transition- Innocenti Research Centre Report Card No. 8, 2008 UNICEF

<sup>2</sup> Department of Statistics - Key Indicator of the Labor Market Malaysia, 2001-2008

<sup>3</sup> The Child Care Transition- Innocenti Research Centre Report Card No. 8, 2008 UNICEF



# Implementation Guidelines

## Guiding principle

5. The Convention on the Rights of the Child, ratified by Malaysia in 1995, upholds every child's right to develop to the fullest and to be protected from harmful influences, abuse and exploitation. Article 18 of the Convention on the Rights of the Child provides for appropriate measures to ensure that children of working parents have the right to benefit from child care services and facilities for which they are eligible.

## Legal and regulatory framework in general

6. Section 6 (1) of the Child Care Centre Act 1984 (the Act) stipulates that no person shall operate or take part in the management of a child care centre which is not registered under the Act. This provision however is not applicable if such centres are run by the Federal or State Government. Child care centres also need to adhere to the regulations and guidelines issued in relation to the establishment of child care centre.
7. There are four types of child care centres for children between 0 and 4 years old under the Act namely:
  - (i) Work place based child care centres;
  - (ii) Community based child care centres;
  - (iii) Institution based child care centres; and
  - (iv) Home based child care centres.

The setting up of child care centres by private employers would fall under the category of work place based child care centres.

## General procedures for the registration of child care centres

Purchase the Guidelines for Setting up Child Care Centres and the Application Form from the office of the Department of Social Welfare Services



Obtain approval from the Department of Health, the Fire & Rescue Department and the relevant local authority



Forward the Application form together with the relevant documentation to the nearest District Department of Social Welfare Services Officer



## Options for setting up of child care centres by employers

8. Proposed options for setting up child care centres include:
  - (i) The employers/companies/businesses embarks upon the initiative individually.
  - (ii) The employers/companies/businesses in a single building/office premises jointly set up a common child care centre.
  - (iii) The employers/companies/businesses either individually or jointly, set up a centre, either close to the workplace or nearer to the residential area of the workforce. However this will not be considered as a work place based child care centre. It will fall under the category of institution based child care centre. The employers/companies/businesses can either run the centres themselves or contract it out to an individual/agency under mutually agreed terms and conditions.
9. If employers/companies/businesses are unable to establish appropriate child care centres that are unable to meet the best interest of the child, employers/companies/businesses should consider provisions of child care incentives. This includes child care subsidies that are directly provided to the employees and could be part of a benefit package scheme.

## Financial dynamics

10. Costs for operating a child care centre will depend on the overheads incurred at each centre – location, number of children, total number of staff, education and experience of care providers, furniture and equipment provided, training provided and others.
11. Current financial incentives for employers' provision of child care centres include:
  - (i) The Industrial Building Allowance and tax deductions on maintenance expenditure; and
  - (ii) 10% tax reduction per annum on the cost of setting up child care centres for a period of 10 years for employers who set up child care centres.

## Main principles of care

12. The provision of child care must support the principles of children's best interest, equity and participation. Under the principles of the Convention on the Right of the Child, the establishment of child care centres should be guided by the following principles:
  - (i) Non-discrimination.
  - (ii) Best interests of the child.
  - (iii) Participation of the child.
  - (iv) Survival and development of the child.
  - (v) Accountability of the child.
  - (vi) Indivisibility of rights of the child.
13. The programs established at a child care centre at or near the work place should:
  - (i) Focus on the best interest of the child  

Development of programs and activities that recognise the children's unique and individual qualities, their preferences and opinions.
  - (ii) Strives for community integration  

The program must be able to integrate in their various culture and learn a range of skills through the experience of community and family life.
  - (iii) Promote attachment and bonding  

The program must ensure development through the attachment and bonding of a child with a consistent primary carer or care provider. Without this, children experience developmental delays that have a lifelong impact.





(iv) Reduce stigma and discrimination

Children within lower socio economic family and from different ethnic communities may face discrimination. As such, child care centres must provide a non-discriminatory environment that can offer some protection, understanding and defense against exclusion and discrimination.

(v) Encourage the ability to form relationships

The program must encourage children to meet and socialise with other children.

(vi) Provide opportunities for life skills and cultural participation

The program must nurture children to learn life skills and also about their cultural heritage through a process of living experience and through having responsibilities and different roles within their friends, family and community.

(vii) Protection and monitoring

The program must contain sufficient protection policy for children and staff.

14. The child care centre should have in place a holistic program that ensures the developmental needs and cultural appropriateness of the child emphasising parental involvement.
15. The Act (including the regulations issued under it) and the policies of the Department of Social Welfare have specific requirements outlining the minimum standard of care at child care centres.
16. The minimum standards of care required includes :
  - (i) The preparation of a comprehensive program and schedule of activities for children under its care.
  - (ii) The preparation of a set of nutritious menu for the children's food in-take. The food provided must include milk, food with protein, fresh vegetables and fresh fruits.

- iii) Construction of the child care centre should be in accordance with the minimum requirements stipulated in the local authority by-laws.
- iv) There must be one supervisor, sufficient child care providers, a cook and other workers at the child care centre. The minimum number of child care providers are as follows:
  - A minimum of 1 child care provider for every 5 children aged between 0-3 years.
  - A minimum of 1 child care provider for every 10 children aged between 3-4 years.
  - For disabled children, the minimum of 1 child care provider for every 4 children below the age of 4 years.
- v) The child care providers shall be at least 18 years of age and attended the Basic Child Care Course accredited by the Department of Social Welfare (The minimum duration of the course is 17 working days & the fee imposed is RM 480.00).
- vi) Health and safety at the child care centre:

<b>Fire drill and evacuation</b>	Have a practical scheme for evacuation purposes in the event of fire. A fire drill must be conducted once in three months. All exit points shall be free from obstructions at all times.
<b>Health of children</b>	The health of the children must be inspected everyday upon arrival at the child care centre. There must be a suitable room to separate and temporarily care for at least one sick child and the parents of the sick child must be informed immediately when a child is found to be sick.
<b>First aid kit</b>	There must be at least one first aid kit which is well maintained and complete with the materials/medication supplies.
<b>Infectious disease</b>	A medical officer or registered medical practitioner must be notified if it is suspected that there is an infectious disease among the children or workers.
<b>Smoking</b>	Smoking (and spitting) is prohibited at the child care centre.





(vii) Areas in the child care centre:

<b>Floor area</b>	The minimum floor area for every child is 3.5 metre square.
<b>Kitchen</b>	Separate from the rooms being used for children's activities
<b>Toilet</b>	One toilet for every 10 children
<b>Washing and bathing facilities</b>	Child care centre must be equipped with facilities to wash clothes, changing room and bathroom

(viii) Sufficient toys for the children are made available and are in good condition. The type and design of the children's bed, cot/cradle/rocker and sleeping equipments must also be suitable, washable and clean.

(ix) The management of the child care centre must constantly keep in touch with the parents or guardians of the children through a variety of planned programs and activities.



# Implementation Benefits

## Human capital and macro economic development

- High quality programs provided at child care centres would enhance educational achievements and ultimately economic contributions of young children.
- The availability of child care allows for an expanded and more productive workforce, thereby contributing to greater national GDP, higher public revenues, reduced poverty and welfare payments, and higher returns to public investments in education.

## Employers

- The provision of a child care centre at the work place would allow working parents to focus in their work knowing well that their children are well taken care of, resulting in better productivity and work quality.
- The provision of a child care centre by employers would create better reputation and goodwill for the company/business.

## Employees

- Greater work-life balance and possibility to return to work while still providing their child with optimal nutrition by exclusively breastfeeding for the first 6 months of life.
- Enables close relationship between parent and child to be maintained through visitation hours during lunch breaks.

## Children

- Physical, cognitive, linguistic, emotional and social development can be enhanced through the participation in the programs conducted at the child care centre.
- Children enjoy the benefits of interaction with other children and child care professionals and can be monitored for potential additional support needs.



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**REGISTRAR OF COMPANIES/BUSINESSES**  
**COMPANIES COMMISSION OF MALAYSIA**  
28 January 2010

**NOTE:**

This BPPC serves as a general guidance in relation to the establishment of a child care centre. Further informative details would be available in the Tool Kit to the BBPC 1/2010.

This BPPC does not create any legal obligation for companies and businesses to comply and merely outlines the best practices to be adopted at the option of such companies/businesses. SSM and UNICEF encourage the adoption of this BPPC towards ensuring business sustainability and promoting corporate social responsibility.

Permission has been obtained for the use of photographs in this publication.



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