



## СВІЙ ДО СВОГО Ukrainian Community Issues – 15 April 2016

### Publically Call for the Resignation of Michael Moravski, President, Association of Ukrainians in Victoria

**I call on Michael Moravski, President of the Association of Ukrainians in Victoria (AUV) to resign as President and to relinquish all committee positions.**

For many years I have supported Michael Moravski as President of AUV. However, as detailed below, my confidence in him as a leader of the community deteriorated substantially to a point where I have NO CONFIDENCE in him at all.

*ASIC Commissioner, Greg Tanzer, make it quite clear that the:*

*“Directors bear the ultimate responsibility in company affairs and will be held to account if anything goes wrong”*

*“Directors have the responsibility to improve their specific knowledge of issues on hand and cannot rely on information provided by committees or others as defence for their decisions and actions”*

#### **I can no longer remain silent.**

Michael Moravski, as President of the AUV, is ultimately responsible for all decisions and actions taken by AUV and as such has to resign if the Ukrainian Community is to continue existing successfully.

#### **In Summary of Allegations**

1. Secret Plan to move the Ukrainian Community Centre
2. 2016 Malanka Incident – Disgraceful
3. Unspeakable Incident Allegations
4. Do nothing. This would led to bankruptcy within a year
5. Possible loss of up to \$3.5 million Land Value during negotiations
6. Possible loss of up to \$3.5 million Development benefits
7. Withheld vital property financial information from the Community
8. Board appointed Committee Member unlawfully suspended
9. Allowing Committee Members to act unilaterally
10. Failure to fulfil an AGM Motion to hold Commission of Enquiry
11. Failed to fulfil basic AGM Notification and Voting principles
12. Failed to rectify the Constitution which discriminates against the community
13. Failed to rectify “Bullying” tactics at meetings
14. Failure to Communicate with the Membership and the Community
15. During his term of Office has not achieved anything of substance.

**In my personal opinion, I cite the following allegations:**

### **1. Secret Planning moving the Ukrainian Community Centre**

- a. During joint AUV Board and Building Committee discussions it was strongly outlined compelling reasons that the presence of the Ukrainian Community Centre for Victoria, should remain at Russell Street, Essendon. This was a consensus by all present.
- b. Stage 2 of the redevelopment, The Ukrainian Hall, the Joint AUV Board and Building Committee agreed should incorporate the Ukrainian Community Centre with identical facilities of Function Hall, Offices, Meeting Rooms and Club Facilities. It was even mooted to incorporate the first Ukrainian Restaurant in Melbourne which would incorporate the current kitchen facilities.
- c. At the 2015 AGM, a “respected” member of the new Building Committee reiterated that this was still the intent. The broader community still, to this day, believe that this is the intent.
- d. When the 10 storey plan was approved, Stefan Romaniw was even quoted in the Herald-Sun saying that with this development:

“Russell Street would become to the Ukrainians, what Victoria Street is to the Vietnamese or Lonsdale Streets is to the Greeks”.

- e. **HOWEVER**, I have received information from 6 “respected and reliable” sources, which strongly indicate that the Ukrainian Hall, 3 – 11 Russell Street, Essendon will be sold and the:

[new Ukrainian Community Centre relocated on Ukrainian Catholic Church property in North Melbourne.](#)

- f. **Everyone who advised me said: “Don’t tell anyone I told you”**

If this is true, I have never seen such devious, deliberate and underhanded conspiracy in the whole of my life. It was quite obvious this planning was done in SECRET to ensure a Done Deal.

[They talk about Corruption in Ukraine – here it is on our door step in a Democratic country.](#)

- g. I am also advised that the building plans for this relocation are well advanced.
- h. In a recent “СВІЙ ДО СВОГО Newsletter” I called on the President to clarify the AUV’s intention to move the Ukrainian Community Centre to the Ukrainian Greek Catholic Church North Melbourne property, as a matter of URGENCY.

***We have received no such clarification or denial.***

- i. Members of the Community who I have spoken to, in the last few days, since this became BREAKING NEWS, have categorically stated that this is a move, by a select self-interest group within the Community, are wilfully and deliberately making this deleterious decision on behalf of the whole Community without Consultation and total disregard for the broader community that WILL disadvantage Regional Members across Victoria, other Religious Groups, other interest groups, the New Ukrainian Arrivals and the General Ukrainian Community.

## 2. Disgraceful Performance at 2016 Malanka

In a Text Message dated 16/1/2016 07:15 am, I sent the following message to Stefan Romaniw, Vice President of the Association of Ukrainians in Victoria regarding Michael Moravski's disgraceful performance at the 2016 Malanka in Essendon:

*"Hello Stefan. Yesterday's performance by Michael Moravski was to say the least disgraceful. Over the last couple of years I have assessed him as being incompetent to lead our Victorian community. Last night's disgraceful performance cemented in my mind that he is not worthy of leading our community. This was confirmed by the many people who left early. I don't know if you noticed, third of the people who left before 11 pm."*

To which Stefan Romaniw replied on 16/01/2016 07:35 am:

*"Good morning - Was disappointing. I intend to raise it with him. ....  
.....Want to have a chat to you about this when you have time"*

*As stated above, at the 2016 Essendon Malanka, Michael Moravski's address to the audience was a total disgrace and an embarrassment to our community. The invited guests, who were on my table, were clearly embarrassed and the Ukrainians on our table were feeling very awkward. Guests on our adjoining table left in disgust saying they will NEVER return while Michael Moravski is President.*

## 3. Unspeakable Incident Allegations

The "straw that broke the camel's back" was; an AUV member stated to me in writing;

*"My kids have come home from the hall on many occasions telling of (name withheld) state and being embarrassed"*

I will not detail these allegation in this Newsletter. However, I have provided the President and Vice President with details of these allegations. I have been led to believe that the Audit Committee have also been provided with details of my allegations.

*I believe that the President and Vice President and certain members of the Board are more than aware of similar long standing incidents. To date I have not seen any action to address this most serious matter.*

## 4. Uncomfortably Close to Bankruptcy

In recent years the financial position of the AUV has been questionable. I refer to the [СВІЙ ДО СВОГО Newsletter date 12 April 2016, page 3](#) which quotes:

*If we "Do nothing. This would led to bankruptcy within a year"*

This indicates that AUV was so close to bankruptcy that it's horrifying to think of. This clearly indicated the total underperformance of the AUV President, Michael Moravski and his Board Members and the Audit Committee.

It is my opinion that, if Mr. Victor Rudewych did not loan a substantial amount to AUV, the bank would have foreclosed on them, leaving the Community in a precariously desperate position. It would have been highly likely that the bank, would have sold one of the other Hromada Branch properties to recoup their funds.

*Given that I believe that the President of the AUV, Michael Moravski is a qualified Accountant, the Community had an expectation that the Community's financial position would be reasonably secure.*

*As the "buck stops with the leadership", I hold the President personally responsible for the very poor financial position the AUV finds itself in.*

## 5. Possible Loss of up to \$3.5 million

Michael Moravski, President of AUV, failed to take professional advice as it related to the Valuation of the properties 13 – 21 Russell Street, Essendon. He was well aware that copies of the Valuations were required by me, a member of the Building Committee, and yet made NO effort to obtain them for me. This is a case of failure to disclose vital information in the Building Committees decision making.

In effect, the land valuation value that was adopted, for negotiation purposes with the Developer, was \$3,000,000 despite my professional opinion recommended between \$5 – 6,000,000.

In fact, the recent professional Valuations show the value of these sites is \$6,560,000 - this is very close to my professional recommendations.

*I believe, the Ukrainian Community has been short-changed by the negligent failure of the President to accept professional advice and failure to disclose vital information.*

*As a qualified Accountant, Michael Moravski, the President of AUV should have been more than well aware of these basic principles; to take the advice of a properly qualified professional persons to value property assets.*

*As the President, Michael Moravski failed to abide by basic professional principles, as such: I believe, the Ukrainian Community has been disadvantaged up to \$3,500,000.*

## 6. Further Possible Loss of up to \$3.5 million

The President, Michael Moravski, accepted the recommendation of the new Building Committee and signed up a new Developer for the six (6) storey development. Subsequently, through VCAT the developer received approval for a ten (10) storey development.

*I find it absolutely extraordinary, that the President, Michael Moravski accepted that the original negotiations for the benefits to the AUV community were based on a 6 storey development and **YET** when the Developer received approval for a 10 storey development, there was no pro-rata benefit extended to the AUV.*

*Conventional commercial principle and wisdom dictate that there should have been up to 40% increase of benefit to the AUV.*

*I am advised by a “respected” member of the new Building Committee that no increase in benefits would be negotiated.*

*The President, Michael Moravski, being a qualified Accountant, did not insist that the contract be re-negotiated with pro-rata benefits.*

*In effect this further deprived the community of several million dollars; possibly in the order of another \$3,500,000 in benefits from a 40% increase in project scope.*

## 7. Property Valuations

The 2015 AUV Audited Statement, for the first time, brought into account the values of AUV Property Assets state wide to \$14,366,422; whereas in my professional opinion, this valuation should be in the order of \$18,000,000 as per [СВІЙ ДО СВОГО Newsletter date 28 March 2016, page 6](#). My recommended valuation of \$18,000,000 was later confirmed by AUV new professional Valuations of \$18,440,000.

Members attending the 2013 AGM, will recall Buddy Rojek, being ridiculed for his attempts to have AUV bring their property assets into accounts. It took Buddy Rojek several complaints to government authorities to ensure AUV comply with bringing to account these property assets.

I congratulate Buddy Rojek for bringing this to the Community's attention.

*It is my belief that the President, Michael Moravski, a qualified Accountant and the Board knew full well of this requirement and as such, I believe they deliberately withheld this information from the Community in their annual financial statements.*

## 8. Failure to abide by Conventional Committee Meeting rules

My suspension from the Building Committee, speaks volumes, as to the casual attitude of Michael Moravski, President of AUV for allowing the Chairman to act as he did. Michael Moravski, knowing full well that the Chairman had no authority to suspend anyone on the Building Committee. Refer to [СВІЙ ДО СВОГО Newsletter date 12 April 2016](#).

*Michael Moravski should have used his authority as President to intervene and ensure that the Building Committee Chairman acted democratically instead of dictatorially.*

## 9. Allowing Committee Members to act unilaterally

Michael Moravski, President of AUV, knowing full well that Miroslav (Ross) Merunovich together with another person acted unilaterally, without the committee's approval or even consultation, allowed them to break all Committee Rules. This is quite evident with Victor Rudewych's response as per [СВІЙ ДО СВОГО Newsletter date 12 April 2016, page 7](#) which quotes:

*"Victor Rudewych, Member of the AUV Board, upon witnessing the unilateral and unauthorised action of the Chairman, Miroslav (Ross) Merunovich, he (in my personal opinion which others can verify or otherwise) went into a prolonged statement and in no uncertain terms criticized and chastised him for this selfish unilateral actions without reference to or consultation with the committee."*

*Michael Moravski as President of the AUV, should have intervened knowing that Miroslav (Ross) Merunovich was acting outside the normal terms of reference for the Building Committee.*

## 10. Failure to fulfil an AGM Motion to hold enquiry

As detailed in the [СВІЙ ДО СВОГО Newsletter date 12 April 2016, page 6](#). A motion was passed by the membership at the 2013 AGM that Michael Karaszkewycz suspension from the Building Committee be heard by a Commission of Enquiry.

It was my clear understanding that the Commission of Enquiry was to be held within two weeks. No such Commission of Enquiry took place.

Despite my numerous email messages and telephone calls to the President, Michael Moravski, no action was ever taken.

To this day the AUV President, Michael Moravski, the Board and the Audit Committee have not acted in accordance with the AGM Motion and to this day I am still not aware of the “so called” charges against me. Total silence.

**Michael Moravski, President of AUV and the whole Board including the Audit Committee clearly considers themselves not answerable to the membership and they had no intention of carrying out the wishes of the AGM.**

## 11. Failed to uphold basic AGM Notification and Voting principles

AGM procedures, in particular advising Members and the Community of the forthcoming meeting; in particular as detailed below and as advised in [СВІЙ ДО СВОГО Newsletter date 6 April 2016, page 8](#) :

### Annual General Meetings

I particularly refer to:

- A. Notice of Annual General Meeting should be posted to each member and is to include and not limited to:
  - i. A list of the retiring Directors and stating that they have the right to re-nominate.
  - ii. Nomination Form are to be included with an appropriate closing date,
  - iii. The Chairman's report,
  - iv. The Agenda,
  - v. Any other relevant document and
  - vi. Full financial statement.
- B. Nominees for each of the positions should be listed on ballot paper in alphabetical order.
- C. Voting should be by “Secret Ballot”.
- D. The only proxy voting permitted, is that of a member's spouse.
- E. The organisations Public Officer should be the Electoral Officer.
- F. Each nominees has the right to appoint one scrutineers to scrutinise over the vote count.

**The President, Michael Moravski and the Board, including the Audit Committee have failed to implement these basic democratic AGM principles and as such, the accusation can be made that these positions are filled by selected nominees from specific interest groups.**

## 12. Failed to rectify the Constitution which discriminates against the community

The President, Michael Moravski and the Board have failed to rectify the Constitution knowing full well that it is discriminatory against the vast majority of members in the community as stated clearly in a recent [“СВІЙ ДО СВОГО Newsletter”](#).

## 13. Failed to rectify “Bullying” tactics at meetings

*The President, Michael Moravski*, failed to control “bullying” tactics at Board and Committee meetings, as evidenced on the Building Committee and advised to the Board.

## 14. Failure to Communicate with the Membership and the Community

The President, Michael Moravski failed:

- a. to communicate with the membership and the community on activities, current issues and important issue affecting the community.
- b. to respond to simple emails.
- c. to return telephone calls.

Michael Moravski’s policy seems to be “Silence” and “Don’t add oxygen to the fire” – hence his silence – “if I ignore the issue it will eventually go away” or perhaps, as some members have said, maintaining a “Secret Society”.

## 15. During term of Office has not achieve anything of substance

During his lengthy term of office, I am unable to recall any achievements that can be attributed to the President, Michael Moravski and his Boards.

## What’s Reasonable to conclude in view of the above

(Continued page 8 & 9)

## What's Reasonable to conclude in view of the above.

### 1. Secret Plan to move the Ukrainian Community Centre

Given that The Vice President Stefan Romaniw stated in The Herald Sun:

When the 10 storey plan was approved Stefan Romaniw was even quoted in the Herald-Sun saying that with this development:

- "Russell Street would become to the Ukrainians what Victoria Street is to the Vietnamese or Lonsdale St is to the Greeks."

Given that the President, Michael Moravski in a Public Release stated:

"The primary rationale for the redevelopment is to maximise the value of the real estate and to create an income-generating model, the proceeds of which will be used to fund the future activities of the Association for its members, as well as for the betterment of the Ukrainian community in Victoria as a whole."

Given that a Joint Meeting of the AUV Board and Building Committee it was stated:

During joint AUV Board and Building Committee discussions, the President, Michael Moravski, strongly stated outlining compelling reasons that the presence of the Ukrainian Community Centre for Victoria, should remain at Russell Street, Essendon. There was the unanimous consensus at the meeting.

Stage 2 of the redevelopment, The Ukrainian Hall, the Joint AUV Board and Building Committee agreed should incorporate the Ukrainian Community Centre with identical facilities of Function Hall, Offices, Meeting Rooms and Club Facilities. It was even mooted to incorporate the first Ukrainian Restaurant in Melbourne which would incorporate the current kitchen facilities

Why is it that there are secret plans to move the Ukrainian Community Centre from its 60 year location, to Ukrainian Greek Catholic Church property - property that may possibly be leased from the church and eventually become church property after the expiry of the lease.

It is crystal clear that relocation to the Ukrainian Greek Catholic Church property WILL disadvantage every other specific interest group in the greater Ukrainian Community.

If the information regarding the relocation of the Ukrainian Community Centre is correct, I believe that, I have no reservation in saying the President, Michael Moravski, and the Board, the Audit Committee and the Building Committee and others have:

- mised and deceived the entire Ukrainian Community in Victoria.

## 2. Ukrainian Community Financial Disadvantage

- a) It is clear from annual financial statements that the AUV have mismanaged their finances over recent years which has led to a state of near Bankruptcy by the end of 2014, only to be saved by a Victor Rudewych and his generous contribution.
- b) It is also my understanding that the Association of Ukrainians of Victoria have also borrowed substantial funds from the Australian Federation of Ukrainian Organisations.
- c) It is clear that the AUV have mismanaged their funds over the years as well have mismanaged Stage 1 of the Russell Street, Essendon redevelopment project by not accepting professional advice, which would have enhanced the Ukrainian Community with combined values of up to \$7,000,000. This could be a case of the Directors breaching their fiduciary duties.
- d) It is clear that the AUV withheld vital property financial information from the Building Community and only presented it when they were compelled by ASIC to incorporate property valuations in their annual financial statements.
- e) **Ultimately, with the President, Michael Moravski, being a qualified Accountant, the Community had an expectation of transparency which they never enjoyed. Michael Moravski is ultimately responsible for the scale of financial demise of our Ukrainian Community.**

*ASIC Commissioner, Greg Tanzer, make it quite clear that the:*

*“Directors bear the ultimate responsibility in company affairs and will be held to account if anything goes wrong”*

*“Directors have the responsibility to improve their specific knowledge of issues on hand and cannot rely on information provided by committees or others as defence for their decisions and actions”*

## 3. Mismanagement of Corporate Governance

It is quite clear that the President, Michael Moravski, the entire Board and the Audit Commission were well out of their depth, as they allowed persons to do as they wished without due regard for proper Corporate Governance procedures of fairness, consideration for others and abiding by anti-discriminatory practices all as evidenced and detailed above.

***The above comment by the ASIC Commissioner Greg Tanzer equally applies here.***

## 4. Disgraceful Performance and Unspeakable Incident Allegations

I reiterate these two points as stated I points 2 and 3, page 3 of this newsletter.

Michael Moravski, as President bears ultimate responsibility for the good name of the Ukrainian Community and as such should carry out his responsibilities in a truly professional manner in public and private at all times, irrespective of the surrounding conditions and environment.

**I firmly believe, that Michael Moravski’s performance at the Essendon Malanka was absolutely disgraceful without due regard for the reputation of our Ukrainian Community.**

**Given the allegations made in this Newsletter,  
the President of AUV, Michael Moravski  
should immediately resign as President and  
from all activities associated with the AUV.**

Michael Karaszekwycz

Member of AUV Central, Member Sunshine Hromada, Member St. Albans Hromada

Editor, Ukrainian International Directory

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**СВІЙ ДО СВОГО**  
**Ukrainian International Directory**

Ukrainian Issues

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