Question and Answer

Unknown Analyst

[indiscernible] My question is with regards the options that are through and being paid in 2013 at approximately at $4. It looks that you're probably not going to need that money. But I know last time there was a restructuring of the previous one. So can we look at that do you think?

Marko Bogoievski
CEO & Director

So I think realistically, we've got the same conclusion. I mean, these are $4 plus stock prices, so we're an optimistic organization, but probably realistic at the same time. We chose the restructuring we have in the previous launch because I think they were very much closer to being an operating at the stock price. And I think that was just a practical approach to the ones at that time. So no plans at the moment to deal with WCs. Tim, you want to add anything?

Tim Brown
Chair of Wellington Airport

I think the last time was a bit exceptional. At this time, you would expect a more regular approach.

Marko Bogoievski
CEO & Director

Any more questions in the room? I might go to the phone and to see if there are any questions are there for us, please.

Operator

The first question comes from Matt Henry of Goldman Sachs.

Matthew Allan Henry
Goldman Sachs JBWere Pty Ltd, Research Division

Marko, I just have a few questions, if I may. Firstly, on the buyback, there was a flowery of activity a month or so ago and has been quiet since. Are you able to sort of comment on what the policy on the buyback will be looking forward? Second question was when you look at the Australian Energy business, I guess, there's been another period with there pretty minimal growth in customers. I just wonder, if you could give us some thoughts on whether you think that, that business can grow in the future, given the competitive environment that we're seeing through the NIM. And I guess you talked about consolidation opportunities. What would lead you, I guess, to change your view on the longevity of that business as currently structured? And I guess the third question was just on New Zealand Bus. With the current increase we saw on the current half, will it sustain going forward? And whether you expect any more as to the growth both from those internal initiatives and also the CapEx that you're spending?

Marko Bogoievski
CEO & Director

All right. Thanks, Matt, for those question. If I've gotten them right, let's just start with the buyback point. I think it is actually -- I'm glad you're right, but I'm not sure I'd call it a flowery of activity. We bought 7.5 million shares. And if you look at the history of Infratil, it's always been an active part of our capital management program. So we see obviously value in our shares at this sorts of prices at $1.80. You saw the manager Marsden called by one of the recently significant partial of shares in the period that we're talking about. So -- and you also saw a large U.S. institutional investor turn up that sort of $1.80, $1.85 type level. So there's I think quite a lot of investors and ourselves who have concluded that the stock represents value. And actually, right at this very minute, I think very, very difficult to come up with competing investments that look better than buying back our own stock. So you should expect more of that activity going forward. But this is sort of a long game -- isn't it, Matt -- where you don't need to rush out. There's not a particularly liquid stock. We know obviously there are other investors that are interest in accumulating. So we're quite happy to be patient in the approach, but very, very clear at that these levels we'll take really quite significant amounts of stock given, what we understand today about the alternative options for investment. Now having said that, I think one thing I'd ask you to keep in mind, I mean, part of Infratil's investment for us is, that we have an ability to invest through different market cycles. So regardless of what's happening in private market assets or listed market stocks or the availability of debt or what's happening in certain geographies, we think we can actually progress capital and get capital away above average returns in a number of different cycles. Just like we have this quarter with $107 million of greenfield-type investments. So that's part of our approach to getting access returns in aggregate, is keeping more than one thing going. So even though buybacks look very attractive, we'll still be running some of these other programs, and we don't they're mutually exclusive necessarily. But I think in total, buyback, we are keen to progress going forward. I think the second question, Matt, was around the Australian Energy business. As you mentioned, I think we have 1% customer growth between March and September, and we're not satisfied with that sort of performance, they're particularly no good. At the same time though, we've made some realistic assessments on the capability of that business to sustain aggressive acquisition programs. So we've chosen really to make systems investments and to build our platform that's actually capable of ingesting a lot more customers through multiple channels. I think that would be one of Dean Carol's probably main focus points coming into the organization. I think we are quite well poised for New South Wales, but we're going to see a lot of activity in that market. And we've seen I think other players like APG actually acquired a lot of customers in the period. You could obviously ask them about the way they're assessing the relative value of those customers. I think it's perfectly plausible that you can ramp up organic growth rates in Australia going forward and find valuable customers. I think consolidation opportunities, I think you asked what would lead after change, I mean, effectively, I assume you mean at the moment, we're effectively making the whole decision, we're investing in that business and targeting organic growth. Clearly, though, there's still an arbitrage between organic acquisition and multiples that can be achieved in transaction and consolidation environment. So what would cause us to change is if a big offer turned up at the right price, we'd have to consider that obviously. But really Plan A is for us to grow organically in that market, continue to take advantage of the relative I think the relative value of buying customers through acquisition channels, and we think running a really tight integrated business. It's much more valuable in an integrated business with some sort of incumbency. And I believe if you look at our generation assets, Matt, I mean, they're poised, they're peaking market, which takes advantage of future expected volatility. And we have no exposure rate of base load generation, which I think is probably a weak spot in the Australian seeing what's happening with carbon pricing. So I think a lot -- we may get difficult choices presented to us, but we've got a clear plan in the interim. If you can get the mic to Simon, perhaps you can talk, Simon, to that question, which is really I think is improvement we've seen in the New Zealand Bus, if it's sustainable.

Simon Draper
Former Member of the Management of Morrison & Co Infrastructure Management Limited

We think the -- well, we know the business is in good shape after the last few years of away from the team. Our expectation moving forward is that the growth we've seen in patronage year-to-date will continue through 2012, 2013 and onwards, obviously putting to one side the blip, which was the Rugby World Cup. We're still seeing steady growth in the business. Then in our operating strategy, and that's in really good shape in terms of the program. There's -- there were 10 initiatives that we have under way, which we believe will further unlock and improve the performance of the organization through the coming years. So overall, we're in good shape moving forward.

Operator

The next question comes from Rob Bode of First New Zealand Capital.

Robert Bode
Jarden Limited, Research Division

Marko, perhaps this questions are really for Michael on Z Energy. Mike, you commented on -- I think your presentation talked about diesel and petrol being kind of 70% of your volumes. It's been noticeable in terms of the MED information that they released, that diesel margins have been widening quite nicely more so than petrol. Can you just give us an idea in terms of what your retail, what you're experiencing? Is that a margin opportunity that you are experiencing? Or are those kind of a little bit of those margins? And also, the growth that you're achieving in volume is, I presume, more that's a commercial rather than at the retail area? Secondly, on Z Energy, in relation to your strategy for Z, your Z refining side, I think you alluded to at the presentation earlier this year that you could add more, you could hold or you can sell down, what your current thinking is on that position?

Michael John Bennetts
Chief Executive Officer of Z Energy

Sure. I think looking at the MED margins, as I report them each weak are useful, I'd say they're indicative rather than exact. What they don't take into account -- or what do they take into account, rather, is they have a fixed view on shipping costs. And we know that shipping costs move from time to time. And they don't necessary allow for the fluctuations in those refinery margin, which of course is what shows up in our results, we're exposed to that. Whereas when you look at just the purely imported margin that's just a price that you pay and the refiner gets to see whether that's good or bad them sort of start. It also doesn't take into account how the discounts that operate in the market that are taking place. And clearly, a lot of those discounts take place in commercial markets. So though you may see a headline number that's going up, it doesn't necessarily reflect the competitive intensity that sometimes gets expressed through pricing from time to time. And also things like FlyBuys. So in terms of the way that we account for things, the cost of for us running the FlyBuys program also gets reflected in our gross margin rather than contained as an operating cost. And the other point that I'd note is it only talks the petrol and diesel, so that's only 70% of our products. So it's clearly that the diesel margin has widened over time. I should say the costs of actually delivering that diesel to our customer has gone up, and you can see that in our operating costs and part of our commitment to ensuring that our customers get supply. And in terms of how we see growth versus commercial versus retail, a simple way of looking at it is, petrol is quite a good proxy for what's happening in the retail markets. And diesel's a good indicator what's happening in the commercial markets so if you, and Robert, can go back to that first slide, I just sort of show you how we're performing relative to one another. So sort of -- we're beating the competition on the petrol side of things, which are like the retail side of things by about 2.5% to 3%. And on the commercial markets, we're beating the competition by about 6%. And we haven't changed our minds than where we were before. We said we could hold, we could reduce so we could grow further in terms of our equity position. That was all about what do we believe the future will look like. We haven't seen anything that changes our mind on what the future would look like or what the future is no more certain than it was when we made that decision. So at this stage, we still maintain the hold, but with the option of going up or down depending on how we saw the future playing out. And there are some signals we expect to see in the next 12 to 18 months that will give us a clearer indication of what our position would be on our equity holding.

Operator

I would like to advise there are no further telephone questions at this time.

Marko Bogoievski
CEO & Director
Well, thank you, operator. And thank you for the people in this room and the investors listening in on this call. This presentation is being webcast and recorded. So if you want to review it in your own time, please, that would be a good idea I think. And that we appreciate the interest. Thank you.