Australia has rejected the need for compulsory conciliation over a maritime boundary dispute that East Timor argues is robbing it of much-needed oil and gas revenue.

East Timor has initiated proceedings under the United Nations Convention on the Law of the Sea that requires the parties to argue their case before an independent panel of experts.

Resources Minister Josh Frydenberg defended Australia's position, telling ABC radio on Tuesday: "We're not about to enter into these further discussions because we believe we've got the balance right".