Maori tradition recognises three waves of ancient settlement on Banks Peninsula. The most distant wave, "Te Tai Pamaomao" was that of Waitaha who called Banks Peninsula A te Whata o Rakaihautu (The storage place of Rakaihautu). Rakaihautu was the ancestor of the Waitaha traditions and captain of the Uruao canoe.

The next and longest wave, ‘Te Tai Roa’ was that of the settlement of Ngati Mamoe (the descendants of Hotu Mamoe) who occupied and dominated the southern isle for a lengthy period.

Ngai Tahu settlement came with the most recent wave, ‘Te Tai Nui’ which in recent times has shaped the relationship of Maori with ancestral land, water bodies, waahi tapu (sacred sites) and other taonga. Included among Banks Peninsula’s Ngai Tahu leaders remembered for their authority and influence were Tutekawa, Moki, Te Maiharanui, Te Rangi Whakaputa, Huikai, Mako, Te Ruahihikihi, Tikao, Tairaoa and Karetai. Virtually every bay on the Peninsula had its settlement and trading and cultural links were maintained with other Maori settlements throughout the South Island including Kaiapoi, Temuka, Otakou and Kaikoura.

Ngai Tahu settlement differed from that of earlier waves and has been described as a "classic" pre-European Maori culture characterised by fortified pa, greenstone working, woodcarving and kumara growing.

In the early 1800s the Ngai Tahu population of the Peninsula was severely reduced by civil war, raids by Ngati Toa from Kapiti Island and European diseases introduced by sealers and whalers. The census of 1848-1849 estimated that the Maori population of the Peninsula was only 300.

Initial European contact occurred around the same time, when Maori living on Banks Peninsula were confronted by the French and English explorers who wished to claim dominion over lands that Maori had occupied and travelled.

Though Captain Cook sighted Banks Peninsula as early as 1770, the first Europeans known to have landed were Captain Grono and his crew from the sealing ship Governor Bligh, at Akaroa in 1815-16. Other sealers and flax traders followed, but the most significant contact between Maori and European began with the whalers. From 1836 American, French, English and Australian whaling ships used the bays of the Peninsula for bay whaling and for shore whaling stations.

Ngai Tahu bartered water, firewood, pork and potatoes for blankets, biscuits, firearms and alcohol, especially at Onuku, Port Levy and Port Cooper (now Lyttelton Harbour). Many whalers married Maori women and chose to stay in the colony. Numbers of Maori men worked at the shore whaling stations and aboard the whaling ships.

The "purchase" of a large tract of Banks Peninsula by a French Whaler, Captain Jean Langlois of the Cachalot, led to the founding of the Nanto-Bordelaise Company and the French and German settlement at Akaroa in August 1840. It was the first French colony in the Pacific. Akaroa swiftly attracted numbers of
British settlers as well, some of whom had been living in whaling communities on the Peninsula since 1836-37.

The signing of the Treaty of Waitangi, before the French settlers had even left home, frustrated French hopes to eventually take possession of the whole of the South Island. The French at Akaroa soon learned to accept British jurisdiction. Akaroa has its place in history as the first planned township in the South Island, with the South Island's first post office, police force, magistrate and customs house.

In late 1850, after a great deal of preliminary exploration, survey work and land acquisition, the Canterbury Association settlement began. Lyttelton and Christchurch soon overtook Akaroa as the principal townships in the province. Lyttelton's initial function was as a port facility to provide the immigrants with accommodation and facilities and orientated them to life in Canterbury before they moved over the Port Hills to settle on the Plains.

The Peninsula's European settler population grew as large areas of land had been purchased (or otherwise acquired) from Maori by the Crown and other agents. Many Maori consider that those land transactions were not properly conducted in accordance with the principles set down in the Treaty of Waitangi. Appendix I of the Plan sets out the text of Maori and English versions of the Treaty. The difficulties which have resulted from the manner in which much land was originally acquired from Maori are only now being addressed through the deliberations of the Waitangi Tribunal.

Licences were also granted for the felling of timber. Prior to the arrival of Europeans an estimated one-third of indigenous forest had disappeared and between 1850 and 1890, much of the prime timber was removed from the Peninsula. The cut over forest was subsequently burnt off and the land sown in grass. By 1900, almost all of the ancient forest was gone.

Following clearance of the indigenous forest, farming quickly became established as the principal economic activity of the District. Up until the 1940s, dairy farming and the growing of cocksfoot as a seed crop were dominant. However, in the last thirty-five years, sheep and beef production have formed the basis of the rural economy. More recently, the rural economy has diversified with woodlot forestry and various forms of horticulture increasing as alternatives to conventional pastoral farming.

The various settlements of the District grew to service the farming hinterland and the other industries, such as fishing and forestry, which had become established on the Peninsula.

Settlement of Banks Peninsula continues to grow steadily as roads improve and communications infrastructure becomes more sophisticated. While Lyttelton is still dominated by the activities of the port, increasing numbers of residents commute to work in Christchurch. Similarly, other settlements around the harbour have grown as commuting into Christchurch from the Peninsula has become more practical. Banks Peninsula has developed as a popular holiday area with a high portion of absentee owners.